

**CHICAGO PARK DISTRICT
CHICAGO, ILLINOIS**

Comprehensive Annual Financial Report
For the year ended December 31, 2007



Steve Hughes, Chief Financial Officer
Constance M. Kravitz, CPA, Comptroller



chicago park district

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Board of Commissioners

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President

Bob Pickens
Vice President

Dr. Margaret T. Burroughs
M. Laird Koldyke
Reverend Daniel Matos-Real
Rouhy J. Shalabi

General Superintendent & CEO

Timothy J. Mitchell

City of Chicago
Richard M. Daley
Mayor

July 23, 2008

To the Citizens of Chicago and the Financial Community:

As Superintendent and CEO of the Chicago Park District (Park District), I am proud to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year 2008.

As a measure of the Park District's financial health, the CAFR indicates a steadily improving picture as we continue to impose financial and managerial discipline on all aspects of the Park District's operations.

The history of Chicago parks dates back to the early 1800s. In fact, the earliest city park, Dearborn Park (located on the land currently occupied by the Chicago Cultural Center) was developed in 1839, laying the groundwork for what would be one of the largest, most impressive park systems in the nation.

Over the years, Chicago parks have developed a history of welcoming the world to our great city. In 1893, we hosted the World's Columbian Exposition in what is now Jackson Park and then in 1933 and 1934, hosted the second World's Fair, "A Century of Progress" in Burnham Park.

Even then, Burnham, Olmstead, and other pioneering planners understood and believed in the importance of parks and open space to quality of life. That understanding and belief are as significant today as nearly 100 years ago.

As Superintendent and CEO, I carry the responsibility and great privilege of ensuring that each of the 77 communities across the city is equipped with recreational facilities that enhance the quality of life for its residents.

To achieve this goal, the Park District's efforts are guided by four core values: open, active, green, connected. We will continue to work to eliminate architectural barriers and enhance programs to include all participants regardless of age, physical, or cognitive ability. In addition, we will enhance existing opportunities that encourage families to get active and adopt healthy lifestyles.

As environmental stewards of our great city, we will continue to implement eco-friendly practices into the Park District's operations. In addition, we will provide opportunities in the parks for residents to learn how they can help. Finally, we will connect with park advisory councils, elected officials, and corporations committed to improving our parks. It is through these partnerships that the Park District and communities across the city are able to celebrate the many improvements in our parks.

Thank you for your interest in the Chicago Park District's Comprehensive Annual Financial Report.

Sincerely,

Timothy J. Mitchell
General Superintendent & CEO
Chicago Park District



**2007 COMPREHENSIVE ANNUAL FINANCIAL REPORT
CHICAGO PARK DISTRICT**

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Part I

INTRODUCTORY SECTION

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General Superintendent & CEO

Timothy J. Mitchell

City of Chicago
Richard M. Daley
Mayor

To the Honorable Mayor Richard M. Daley, General Superintendent & CEO Timothy J. Mitchell, Members of the Board of Commissioners, and Citizens of the City of Chicago:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Chicago Park District (District) for the year ended December 31, 2007. State of Illinois (State) Law specifies that the District prepares and prints a complete and detailed report and financial statement of the District's operations and of the District's assets and liabilities as soon as the end of each fiscal year as may be expedient. Additionally, a reasonable sufficient number of copies of such report shall be delivered to the appropriate committee of the Chicago City Council. This report is published to fulfill that requirement for the fiscal year ended December 31, 2007.

A further requirement of the District, as per ordinance known as the "Code of the Chicago Park District" (Code), is the necessity to prepare an annual statement giving a full and detailed accounting of all receipts and expenditures during the preceding fiscal year. Such statements shall also detail the liabilities and resources of the District, and all other things necessary to exhibit its true financial condition. Said annual statement shall be accompanied by the certificate of a certified public accountant not connected with the District and who has been appointed by the Board of Commissioners (Board). Such accountant shall certify that the statements contained in the Comptroller's report are the true reflections of the books of his/her office, which books have been correctly kept. Upon completion, it shall be transmitted to the Board at the annual meeting.

In addition to meeting the requirements set forth in the Code, additional audit and compliance requirements are necessary as described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments*.

Additionally, the Government Account Audit Act, the Illinois Municipal Audit Law, and the County Audit Law require local governments to submit a report, including financial statements, compiled in accordance with generally accepted accounting principles (GAAP) and a corresponding auditors' report on the financial statements. Audits are required to be performed by a licensed public accountant and submitted to the State's Office of the Comptroller on an annual basis. These financial statements are required to be audited annually in accordance with generally accepted auditing standards (GAAS).

KPMG LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended December 31, 2007. The audit was conducted as a subcontractor arrangement between KPMG LLP and a Chicago-based minority- and women-owned certified public accounting firm. The independent auditors' report is located at the front of the financial section of this report.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this



comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

This CAFR is also intended to meet the purpose of providing Continuing Disclosure requirements as set forth in each Official Statement, for the benefit of beneficial owners of the District Bonds subject to disclosure, and in order to assist the participating Underwriters in complying with the requirements of Rule 15c2-12 of the Securities and Exchange Act of 1934, through submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditors' report.

Profile of the Government

History - In 1934, the Illinois legislature by way of the Park Consolidation Act, consolidated 22 separate park districts in the City of Chicago to officially create the District, as it is presently constituted. The consolidation into one municipal agency was intended to solve the numerous financial, management, and infrastructure problems of the previously separate districts. The original goals and objectives of the District included a strong fiscal policy, a unified tax levy, and the power to issue District bonds for development and improvement, and solicitation of federal assistance from the Public Works Administration.

Today - The District owns 7,590 acres of green space on which rest over 570 parks, 263 field houses, and 26 miles of pristine lakefront with 31 beaches, making it the largest municipal park manager in the nation. Included on District property are 10 museums, 2 world-class conservatories, 16 historic lagoons, and 10 bird and wildlife gardens. From canoeing to batting cages, to arts and crafts, you can find it in our parks.

Since the creation of the District, our mission has expanded beyond strong fiscal management and infrastructure control to now include quality programming, well-managed facilities, and comfortable, safe recreation areas. Our mission is:

- Enhance the quality of life throughout Chicago by becoming a leading provider of recreation and leisure opportunities,
- Provide safe, inviting, and beautifully maintained parks and facilities, and
- Create a customer-focused and responsive park system.

The District integrates its mission into everyday activities by focusing on four core values. Our core values are:

- [Open (Accessibility)],
- [Active (Fitness)],
- [Green (Environmental stewardship)], and
- [Connected (Partnerships)].

Open - Accessibility is crucial. With more than 600,000 people with disabilities living in Chicago, we must work to eliminate architectural barriers that restrict participation in our parks. Our greatest challenge has been fitting historic parks with ramps, pool lifts, and elevators. To help facilitate this

movement, we allocate \$6 million annually to support capital projects that improve accessibility and programming for people with special needs. In addition, all of our new fieldhouses, playgrounds, pools, and other facilities are designed to meet or exceed the standards outlined by the Americans with Disabilities Act (ADA).

Active - Physical activity through recreation is the cornerstone of the District. Now more than ever, obesity, particularly among our children, is at an all-time high. To help combat this epidemic, we continue to build facilities and develop programs that encourage residents to adopt healthy lifestyles. To date, we have completed more than 41 elite fitness centers in parks across the City and renovated 200 miles of walking, running, and biking trails across the lakefront and in neighborhood parks.

Green - Although Chicago is a booming metropolis, we are very fortunate to have a park system that reflects the City's natural environment. As previously mentioned, Chicago parks boast more than 7,590 acres of greenspace, which includes 250,000 trees and 26 miles of beachfront. As stewards of these very treasured resources, we have implemented programs that celebrate our environment and responsible practices to preserve our parks for future generations.

Among our more recent initiatives are the design and installation of solar thermal panels at various parks to heat pools and other park features efficiently. We are retrofitting our service trucks to decrease the carbon release by 90%. In the past five years, the District has replaced 80% of its light duty vehicles with more environmentally efficient models, including 36 hybrid cars, 50 dual flex vehicles, and 200 additional cars that are the most fuel efficient in their class.

Last year, the District successfully spearheaded a campaign to save Lake Michigan from the potential threat of toxic refinery dumping. More than 75,000 signatures were collected by the District's petition drive and presented to the Indiana State legislators. Combined with other organization's efforts, our "Save Our Lake" campaign halted plans to increase dumping in Lake Michigan.

Connected - As we continue to weather a difficult financial climate, the cost of our capital and programming needs far exceed our budgetary means. In fact, the District has a list of capital needs and requests that amount to over \$2 billion. Despite this challenge, we must move forward with investing in our parks.

Government support has always been key to park development; however, some government partnerships have been more successful than others. A host of city council members have allocated millions from their menu money to support their local parks.

In addition to elected officials, we also have been very fortunate to work with partners made up of advisory councils, corporations, and organizations that understand the importance of parks and have committed their support to moving our parks forward.

Governance - The Mayor of the City of Chicago appoints the District's seven-member Board. The Board is the governing body of the District. The Board has three standing committees under which business is done: Administration, Programs and Recreation, and Capital Improvements. The Office of the Secretary serves as the coordinating staff to the Board.

Each year, the District prepares the budget document as a guide for implementing the goals of the District's strategic and operational plan. The process is a culmination of input from regional and

departmental management, and community members to help shape the District's goals and objectives.

In the summer, community hearings are held in the Regions to give the public the opportunity to provide input before the budget is released and presented to the Board. The State code requires that the budget recommendations be submitted to the Board before November 1. After providing at least seven days' notice, the Board will hold a public hearing. The Board will consider the budget and make any amendments deemed necessary. The Board must pass a budget not later than December 31.

Once the budget is passed, the Office of Budget and Management works with each Park, Region, and Department to manage the final appropriation. Any transfers necessary to adjust the budget and implement park programs can be made by the District, as long as the changes do not require transfers between account classes (common groupings of expenditures), and do not exceed the approved total appropriation. In either of those circumstances, budget changes must be brought back before the Board for approval. Additional information on the budgetary process can be found in note 2 of the basic financial statements.

Local Economy

According to participants in the Chicago Fed's annual Economic Outlook Symposium, the nation's economic growth in 2008 is forecasted to be roughly in line with the pace recorded over the past two years, with uncertainty over inflation moving lower and the unemployment rate edging higher. In a Federal Reserve press release dated April 30, 2008 as the Federal Open Market Committee decided to lower the federal funds rate 25 basis points to 2 percent, it stated that "recent information indicates that economic activity remains weak. Household and business spending has been subdued and labor markets have softened further. Financial Markets remain under considerable stress, and tight credit conditions and the deepening housing contraction are likely to weigh on economy growth over the next few quarters."

In 2007, Chicago jumped from 4th to 2nd on the Tradeshow Week "2007 Leading Cities" ranking which is based on the number of meetings or conventions booked. According to Adam Schaffer, *Tradeshow Week* publisher, "The 2007 list of top cities underscores that Chicago remains a top player in the global tradeshow market... Chicago has not only risen in the rankings, but continually adds shows. Show organizers know they need to be in cities that have an important drive-in base. But also is easy to fly to and is a quality destination. Chicago has all of that." In 2007, Chicago hosted 46.3 million domestic and overseas visitors, which is significant in that these visitors contributed nearly more than \$10.9 billion to Chicago's economy, as per the Chicago Convention and Tourism Bureau.

Chicago's real estate market, per the Chicago Association of Realtors, which overall has bucked the national trend of declining home prices has seen some variances from neighborhood to neighborhood. While nationwide the sales of new homes fell by 26 percent and median price drop of 1.8 percent in 2007, Chicago condo sales only fell 10.4 percent compared to 2006 while the median price increased 5.8 percent. Sales of single-family homes, which make up far less of the City's market, fell 24 percent, closer to the national average, however still managed a 0.5 percent rise in median price. Quoting the president of Chicago Association of Realtors, "Chicago is a very stable, resilient market."

Long-Term Financial Planning

Each year, under the direction of the General Superintendent, the District prepares an annual five-year capital plan, which is presented to the Board at a public board meeting. In October 2007, the District completed the Chicago Lakefront Harbor Plan, which includes discussion over the construction of two new harbors within the next few years at Navy Pier and 31st Street. Its management team also prepares a three-year operating budget outlook, which is used for long-term financial planning.

Lollapalooza - Proceeds from this three-year partnership resulted in the construction of universally accessible playgrounds at Columbus Park in the Austin community and Washington Park in the Washington Park community. Each playground is specifically designed and constructed to accommodate children and caregivers with physical disabilities. Both projects have helped the District in fulfilling its commitment to our core value of eliminating barriers that prevent people with disabilities and those without from enjoying the parks together. Last year's proceeds support the new, artificial turf soccer field in the McKinley Park community.

Parkways Foundation - Since 1994, Parkways Foundation, the District's philanthropic arm, has impacted neighborhood parks by raising private funds for capital projects and programs that enrich the lives of children and families. Their numerous projects include restoring and improving Humboldt and Independence Parks and the Children's Garden at the Garfield Park Conservatory.

Parkways has also managed the investment of Lollapalooza proceeds, which have also benefited the Park District Summer Day Camp Scholarship Fund, community garden initiatives, funding for the new Haas Park Playground, Ailey Camp, and much more.

Chicago Cubs - When the Thillens family announced that this historic little league stadium was to close after 67 years, the District was moved to step in and save this West Rogers Park gem.

Immediately, Alderman Bernard Stone committed \$1.5 million and the Chicago Cubs contributed \$500,000 of the \$3 million needed to renovate the facility. As a result, Thillens Stadium reopened in June of 2005 for its 68th season to continue its legacy of supporting little league baseball in Chicago.

Since their partnership began in 1991, the Chicago Cubs have also funded a wheelchair-accessible softball field at California Park and contributed more than \$3 million to support the District's Inner City Little League baseball, which attracts more 600 players, ages 9 to 15 each year.

Kraft Foods - Thanks to Kraft Foods; parents and children look forward to fun summer activities through the Kraft Kidsmobiles. These brightly decorated vans tour select parks twice a week for two-hour visits during summer months. The Kraft Kidsmobiles brings organized activities in the arts, nature, and fitness to playlots and parks. A summer reading program has also been incorporated to this offering.

ComEd - A sponsor of the District's "Green" initiatives, ComEd has contributed \$1.5 million to support a wide range of community-based and family-focused nature and science educational programs and restoration of several Chicago natural areas including the historic Jens Jensen Prairie River in Humboldt Park in the Humboldt Park/West Town communities.

In addition, ComEd realizes that educating and fostering an appreciation for our natural landscape is particularly important for City youth.

ComEd-sponsored programs include Nature Oasis, which offers opportunities for outdoor exploration, canoe trips, nature walks, and overnight camping in the parks.

They also support the Junior Earth Team, an environmental apprenticeship program for teens, and Outdoor Classroom, which encourages teachers to utilize the parks and nature areas to teach environmental science.

Each of these accomplishments would not have been possible without the involvement and contributions from our corporate partners.

DuSable Park/Spire - The construction of DuSable Park, which was announced in 1983 by Mayor Harold Washington, has been a long awaited project. Like many others, it has been stalled due to insufficient funding. As a result of an agreement between the District, the City of Chicago, and the developer of the new Spire project, we are able to realize a project that has been in the works for nearly 25 years.

With this agreement, the District will allow the developers to use the undeveloped DuSable Park land to stage equipment and materials during the building's construction. In turn, the developer will fully remediate and build DuSable Park, covering the \$9 million needed, in addition to funds previously earmarked by the District and the City for this project.

It is this type of innovation and collaboration that has helped build our city and keeps Chicago moving forward even when government funds alone cannot support our growth. Under the leadership of Mayor Richard M. Daley, Chicago is steps closer to realizing the incredible opportunity of hosting the 2016 Olympics, with a large percentage of the events slated to be held in the parks.

- Olympic arena at Washington Park will hosts opening and closing ceremonies and track and field events
- Aquatics center at Douglas Park
- Archery at Grant Park
- Tennis at Lincoln Park
- Field Hockey at Jackson Park
- Volleyball at Northerly Island
- Rowing at Chicago Harbors
- Soccer at Soldier Field

Chicago Children's Museum - As a final example we would like to discuss the new Chicago Children's Museum in Grant Park. This project will result in a new \$15 million fieldhouse to be built at Daley Bicentennial Plaza. The project, of which the Children's Museum and the District are co-sponsors, was approved by the Chicago Plan Commission on May 15, 2008 and Chicago City Council on June 11, 2008.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Chicago Park District for its CAFR for the fiscal year ended December 31, 2006. This was the first year that the Park District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the staff of the Comptroller's Office, the Treasurer's Office, and the Office of Budget and Management. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the General Superintendent & CEO, Timothy J. Mitchell, and Members of the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,

A handwritten signature in black ink that reads "Steve Hughes". The signature is written in a cursive style with a large, prominent "S" and "H".

Steve Hughes
Chief Financial Officer

A handwritten signature in black ink that reads "Constance M. Kravitz, CPA". The signature is written in a cursive style with a large, prominent "C" and "K".

Constance M. Kravitz, CPA
Comptroller

July 23, 2008

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chicago Park District
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



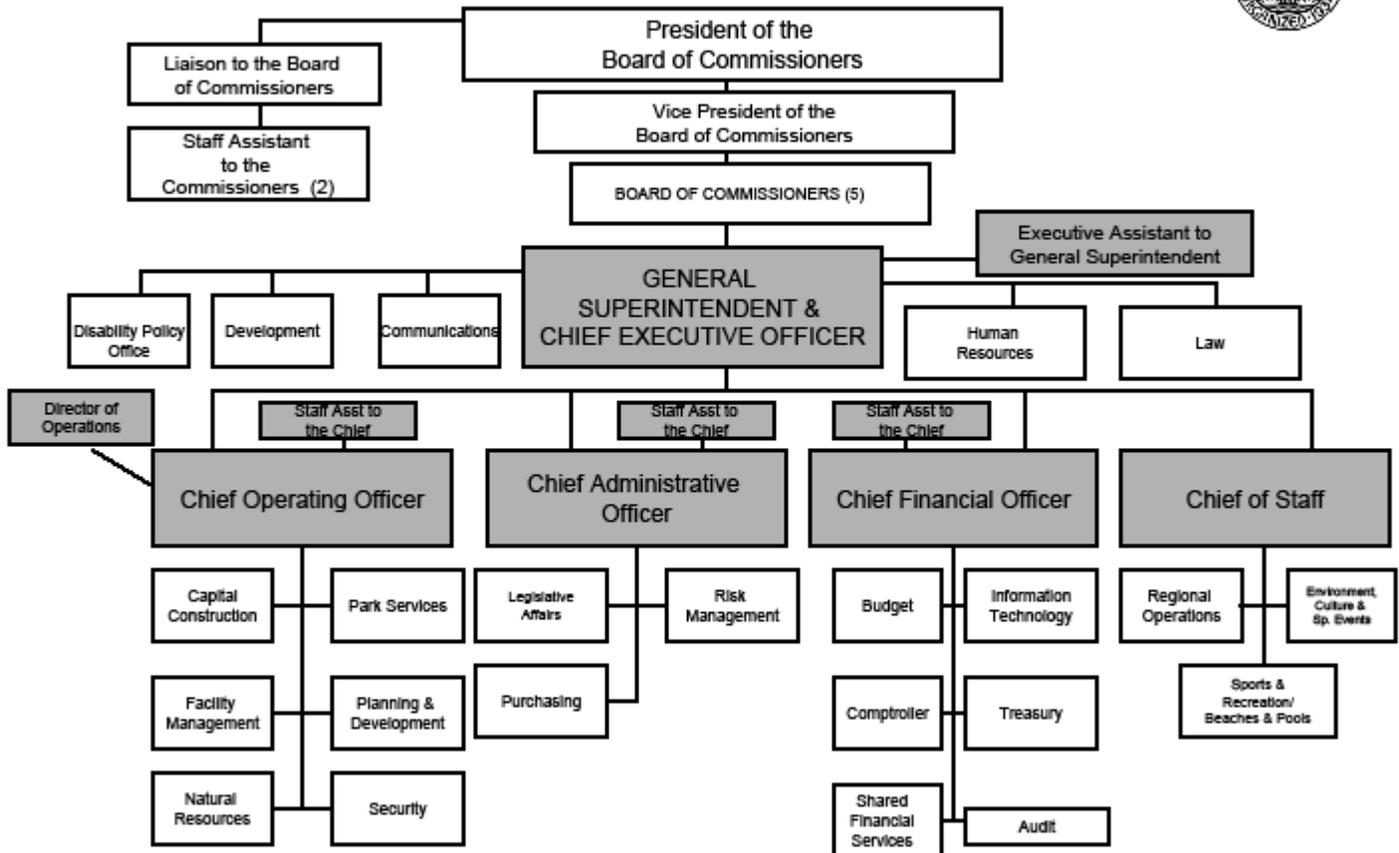
Clare S. Cox

President

Jeffrey R. Emery

Executive Director

chicago park district



Board of Commissioners

Gery J. Chico – President

Bob Pickens – Vice President

Dr. Margaret T. Burroughs

M. Laird Koldyke

Reverend Daniel Matos-Real

Cindy Mitchell

Rouhy J. Shalabi

Part II

FINANCIAL SECTION

**Independent Auditors' Report,
Management's Discussion and Analysis,
And
Basic Financial Statements**

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KPMG LLP
303 East Wacker Drive
Chicago, IL 60601-5212

Independent Auditors' Report

The Board of Commissioners of the
Chicago Park District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chicago Park District (the District) as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Retirement Fund), which represents 81% and 56% of the assets and revenues (additions), respectively, of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Retirement Fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Retirement Fund were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Chicago Park District as of December 31, 2007, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 10 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in 2007.

The financial information included in note 13 to the financial statements has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2008 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 19 through 32, 77 through 79, and 80 through 81, respectively, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

Chicago, Illinois
July 23, 2008

CHICAGO PARK DISTRICT

Management's Discussion and Analysis (Unaudited)

December 31, 2007

As management of the Chicago Park District, Chicago, Illinois (the District), we offer readers of the District's Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2007. We encourage the readers to consider the information presented here in conjunction with the information that we have furnished in our letter of transmittal contained within this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The total assets of the District exceeded liabilities at December 31, 2007 by \$1,063 million. Of this amount, \$353 million is unrestricted in governmental activities and may be used to meet obligations.
- The District's net assets increased by \$29 million during the year.
- At December 31, 2007, the governmental funds reported combined fund balances of \$457 million.
- Governmental fund balances decreased \$11 million during the year largely because of a boost in capital expenditures in the Park Improvements Fund and Garage Revenue Capital Improvement Fund financed without any new bond issues. These amounts are netted against an almost \$15 million increase in the General Fund.
- The District's long-term obligations decreased \$32 million as a result of a reduction in general obligation bonds liabilities due to \$43 million in current year principal payments, offset by the following: \$6 million increase in claims liability, over \$2 million in the newly recognized Net Other Postemployment Benefit (OPEB) Obligation, as per Governmental Accounting Standards Board Statement (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and the increase in Net Pension Obligation from Pension Asset.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other required supplementary information, and combining fund statements and other supplemental and statistical information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to those used by private sector companies. The statements provide both short- and long-term information about the District's financial position, which assists in assessing the District's economic condition at the end of the fiscal year. These financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This basically means such statements follow methods that are similar to those used in most businesses. The statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid.

CHICAGO PARK DISTRICT

Management's Discussion and Analysis (Unaudited)

December 31, 2007

The government-wide financial statements include two statements:

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator if the financial position of the District is improving or deteriorating, respectively. To assess the overall health of the District, the reader should consider additional nonfinancial factors such as changes in the District's property tax base and the condition of the District's parks.

The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned, but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the District.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include park operation and maintenance, recreation programs, special services, general and administrative, and interest on long-term debt. The District does not account for any business-type activities.

The government-wide financial statements present information about the District as a primary government, which includes the District-related funds of the Public Building Commission (PBC). The government-wide financial statements can be found immediately following this management's discussion and analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local and district governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions.

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Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains 13 individual governmental funds of which five are major. Information on major funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The five major governmental funds are as follows: the General Fund, the Long-term Income Reserve Fund, the Bond Debt Service Fund, the Park Improvements Fund, and the Garage Revenue Capital Improvement Fund. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is the trustee, or fiduciary, for its employee's pension plans. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are accounted for on the accrual basis. The basic fiduciary fund financial statements can be found immediately following the governmental fund financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fiduciary fund financial statements.

Required Supplementary Information. The District adopts an annual appropriated budget for its general and special revenue funds on a non-Generally Accepted Accounting Principles (GAAP) budgetary basis. A budgetary comparison schedule has been provided to demonstrate compliance with this budget. Generally, expenditures from the capital project funds are made for projects approved in the Capital Improvement Program. The general and special revenue major funds' financial schedules can be found immediately following the notes to the financial statements. Immediately following the budgetary information, there is the three-year funding progress for the District's employee pension obligation and associated notes.

Combining Fund Statements and Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents the combining statements and budgetary comparison schedules referred to earlier in connection with nonmajor governmental funds, which are immediately following the required supplementary information.

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Government-wide Financial Analysis

The following is a summary of assets, liabilities, and net assets (amounts are in millions) as of December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>Increase (decrease)</u>	<u>Percentage increase (decrease)</u>
Current and other assets	\$ 849	887	(38)	(4.3)%
Capital assets	<u>1,459</u>	<u>1,443</u>	<u>16</u>	<u>1.1</u>
Total assets	<u>2,308</u>	<u>2,330</u>	<u>(22)</u>	<u>(0.9)</u>
Long-term obligations	917	949	(32)	(3.4)
Other liabilities	<u>328</u>	<u>347</u>	<u>(19)</u>	<u>(5.5)</u>
Total liabilities	<u>1,245</u>	<u>1,296</u>	<u>(51)</u>	<u>(3.9)</u>
Net assets:				
Invested in capital assets net of related debt	490	467	23	4.9
Restricted	220	211	9	4.3
Unrestricted	<u>353</u>	<u>356</u>	<u>(3)</u>	<u>(0.8)</u>
Total net assets	<u>\$ 1,063</u>	<u>1,034</u>	<u>29</u>	<u>2.8%</u>

Current and other assets decreased 4.3%, or \$38 million. This occurred due to a combination of a \$13 million increase in property tax receivable, the Net Pension Asset of \$7 million transferred to an obligation, prepaid contributions of almost \$7 million decreased due to the revenue of the Soldier Field being realized, along with the total cash and investments for capital projects being spent down without the need to issue more debt.

Capital assets increased 1.1%, or \$16 million, as the result of the capital contributions such as the Lakefront Shoreline Revetment Project. Capital outlays matched depreciation expense in 2007.

Long-term obligations decreased \$32 million, or 3.4%, in 2007 as a result of a reduction in general obligation bonds liabilities due to \$43 million in current year principal payments, offset by the following; a \$6 million increase in claims liability, over \$2 million in the newly recognized Net OPEB Obligation, and the increase in Net Pension Obligation from Pension Asset. Other liabilities also decreased \$19 million, or 5.5%, due to the repayment of the 2006 Tax Anticipation Warrants (TAW). In 2007, there was no need to issue a TAW as short-term cash flow needs were met by internal borrowings from the Long-term Income Reserve Fund, which had been repaid by year-end. Unearned Revenue also contributed to the change as there was over a \$7 million increase due to many new State capital grants, which had received the initial twenty-five percent advance payment before work had commenced. As a result, this revenue was deferred.

Net assets increased 2.8% or \$29 million. As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. By far the largest portion of the District's net assets (46.1%) reflects its investment in capital assets (land, infrastructure, buildings and improvements, and equipment) less any related debt used to acquire those assets that are still outstanding. The District

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uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Net assets invested in capital assets, net of related debt, increased 4.9%, or \$23 million, as the capital assets increased and the debt associated with the capital assets was paid down during the year.

An additional portion of the District's governmental activities net assets, 20.7% for 2007 (20.4% for 2006) represents resources that are subject to external restrictions on how they may be used. The increase in restricted net assets of 4.3%, or \$9 million, is the result of a \$24 million increase in restricted for capital assets category, which was due to the increase in acquired capital grants, offset by a decrease by almost \$7 million in debt service due to the current debt service requirements and a decrease of \$6 million relating to the combination of pension, special recreation taxes, and the Public Building Commission operating expenses and transfers out. The remaining balance of net assets of \$353 million (33.2%) is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors. This represents a small decrease from 2006 of \$3 million, or 0.8%.

Governmental Activities. There was an increase in net assets from governmental activities of \$29 million, or 2.8%, during the current fiscal year. The increase is primarily attributable to a strong increase in investment income due to the earnings of the proceeds of sale of garages and the rise in personal property replacement taxes (PPRT) from the State coupled with fiscal restraint in expenditures. While expenses are down, especially in recreation programs, it is not due to lack of programs available to the public. Park level programming registration increased from 255,000 in 2006 to 284,000 for 2007. Park operations and maintenance activities have increased. Although the number of work orders remained at the same level, in 2007, the completion rate increased to 97% from 91% in 2006.

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Following is a summary of changes in net assets (amounts are in millions) for the years ended December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>Increase (decrease)</u>	<u>Percentage increase (decrease)</u>
Revenues:				
Program revenues:				
Charges for services	\$ 75	91	(16)	(17.6)%
Operating grants and contributions	3	3	—	—
Capital grants and contributions	26	52	(26)	(50.0)
Total program revenues	<u>104</u>	<u>146</u>	<u>(42)</u>	<u>(28.8)</u>
General revenues:				
Property tax	254	269	(15)	(5.6)
Personal property replacement tax	52	42	10	23.8
Capital contributions	2	3	(1)	(33.3)
Investment income	22	12	10	83.3
Miscellaneous income	3	2	1	50.0
Total general revenues	<u>333</u>	<u>328</u>	<u>5</u>	<u>1.5</u>
Total revenues	<u>437</u>	<u>474</u>	<u>(37)</u>	<u>(7.8)</u>
Expenses:				
Park operations and maintenance	142	136	6	4.4
Recreation programs	89	106	(17)	(16.0)
Special services	67	73	(6)	(8.2)
General and administrative	65	47	18	38.3
Interest on long-term debt	45	51	(6)	(11.8)
Total expenses	<u>408</u>	<u>413</u>	<u>(5)</u>	<u>(1.2)</u>
Change in net assets before special item	29	61	(32)	(52.5)
Special item:	—	224	(224)	—
Total changes in net assets	<u>29</u>	<u>285</u>	<u>(256)</u>	<u>(89.8)</u>
Net assets, beginning of year	1,034	749	285	38.1
Net assets, end of year	<u>\$ 1,063</u>	<u>1,034</u>	<u>29</u>	<u>2.8%</u>

- Program revenues decreased 28.8%, or \$42 million, primarily as a result of decreased capital grant revenue of \$26 million. This was primarily due to a decrease in contributions of \$16 million in 2007 from \$32 million in 2006. Although the Lakefront Shoreline Revetment Project ticked up from \$9.4 million in 2006 to \$15.9 million in 2007, that was the major capital contribution from outside sources in 2007. In 2006, the District had a number of one-time major capital contributions: Soldier Field (\$3 million), Agora (\$8 million), Sangamon & Adams Park (\$4.5 million), Parks 532 and 547 (\$6.9 million). The decrease in 2007 does not reflect any change in District core values or policy towards partnerships but is strictly related to timing of

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contributed capital assets. The decrease is also in special services of \$16 million. Of the decrease, \$17 million of it is due to the absence of Parking Fees related to the sale of the three garages in 2006. The current special service revenues will be expected to be in the range in future years.

- Investment income increased 83.3%, or \$10 million, in large part due to increased interest rates and larger investment holdings, which resulted from the proceeds from the sale of the garages by the District at the end of 2006.
- Park operations and maintenance expenses increased 4.4%, or \$6 million, primarily as a result of increase in capital asset activity, such as depreciation expense and other capital asset activity, which did not meet the capitalizable thresholds established by the District. Landscape activity also was reclassified from recreation programs to park operations and maintenance to better reflect the nature of the expense.
- Recreational program expenses decreased 16.0%, or \$17 million. The largest factor to this decrease was due to a \$15.8 million change in costing from various salary and wages landscape locations, which now roll up to park operations and maintenance. Landscape expense is more appropriately charged to park operations and maintenance. This change in costing of landscape then was offset by a Workers' Compensation and Insurance reclassification to general and administrative of \$3.7 million and \$3.4 million that had been charged in 2006 but not in 2007.
- General and administrative expenses increased 38.3%, or \$18 million. This is also due to reclassifications, such as workers' compensation and insurance, which had been allocated to park operations and maintenance. Also, in accounting for long-term liabilities, those that will be due in over one year realized some increases. These expenses (\$11.3 million) are only in the government-wide, this includes another \$3.3 million increase in Workers Compensation, \$1.7 million in Property Tax Claims Payable, \$2.6 million in Claims and Judgments, \$1.8 million in Compensated Absences as well as \$1.4 million, and \$115 thousand for Net Pension Asset and Obligation respectively with \$266 thousand initial amount for Net OPEB Obligation.
- Special services expenses decreased 8.2%, or \$6 million, due primarily to a decrease in Management Fee Expense of \$5.2 million in Parking Management due to the sale of the three downtown garages in 2006.

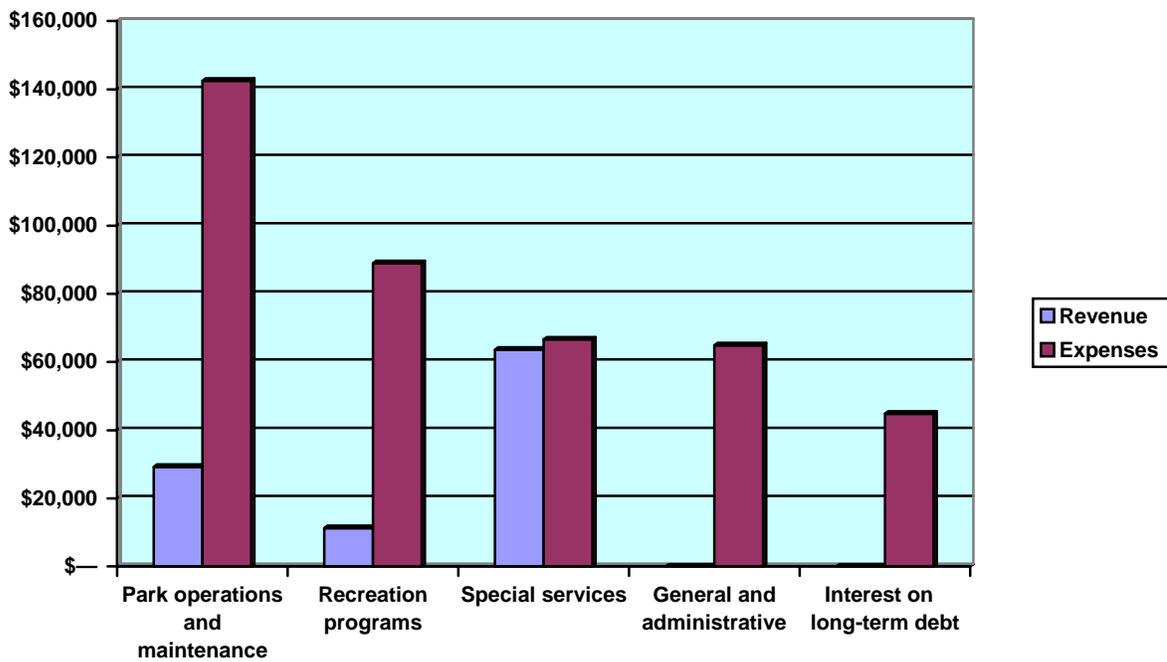
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The first chart depicts functions/programs revenue and expenses. It does not include general revenues such as property taxes, personal property replacement taxes, contributions, and investment earnings. General revenues for the District amount to 76.2% of total governmental revenues as depicted in the second chart.

Expense and Program Revenue – Governmental Activities

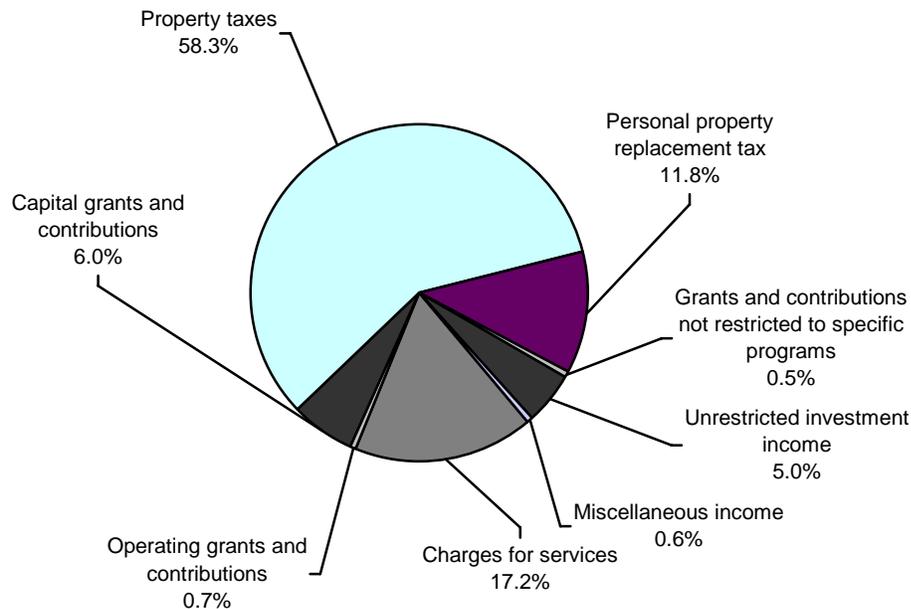


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Revenues by Source - Governmental Activities



Financial Analysis of the Government's Funds

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The District's governmental funds reported combined ending fund balances of \$457 million, a decrease of \$11 million over last year from \$468 million.

One of the main contributing reasons for the decrease in combined fund balance was due to the expenditures of capital type items by the spending down of previous bond proceeds while not issuing any new debt. The General Fund is the primary operating fund of the District and reported an ending fund balance of \$25 million. During the year, revenues exceeded expenditures in the General Fund by \$5 million. Total other financing sources and uses netted to an increase in \$10 million due to the pension holiday, as approved by the Illinois State Legislature in 2004, which the entire amount was transferred from the Pension Fund to the General Fund as per the 2007 budget document to provide operational relief. There was also the transfer of \$5 million from the Long-term Income Reserve Fund as specified in the budget. This was to make up the lost net income from the sale of the parking garages. There was also the transfer out of \$5 million for harbor debt service.

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The result showed that the General Fund experienced a net increase in fund balance of approximately \$15 million. Part of this increase in the General Fund is attributed to the collection of revenues primarily Property Taxes (up \$8.1 million) and PPRT (up \$9.4 million). On the expenditures side, there was a reduction in \$2.7 million of interest expense relating to not needing to issue the TAW for 2007. Also, in 2007, the operating Donations and Grant income and associated expenditures were moved out of the General Fund to form a new Nonmajor Special Revenue Fund named Federal, State and Local Grant Fund to better demonstrate accountability and compliance with the restrictions of the applicable funding sources. The fund was created to ensure transparency as the District has increased its emphasis on building partnerships with corporations and foundations as well as other government agencies.

The Long-term Income Reserve Fund is a special revenue fund created at the end of 2006 with a transfer-in from the proceeds of the sale of Garages. It is budgeted to replace the \$5 million in net operating revenue the District had been receiving from the three parking garages. In 2007 investment income of \$5 million from the Long-term Income Reserve Fund was transferred to the General Fund, as budgeted.

The Bond Debt Service Fund has a total fund balance of \$58 million, all of which is reserved for the payment of debt service. The decrease in fund balance was primarily from capitalized interest payments and property tax refunds.

The Park Improvement Fund has a total fund balance of \$51 million; all of which is unreserved and undesignated. Although expenditures exceeded revenues by \$22 million, it is the nature of this capital project fund not to match revenues with expenditures, as construction is often a several-year process once the funding is received; generally, in the form of bond issuance or grants and donations. This year, there was no general obligation bond refunding and no general obligation bond project-related money. As described while discussing the General Fund, the capital grants and donations no longer reside in this fund but are now included in the new Nonmajor special revenue fund, Federal, State, and Local Grant Fund. Also, instead of issuing more bonds, the District will be fulfilling the capital needs in 2007 and 2008 through the recently created Garage Revenue Capital Improvement Fund (see below). To get a true comparison from 2006 to 2007 of capital outlay, the Park Improvement Fund needs to be compared in conjunction with the capital outlay of the Federal, State, and Local Grants Fund as well as the Garage Revenue Capital Improvements Fund. Fund balance decreased by \$36 million from last year due to capital outlay of \$28 million and the transfer out of \$13.7 million of grant monies to form the new Federal, State, and Local Grants Fund.

The Garage Revenue Capital Improvement Fund is a capital improvement fund created at the end of 2006 with a transfer-in from the proceeds of the sale of Garages. It has a fund balance of \$120 million, down from \$122 last year. There was \$8 million in capital related projects during the year and investment income was \$6 million.

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GENERAL FUND BUDGETARY HIGHLIGHTS

The District's Board of Commissioners passed the annual appropriation ordinance for 2007 at the December 13, 2006 board meeting. The budget appropriations for the General Fund are included in the annual appropriation ordinance. The ordinance also addresses funding from other sources as well as detailing how each fund should be expended.

The 2007 year-end General Fund original budget appropriation was approximately \$252 million. The following is an explanation for the significant variances in the final budget to actual for the General Fund:

Revenues

- Again in 2007, PPRT, which is collected by the State of Illinois and distributed to municipalities and districts statewide according to a formula based on tax applied to business revenue, came in higher than budgeted. Actual PPRT General Fund revenues came in \$8 million (31%) higher than budgeted.
- Concession revenue had a negative variance of almost \$1.6 million due to the new concession contracts being negotiated with higher revenue projections, which did not materialize. However, the revenue numbers are above the 2006 actuals.
- Parking Fees was budgeted to include the \$5 million transfer from the Long-term Income Reserve Fund to cover the lost revenue from the sale of the Garages in 2006. The surface lots revenue came in as anticipated.
- Soldier Field revenues were \$1.5 million under budget due to an anticipated major concert never materializing.
- Donations and Grant revenue shifted from the General Fund in 2007 to the newly formed Federal, State, and Local Grant Fund. The day camp reimbursement grants from Chicago Housing Authority and Illinois Department of Public Aid will remain in the General Fund.
- Capital Contributions was budgeted at \$1.2 million in 2007 but was not utilized. This represented the charge back of District employees who worked on capital projects. Due to positive operating results in 2007, this revenue source was determined not to be necessary, preserving capital funds for future use.

Expenditures

- Personnel services came in slightly under budget due to the District taking an aggressive approach of not permitting vacant positions to be immediately filled, unless it created unsafe conditions or significantly disrupted operations.
- Small tools and equipment came in under budget by 24%, yet was not a significant dollar variance. However, the original budget included \$1.5 million of equipment which directly related to grants and was subsequently moved to the Federal, State, and Local Grant Fund.

CHICAGO PARK DISTRICT

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- Contractual services came in under budget by over \$7 million (10%) primarily due to interest expense budgeted for almost \$4 million. This expense was not incurred, as the District did not issue any short-term debt for working capital.
- Transfer out amount is budgeted to represent the revenue collected from the Harbors that had been pledged to pay the debt service on the associated harbor bonds. The bonds are paid for out of the Debt Service. Also, included in this transfer is the residual interest earned on the investments from the initial movement of the sale of the garages in December 2006 that was transferred into the Long-term Income Reserve Fund.

CAPITAL ASSETS

The District's investment in capital assets includes land and land improvements, works of art and historical collections, construction in process, infrastructure, site improvements, harbor and harbor improvements, stadium and stadium improvements, buildings and building improvements, and equipment. This investment in capital assets as of December 31, 2007 was \$1,458 million (net of accumulated depreciation), up \$15 million over last year.

Major capital asset events during the year were:

- Construction in progress for 2007 included improvements to Garfield Park Sweet House, Midway Plaisance, Broadway Armory, Gale Community Center, Taylor-Lauridsen, Stearns Quarry, Kedvale Park Development, Jesse Owens Field-house, Logan Square Skate Park, and various additional projects. Construction in progress was valued at over \$20 million.
- The District has several District-wide playground construction projects underway; for the year 2007, completed projects were approximately \$8.5 million. Additionally, various site improvements (including District-wide swimming pool rehabilitations, paving, and plantings) were capitalized valuing over \$16 million.
- The Marquette Park Lagoon is part of the District's overall Lagoon Rehabilitation Program to restore balance to the ecology of the lagoons and improve recreational opportunities for the park users. Marquette Lagoon improvements totaled over \$4.6 million.
- The Washington Fountain of Time is part of the Monument Conservation Project, which includes the installation of a new vault with a re-circulation waster pump, new lighting to provide proper viewing and graffiti protection. The total improvements made to the Washington Fountain of Time cost almost \$1 million.
- Construction of the Lakefront Shoreline Revetment Project remains in progress with additions totaling \$15.9 million by the close of the fiscal year. Revetment infrastructure asset additions recorded for the year totaled approximately \$345 thousand.

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December 31, 2007

A comparative schedule of capital assets and accumulated depreciation (amounts are in millions) is as follows:

	<u>2007</u>	<u>2006</u>	<u>Increase (decrease)</u>	<u>Percentage increase (decrease)</u>
Land	\$ 180	180	—	—%
Works of art and historical collections	8	8	—	—
Construction in process	102	82	20	24.4
Infrastructure	350	350	—	—
Site improvements	95	79	16	20.3
Harbor and improvements	116	115	1	0.9
Stadium and improvements	643	643	—	—
Buildings and improvements	373	372	1	0.3
Equipment	49	39	10	25.6
Accumulated depreciation	<u>(458)</u>	<u>(425)</u>	<u>(33)</u>	<u>7.8</u>
	<u>\$ 1,458</u>	<u>1,443</u>	<u>15</u>	<u>1.0%</u>

Additional information on capital assets can be found in note 5.

DEBT ADMINISTRATION

There are various State of Illinois (State) laws that govern how the District can issue bonds as well as its debt service limits. The District's general obligation debt limit is 2.3% of the latest known Equalized Assessed Valuation (EAV). The District was \$1,098 million or 69% below the \$1,599 million state-imposed limit. Certain general obligation bonds issued without a referendum are further limited to 1% of the EAV. The District has in excess of \$333 million in capacity under this limit. At the end of 2007, the District had a total of \$855 million in governmental funds outstanding long-term debt, which is 5% less than the year prior. During the course of the year, the District's general obligation bond rating was AA by Standard & Poor's and Aa3 by Moody's Investors Service. At the end of 2007, the District received a rating upgrade by Fitch Ratings to AA+ from AA effective January 4, 2008.

Tax Anticipation Warrants

In March 2007, the District repaid approximately \$14 million of Corporate Purpose Tax Anticipation Warrants (Warrants). The Warrants were issued to provide operating funds to the District. Each year, the District levies and collects property taxes for its operations. The District usually receives approximately half the tax levy in the spring and the other half in the fall. The cash deficit created by the timing delay is bridged by the issuance of Warrants.

However, in the fall of 2007, there were no Warrants issued as the District was able to meet the timing delay of operating cash through internal borrowings from the Long-term Income Reserve Fund. That amount was repaid before the end of 2007.

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December 31, 2007

Long-Term Debt

In 2007, the District issued no general obligation bonds to fund 2007 capital improvement programs. A comparative schedule of long-term debt (amounts are in millions) is as follows:

	December 31,		Increase	Percent
	2007	2006	(decrease)	(decrease)
General obligation bonds	\$ 836	877	(41)	(4.7)%
Capital lease debt PBC	19	21	(2)	(9.5)
Total	\$ 855	898	(43)	(4.8)%

Additional information on debt administration can be found in notes 6 and 7.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's unemployment rate of 5.7% increased slightly from 5.2% in 2006 but still much lower than the 2005 rate of 7.0% and those in previous years. The per capita personal income has increased in 2006 another 5% to \$41,993. The past three years have seen a similar 5% increase.

On December 12, 2007, the Board approved the District's 2008 annual appropriation ordinance and 2008 budget recommendations be adopted for the fiscal year ending December 31, 2008. The summary of budgeted operating revenues and expenditures for 2008 totals \$397 million, a 0.1% increase from 2007.

The 2008 budget reflects the careful consideration of each park and the communities it serves. The budget was achieved without raising overall taxes. The District was able to spare City taxpayers by looking at our own expenditures, first, including the purchase of the District headquarters office space, yielding an annual savings of at least \$1.5 million. Additionally, the number of full-time positions was reduced by eliminating 27 vacant positions in various departments. Also, the District converted vacant full-time titles to hourly titles providing greater flexibility in scheduling while also reducing benefit costs. Finally, in 2007, the District was able to save an additional \$10 million, to be used in 2008, by establishing a 95% budget allotment, and slowing down the hiring process in the third quarter.

Despite efforts to manage more efficiently, more revenue is needed to maintain and improve operations in our parks. To this end, the District must increase fees for park programs, room rentals, and permits as well as harbor slip fees by an average of 3%.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances to interested parties and to demonstrate the District's accountability over the resources it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Comptroller, Chicago Park District, 541 North Fairbanks, Chicago, Illinois 60611, (312) 742-4341.

CHICAGO PARK DISTRICT

Statement of Net Assets

December 31, 2007

(Amounts are in thousands of dollars)

	Governmental activities
	<hr/>
Assets:	
Cash and cash equivalents (note 3)	\$ 3,809
Investments (note 3)	471,256
Receivables:	
Property taxes, net	268,659
Personal property replacement tax	6,857
Accounts	8,860
Due from other governments	635
Other current assets	494
Unamortized cost of debt issuance	5,062
Prepaid contributions, net	84,188
Capital assets (note 5):	
Not being depreciated	290,720
Being depreciated, net	<u>1,167,556</u>
Total assets	<u>2,308,096</u>
Liabilities:	
Accounts payable and accrued expenses	50,721
Accrued payroll	5,740
Accrued interest	20,004
Due to other organizations	1,430
Retainage payable	1,877
Deposits	319
Unearned revenue:	
Program fees	452
Other	8,401
Soldier Field	238,353
Other liabilities	582
Long-term obligations (note 7):	
Due within one year	70,106
Due in more than one year	<u>847,020</u>
Total liabilities	<u>1,245,005</u>
Net assets:	
Invested in capital assets, net of related debt	489,943
Restricted for:	
Debt service	91,746
Capital projects	61,631
Other purposes	28,291
Contributions for other organizations	38,319
Unrestricted	<u>353,161</u>
Total net assets	<u>\$ 1,063,091</u>

See accompanying notes to financial statements.

CHICAGO PARK DISTRICT
Statement of Activities
Year ended December 31, 2007
(Amounts are in thousands of dollars)

Functions/programs	Expenses
Governmental activities:	
Park operations and maintenance	\$ 142,493
Recreation programs	88,925
Special services	66,611
General and administrative	64,925
Interest on long-term debt	44,848
Total governmental activities	\$ 407,802
General revenues:	
Property taxes	
Personal property replacement tax	
Grants and contributions not restricted to specific programs	
Unrestricted investment income	
Miscellaneous income	
Total general revenues	
Change in net assets	
Net assets – beginning of year	
Net assets – end of year	

See accompanying notes to financial statements.

Charges for services	Program revenues		Net (expense) revenue and changes in net assets
	Operating grants and contributions	Capital grants and contributions	Governmental activities
3,270	—	26,061	(113,162)
11,256	—	—	(77,669)
60,700	2,851	—	(3,060)
—	—	—	(64,925)
—	—	—	(44,848)
75,226	2,851	26,061	(303,664)
			254,510
			51,591
			2,040
			21,869
			2,552
			332,562
			28,898
			1,034,193
			\$ 1,063,091

CHICAGO PARK DISTRICT

Balance Sheet

Governmental Funds

December 31, 2007

(Amounts are in thousands of dollars)

Assets	General	Long-term income reserve	Bond debt service
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents (note 3)	\$ 472	—	—
Investments (note 3)	11,214	122,325	47,796
Receivables:			
Property taxes, net	152,619	—	56,775
Personal property replacement tax	3,541	—	2,796
Accounts	3,261	—	152
Due from other funds (note 4)	20,827	—	—
Due from other governments	—	—	—
Other assets	494	—	—
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 192,428</u>	<u>122,325</u>	<u>107,519</u>
 Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued expenses	\$ 23,409	—	—
Accrued payroll	5,675	—	—
Due to other funds (note 4)	5,562	—	—
Due to other organizations	—	—	—
Retainage payable	—	—	—
Deposits	319	—	—
Deferred revenue:			
Property taxes	132,113	—	49,133
Unearned revenue:			
Program fees	452	—	—
Other	—	—	—
Other liabilities	359	—	—
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>167,889</u>	<u>—</u>	<u>49,133</u>
 Fund balances:			
Fund balances reserved for:			
Encumbrances	364	—	—
Debt service	—	—	58,386
Contributions for other organizations	—	—	—
Special recreational activities	—	—	—
Park replacement over Monroe Garage	—	—	—
Fund balances unreserved:			
Designated for future appropriations, general fund	10,000	—	—
Undesignated, general fund	14,175	—	—
Undesignated, special revenue fund	—	122,325	—
Undesignated, capital project fund	—	—	—
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>24,539</u>	<u>122,325</u>	<u>58,386</u>
Total liabilities and fund balances	<u>\$ 192,428</u>	<u>122,325</u>	<u>107,519</u>

See accompanying notes to financial statements.

Park improvements	Garage revenue capital improvements	Other governmental funds	Total governmental funds
—	—	3,337	3,809
79,203	123,715	87,003	471,256
—	—	59,265	268,659
—	—	520	6,857
1,373	—	4,074	8,860
—	—	5,562	26,389
—	—	635	635
—	—	—	494
80,576	123,715	160,396	786,959
16,223	1,923	9,166	50,721
—	—	65	5,740
12,182	1,833	6,812	26,389
—	—	1,430	1,430
1,214	257	406	1,877
—	—	—	319
—	—	50,498	231,744
—	—	—	452
—	—	10,335	10,335
204	—	19	582
29,823	4,013	78,731	329,589
—	—	513	877
—	—	1,017	59,403
—	—	5,687	5,687
—	—	5,344	5,344
—	—	35,000	35,000
—	—	—	10,000
—	—	—	14,175
—	—	32,126	154,451
50,753	119,702	1,978	172,433
50,753	119,702	81,665	457,370
80,576	123,715	160,396	786,959

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CHICAGO PARK DISTRICT

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets

December 31, 2007

(Amounts are in thousands of dollars)

Total fund balances – governmental funds	\$	457,370
Amounts reported for governmental activities in the statement of net assets are different because:		
Bond costs of issuance are capitalized at the District-wide level and amortized over the life of the related bonds		5,062
Prepaid contributions used in governmental activities are not financial resources, and therefore, are not in the funds (note 1(h))		84,188
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds		1,458,276
Capital payments received for Soldier Field are not earned, and therefore, are unearned in the government-wide statement of net assets		(238,353)
Capital grant payments not received but earned, and therefore, are not deferred in the government-wide statement of net assets		1,934
Some of the District's taxes will be collected after year-end, but are not available soon enough to pay for current period's expenditures, and therefore, are reported as deferred revenue in the funds		231,744
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities – both current and long-term – are reported in the statement of net assets. Balances at December 31, 2007 are:		
Accrued interest on bonds		(20,004)
General obligation bonds		(836,065)
Unamortized bond premium		(21,524)
Deferred amount on refunding		20,579
Capital lease debt of PBC		(18,505)
Compensated absences		(8,793)
Claims and judgments		(14,328)
Net pension obligation		(603)
Net OPEB obligation		(2,845)
Property tax claim payable		(19,119)
Workers' compensation		<u>(15,923)</u>
Total long-term obligations		<u>(937,130)</u>
Net assets of governmental activities	\$	<u>1,063,091</u>

See accompanying notes to financial statements.

CHICAGO PARK DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended December 31, 2007

(Amounts are in thousands of dollars)

	<u>General</u>	<u>Long-term income reserve</u>	<u>Bond debt service</u>
Revenues:			
Property taxes	\$ 140,443	—	53,057
Personal property replacement tax	27,822	—	19,948
Investment income	2,085	4,977	820
Parking fees	1,732	—	—
Harbor fees	21,432	—	—
Other privatized fees	1,312	—	—
Concessions	2,505	—	—
Rental of Soldier Field	21,092	—	—
Rental of other property	2,770	—	—
Golf course fees	500	—	—
Recreational activities	11,256	—	—
Other user charges	3,459	—	—
Donations and grant income	882	—	—
Miscellaneous	1,511	—	—
Total revenues	<u>238,801</u>	<u>4,977</u>	<u>73,825</u>
Expenditures:			
Current:			
Park operations and maintenance	90,487	—	—
Recreation programs	75,625	—	—
Special services	19,437	—	—
General and administrative	48,025	—	1,690
Capital outlay	—	—	—
Debt service:			
Principal	—	—	40,985
Interest	173	—	43,034
Total expenditures	<u>233,747</u>	<u>—</u>	<u>85,709</u>
Excess (deficiency) of revenues over expenditures	<u>5,054</u>	<u>4,977</u>	<u>(11,884)</u>
Other financing sources (uses):			
Transfers in (note 4)	15,061	642	4,833
Transfers out (note 4)	(5,493)	(5,000)	(71)
Total other financing sources and (uses), net	<u>9,568</u>	<u>(4,358)</u>	<u>4,762</u>
Net change in fund balances	14,622	619	(7,122)
Fund balances – beginning of year	9,917	121,706	65,508
Fund balances – end of year	\$ <u>24,539</u>	<u>122,325</u>	<u>58,386</u>

See accompanying notes to financial statements.

<u>Park improvements</u>	<u>Garage revenue capital improvements</u>	<u>Other governmental funds</u>	<u>Total governmental funds</u>
—	—	60,181	253,681
—	—	3,821	51,591
4,984	5,861	3,142	21,869
—	—	—	1,732
—	—	—	21,432
—	—	—	1,312
—	—	—	2,505
—	—	—	21,092
—	—	—	2,770
—	—	—	500
—	—	—	11,256
—	—	—	3,459
1,158	—	15,199	17,239
—	—	1,041	2,552
<u>6,142</u>	<u>5,861</u>	<u>83,384</u>	<u>412,990</u>
—	—	3,623	94,110
—	—	8,897	84,522
—	—	40,230	59,667
—	—	3,882	53,597
28,606	8,159	7,353	44,118
—	—	2,375	43,360
—	—	1,406	44,613
<u>28,606</u>	<u>8,159</u>	<u>67,766</u>	<u>423,987</u>
<u>(22,464)</u>	<u>(2,298)</u>	<u>15,618</u>	<u>(10,997)</u>
—	—	13,731	34,267
(13,703)	—	(10,000)	(34,267)
<u>(13,703)</u>	<u>—</u>	<u>3,731</u>	<u>—</u>
(36,167)	(2,298)	19,349	(10,997)
<u>86,920</u>	<u>122,000</u>	<u>62,316</u>	<u>468,367</u>
<u>50,753</u>	<u>119,702</u>	<u>81,665</u>	<u>457,370</u>

CHICAGO PARK DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities

Year ended December 31, 2007

(Amounts are in thousands of dollars)

Net change in fund balances – total governmental funds	\$ (10,997)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays (\$32,767) exceeded depreciation (\$33,282)	(515)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities and capital leases in the statement of net assets	43,360
Some of the District's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred revenue in the funds	829
Deferred contributions (revenue) associated with Soldier Field's new facility are not shown in the governmental funds, but in the statement of net assets they are unearned and amortized over the life of the lease of the stadium	9,168
Some of the District's grant revenue was unearned at year-end, but on the governmental activities they are recognized as earned, and therefore, not deferred	(2,472)
Revenues (capital contributions) in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These consist of:	
Haas Playground	190
Washington Fountain of Time	15
Lakefront revetment contribution	15,980
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Net decrease in accrued interest	27
Amortization of prepaid contribution	(6,914)
Amortization of bond issuance costs	(585)
Amortization of bond premiums	2,844
Amortization of deferred loss on refunding	(2,521)
Net pension asset/obligation	(7,972)
Net OPEB obligation	(2,845)
Increase in compensated absences	(1,029)
Increase in claims and judgments	(2,566)
Increase in property, tax claim payable	(1,762)
Increase in workers' compensation	(3,337)
Change in net assets of governmental activities	<u>\$ 28,898</u>

See accompanying notes to financial statements.

CHICAGO PARK DISTRICT
Statement of Fiduciary Net Assets
June 30, 2007
(Amounts are in thousands of dollars)

	Pension trust	Retirement Fund
Assets:		
Cash and short-term investments:		
Cash	\$	3,387
Short-term investments		15,946
Total cash and short-term investments		19,333
Receivables:		
Employer contributions		4,646
Employee contributions		434
Due from broker for securities sold		13,959
Accrued investment income		1,395
Total receivables		20,434
Investments, at fair value:		
Bonds		194,506
Common and preferred stock		319,093
Pooled separate real estate accounts		71,726
Other		24,562
Total investments		609,887
Invested securities lending collateral		49,448
Furniture and fixtures – net		2
Prepaid expenses		23
Total assets		699,127
Liabilities:		
Accounts payable		392
Accrued benefits payable		96
Securities lending collateral		49,448
Due to broker for securities purchased		27,565
Total liabilities		77,501
Net Assets:		
Net assets held in trust for pension benefits		621,626
Total net assets (an unaudited schedule of funding progress is presented on page 80)	\$	621,626

See accompanying notes to financial statements.

CHICAGO PARK DISTRICT

Statement of Changes in Fiduciary Net Assets

Year ended June 30, 2007

(Amounts are in thousands of dollars)

	<u>Pension trust</u>
	<u>Retirement Fund</u>
Additions:	
Contributions:	
Employer contributions	\$ 9,595
Employee contributions	9,719
Total contributions	<u>19,314</u>
Investment income:	
Net appreciation in fair value	74,828
Interest	11,173
Dividends	2,676
Investment return on pooled separate real estate accounts	1,953
Total investment income	<u>90,630</u>
Less investment expense	<u>1,937</u>
Net investment income	<u>88,693</u>
Securities lending activities:	
Securities lending income	2,561
Borrower rebates	(2,482)
Bank fees	(31)
Total security lending activities	<u>48</u>
Total additions	<u>108,055</u>
Deductions:	
Benefits:	
Annuity payments	56,292
Disability and death benefits	518
Total benefits	<u>56,810</u>
Refund of contributions	1,769
Administrative and general expense	1,238
Total deductions	<u>59,817</u>
Net increase in net assets	48,238
Net assets held in trust for pension benefits – beginning of year	<u>573,388</u>
Net assets held in trust for pension benefits – end of year	\$ <u><u>621,626</u></u>

See accompanying notes to financial statements.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

(1) Summary of Significant Accounting Policies (SSAP)

The Chicago Park District (District) was created by an act of the General Assembly of the State of Illinois (State) May 1, 1934 for the purpose of developing, maintaining, and operating parks within the legal boundaries of the City of Chicago (City), Illinois as prescribed by law. The City has a Mayor-Council form of government. The Mayor is the Chief Executive Officer of the City and is elected by general election. The members of the City Council are elected through popular vote by ward. The Mayor, with approval of City Council, appoints seven commissioners of the District for a five-year term. From among the Board of Commissioners (Board), a President is selected for a one-year term. The Board also selects the General Superintendent.

The accounting policies of the District are based upon U.S. generally accepted accounting principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). To facilitate the understanding of data included in the basic financial statements, summarized below are the more significant accounting policies.

(a) *Financial Reporting Entity*

The financial reporting entity of the District includes the District-related funds of the Public Building Commission (PBC), the District's legally separate Park Employees' & Retirement Board Employees' Annuity and Benefit Fund, which is a component unit. They are fiscally dependent on the District and perform services primarily for the District or the District's employees.

Although City officials are responsible for appointing a voting majority of the members of the boards of other organizations, the City's accountability for these organizations does not extend beyond making appointments and no fiscal dependency exists between the District and these organizations. The City of Chicago, Chicago Public Schools, Community College District No. 508, Chicago Housing Authority, and Chicago Transit Authority are deemed to be related organizations.

Additionally, the Aquarium and Museums, as defined below, are related organizations, but are not considered to be component units because the District does not appoint a voting majority of their boards and they are fiscally independent. The Aquarium and Museums consist of the following organizations:

Museum of Science and Industry	The Notebaert Nature Museum
The Field Museum	Adler Planetarium and Astronomy Museum
The Art Institute of Chicago	DuSable Museum of African American History
John G. Shedd Aquarium	National Museum of Mexican Art
Chicago History Museum	Museum of Contemporary Art

The State has empowered the District to levy taxes for operations and maintenance purposes of the Aquarium and Museums. The State also requires the District to allocate a share of its personal property replacement taxes to the Aquarium and Museums. All such taxes collected by the District are remitted to the Aquarium and Museums. The State also empowers the District to sell bonds and levy taxes for bonds for a 50% share of certain

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

Aquarium and Museums capital improvements. The District has exercised all current authority to issue bonds for the Aquarium and Museums as of December 31, 2003. The Aquarium and Museums each pass their own budgets without the District's approval, and are able to incur indebtedness without the District's approval. As provided by State statutes, the District has administrative responsibilities for approving admission fees to the Aquarium and Museums. In addition, although certain officers of the District are members of the Aquarium and Museums' boards of directors, the Aquarium and Museums have large boards of directors and the District's officers are not able to exercise undue influence.

(b) Government-wide and fund financial statements

Government-wide Statements. The government-wide statement of net assets and statement of activities report the overall financial activity of the District, excluding fiduciary activities. Eliminations have been made to minimize the double counting of internal activities of the District. Governmental activities generally are financed through taxes, contributions, and other nonexchange transactions.

The statement of activities demonstrates the degree to which direct expense of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges to customers or patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

(c) Measurement focus, basis of accounting, and financial statement presentation

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, personal property replacement taxes, grants, and contributions. On an accrual basis, revenues from property taxes is recognized in the period for which the levy is intended to finance, which is the same year in which the taxes are levied. For example, the 2007 levy is recognized as revenue for the year ended December 31, 2007. Revenue from grants, contributions, entitlements, personal property replacement taxes (shared revenue received from the State), and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources, which are susceptible to accrual, include property taxes, personal property replacement taxes, rentals, concession fees, charges for services, grants, and interest. All other revenue sources, including permits, golf course fees, and parking fees are considered to be measurable and available only when cash is received.

The following funds are reported as major governmental funds:

General – This is the District’s primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. The services, which are administered by the District and accounted for in the General Fund, include recreational, parking, harbor, Soldier Field, and golf among others. It also accounts for the expenses associated with liability insurance, workers’ compensation, and unemployment claims.

Long-Term Income Reserve – This fund accounts for a long-term reserve for the purpose of future appropriations. These revenues were created as a result of the sale of several public parking structures (Garages) to the City of Chicago in 2006.

Bond Debt Service – This fund accounts for the resources accumulated and payments made for principal and interest on general obligation long-term debt of the governmental funds.

Park Improvements – This fund accounts for proceeds of debt used to acquire property and finance construction and supporting services for various redevelopment projects in the parks.

Garage Revenue Capital Improvements – This fund accounts for proceeds of the sale of the Garages used to acquire property and finance construction and supporting services for various redevelopment projects in the parks.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

Additionally, the District reports the following fiduciary fund type:

Pension Trust – This fund accounts for the activities of Park Employees' and Retirement Board Employee's Annuity and Benefit Fund of Chicago (Retirement Fund), which accumulates resources for pension benefit payments to qualified District employees. The Retirement Fund's fiscal year-end is June 30. Accordingly, the financial statements presented are as of and for the year ended June 30, 2007. Separate financial information of the Retirement Fund can be obtained at 55 East Monroe Street, Suite 2880, Chicago, Illinois 60603.

(d) Cash, Cash Equivalents, and Investments

Cash equivalents include certificates of deposit and other investments with maturities of three months or less when purchased.

State statute and the District's investment policy, adopted by the Board, authorize the District to invest in the following types of securities:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America (U.S.) as to principal and interest.
- Domestic interest-bearing savings accounts, domestic interest-bearing certificates of deposit or domestic interest-bearing time deposits or any other investments that are direct obligations of any bank.
- Shares or other securities legally issued by state or federal savings and loan associations, which are insured by the Federal Deposit Insurance Corporation (FDIC).
- Short-term obligations (commercial paper) of only U.S. corporations with assets over \$500 million provided that: (1) these obligations are rated in the three highest classifications established by at least two standard rating services and mature no later than 180 days from the purchase date and (2) these purchases do not exceed 5% of the District's outstanding obligations.
- Short-term discount obligations of the Federal National Mortgage Association.
- Insured dividend-bearing share accounts. Share certificate accounts or class of share accounts of a credit union chartered under the U.S. or State law whose principal office is located in Illinois.
- Money market mutual funds registered under the amended Investment Company Act of 1940.
- Money market mutual funds with portfolios of securities issued or guaranteed by the U.S. government or agreements to repurchase these same types of obligations.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

- Repurchase agreements of government securities, which meet instrument transaction requirements of State law.

The Retirement Fund is also permitted to invest in bonds, notes, and other obligations of the U.S. government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; real estate; and other investment vehicles, as set forth in the Illinois Pension Code, 40 ILCS 5.

Investments are reported at fair value based on quoted market prices. Short-term investments are reported at cost, which approximates fair value.

The Illinois Funds is an external investment pool administered by the State Treasurer. The fair value of the District's investment in the fund is the same as the value of the pool shares. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Investment Act, 30 ILCS 235.

(e) Other Assets

Other assets at the fund and government-wide levels represent certain payments to vendors applicable to future payments.

(f) Due to Other Organizations

These are amounts collected on behalf of, but not yet paid to, the Retirement Fund and Aquarium and Museums.

(g) Interfund Transactions

The District has the following types of interfund transactions:

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e., due to other funds) in borrower funds.

Reimbursements – repayments from the funds responsible for particular expenditures to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

(h) Prepaid Contributions to Aquarium and Museums

Prepaid contributions represent monies that are given to the Aquarium and Museums by the District for capital expenditures. The contributions are amortized over a 25-year period.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

(i) Capital Assets

In the government-wide financial statements, purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District depreciates capital assets, using the straight-line method, over the life of the estimated useful life.

Capitalization thresholds and the estimated useful lives are as follows:

Capital asset category	Capitalization threshold (not rounded)	Estimated useful life (in years)
Infrastructure:		
Public System	\$ 50,000	15 – 50
Land	50,000	20
Site improvements	100,000	N/A
Buildings	100,000	3 – 50
Buildings improvements	100,000	10 – 60
Equipment and machinery	100,000	3 – 50
Seawalls	25,000	4 – 8
	100,000	60

The District has a collection of artwork and historical treasures presented for public exhibition and education that are being preserved for future generations. The proceeds from sales of any pieces of the collection are used to purchase other acquisitions. A portion of this collection is not capitalized or depreciated as part of capital assets.

(j) Soldier Field Unearned Revenue

Revenue contributed to the District that will benefit stadium operations is deferred and amortized over the life of the stadium lease.

(k) Bond Premiums, Discounts, Issuance Costs, and Deferred Amount on Refunding

In the government-wide financial statements, bond premiums and discounts, as well as issuance costs and losses on refundings, are deferred and amortized over the life of the bonds using the sum of the bonds outstanding method, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(l) Employee Benefits

Employee benefits are granted for vacation and sick leave, workers' compensation, and healthcare. It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay amounts when employees separate from service with the government. The liability for compensated absences reported in the government-wide statements of net assets consists of unpaid, accumulated annual vacation and leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Employees are eligible to defer a portion of their salaries until future years under the District's deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Third-party administrators, who maintain the investment portfolio, administer the plan. The plan's assets have been placed in trust accounts with the plan administrators for the exclusive benefit of participants and their beneficiaries and are not considered assets of the District.

The District is subject to the State of Illinois Unemployment Compensation Act and has elected the reimbursing employer option for providing unemployment insurance benefits for eligible former employees. Under this option, the District reimburses the State for claims paid by the State. Expenditures for workers' compensation are recorded when paid in the governmental funds. A liability for these amounts is recorded in the government-wide financial statements.

(m) Judgments and Claims

Judgments and claims are included in the government-wide financial statements. Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. In the fund financial statements, expenditures for judgments and claims are recorded on the basis of settlements reached or judgments entered within the current fiscal year. Amounts that relate to deferred compensatory time and reserves for questioned costs are treated the same way.

(n) Property Taxes

The District's property tax becomes a lien on real property on January 1 of the year levied. Cook and DuPage County Assessors (Assessor) are responsible for the assessment of all taxable real property within Cook and DuPage counties. The District's property taxes are levied each calendar year on all taxable real property located in the District's boundaries based on assessments as of January 1. The District must file its tax levy ordinance by the

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second Tuesday in December of each year. Taxes levied in one year become due and payable in two installments in the following year. The first installment is due on March 1 and the second installment is due on the latter of August 1 or 30 days after the mailing of the tax bills. The second installment is based on the current levy, assessment, equalization, and any changes from the prior year.

In the government-wide financial statements that are reported on the accrual basis, the District has included as revenue the entire amount of property taxes levied for 2007 less a provision for uncollectible amounts. In the governmental fund financial statements that are reported on the modified accrual basis, the District has only included as revenue the amount of property taxes levied for 2007, which were collected within 60 days after fiscal year-end. Property tax revenue in the governmental fund financial statements also includes property taxes collected for the 2006 levy that were not recognized as revenue in fiscal year 2006 (i.e., not collected within 60 days after prior fiscal year-end).

Property tax receivables are recorded net of an allowance for uncollectible amounts of \$36.3 million at December 31, 2007.

Property tax claim payable represents potential claims rebated to property tax assessment appeals and is recorded at the government-wide level.

(o) **Fund Balances**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purpose. Designations of fund balances represent tentative District plans that are subject to change.

(p) **Net Assets**

In the government-wide financial statements, equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and the unearned revenue for Soldier Field for which the proceeds were restricted for use in construction of Soldier Field.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

CHICAGO PARK DISTRICT

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(q) Use of Estimates

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

(r) New Accounting Pronouncements

In July 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information. The District implemented this Statement for the year ending December 31, 2007.

In September 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This Statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability. The District implemented this Statement for the year ended December 31, 2007 and there was no impact to the District.

In November 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The District is required to implement this Statement for the year ending December 31, 2008.

In May 2007, GASB issued Statement No. 50, *Pension Disclosures – an amendment to GASB Statements No. 25 and No. 27*. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and enhances information disclosed in the notes to financial statements or presented as required supplementary information (RSI) by pension plans and employers that provide pension benefits. The District is required to implement this Statement for the year ending December 31, 2008.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes accounting and financial reporting requirements for intangible assets. All intangible assets not specifically excluded by the scope of this Statement should be classified as capital assets. All existing authoritative guidance for capital assets should be applied to these intangible assets, as applicable. The District is required to implement this Statement for the year ending December 31, 2010.

CHICAGO PARK DISTRICT

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(2) Stewardship, Compliance, and Accountability

(a) *Annual Appropriation Budgets*

The District's annual budget is adopted on a non-GAAP, budgetary basis for all governmental funds except the debt service funds, which at the time of the issuance of bonds, shall provide for the levy of taxes, sufficient to pay the principal and interest upon said bonds as per State code, and capital project funds, which adopt project-length budgets. The legal level of budgetary control (i.e., the level at which expenditures may not exceed appropriations) is at the fund and account class level.

The State code requires that the budget recommendations be submitted to the Board before November 1. After providing at least seven days' notice, the Board will hold a public hearing. The Board will consider the budget and make any amendments deemed necessary. The Board must pass a budget no later than December 31.

The appropriated budget is prepared by fund, function, and department. The District's department heads may make transfers of appropriations within a department. Any transfers necessary to adjust the budget and implement park programs can be made by the District, as long as the changes do not require transfers between account classes (common groupings of expenditures), and do not exceed the approved appropriation. Transfers of appropriations between funds or account classes require the approval of the Board.

All annual appropriations lapse at fiscal year-end if they remain unused and unencumbered. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations in fund balance and do not constitute expenditures or liabilities because the commitments will be carried forward and honored during the subsequent year.

As a rule, the District presents the annual budget on a modified accrual basis of accounting, with the exception of property taxes. Modified accrual basis is used in conjunction with current financial resources measurement focus that modifies the accrual basis of accounting in two important ways: 1) revenues are not recognized until they are measurable and available and 2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).

(b) *Reconciliation of GAAP Basis to Budgetary Basis*

The District's basis of budgeting is the same as GAAP basis except for the following: 1) in the budgetary basis, encumbrances are expenditures, whereas GAAP reflects encumbrances as reservations of fund balance 2) for budget, the District classifies as revenues both long-term debt proceeds and transfer-in, whereas GAAP classifies these as other financing sources, 3) interfund revenues and expenditures are included on the budgetary basis but are eliminated for GAAP, and 4) encumbrances are treated as expenditures in the year the encumbrance is established.

CHICAGO PARK DISTRICT

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(3) Cash and Investments

(a) Governmental Activities

Cash and investments are held separately and in pools by several of the District's funds. The District maintains various cash and investment pools that are available for use by all funds. Income from pooled investments is allocated to the funds based on their proportional share of their investment balance. A summary of cash and investments as of December 31, 2007 is as follows (amounts are in thousands):

	Governmental activities
Petty cash	\$ 6
Demand deposits	3,803
U.S. Treasury obligations	35,429
U.S. government agencies	21,217
Illinois Funds (government investment pool)	352,047
Money market accounts	55,270
Commercial paper	7,293
	\$ 475,065

Investment Policies – The District's investments are made in accordance with the Public Funds Investment Act 30 ILCS 235/1 (Act) and the District's investment policy. A summary of authorized investments is included in note 1(d).

Custodial Credit Risk – Deposits – Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the District's deposits may not be returned. The District's investment policy requires deposits that exceed the amount insured by FDIC insurance protection be collateralized, at the rate of 110% of such deposits. As of December 31, 2007, the District's bank balances were not subject to custodial credit risk as they were either insured or collateralized with investments held by the District or its agent in the District's name.

Interest Rate Risk – Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the final maturity on any security owned to a maximum of two years except for reserve funds. Reserve funds may exceed two years if the maturity is matched with the expected use of such funds and approved by the Chief Financial Officer, Chief Executive Officer, and the Board. In addition, the District compares the weighted average maturity of its portfolio to the weighted average maturity of the Merrill Lynch 91-Day T-Bill Index, and relative to the index, may decrease the weighted average maturity of the portfolio during periods of rising interest rates or increase it during periods of declining rates.

The District actively monitors its callable government agency bond portfolio with respect to probability of call relative to market rates of interest. As of December 31, 2007, the fair

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value of the District's callable bond portfolio (pooled and restricted) is \$21.2 million. Of that total, \$3.2 million of the callable securities is expected to be called on their respective call dates, with the \$18.0 million remaining noncallable.

As of December 31, 2007, the District had the following investments and maturities (amounts are in thousands):

	Fair value	Investment maturities (in years)		
		Less than 1	1 to 5	6 to 10
U.S. Treasury obligations	\$ 35,429	2,425	33,004	—
U.S. government agencies	21,217	16,101	5,116	—
Illinois Funds (government investment pool)	352,047	352,047	—	—
Money market accounts	55,270	55,270	—	—
Commercial paper	7,293	7,293	—	—
Total	\$ 471,256	433,136	38,120	—

Credit Risk – Investments – Credit risk is the risk that the District will not recover its investments due to the inability of the counterparty to fulfill its obligation. The District's general investment policy is to follow the prudent person rule subject to the limitations contained in the Act and the District's investment policy. Under the prudent person rule, investments shall be made with the judgment and care, under circumstances then prevailing, which persons knowledgeable of investment practices, and persons of prudence, discretion, and intelligence exercise in the management of their own affairs.

As of December 31, 2007, the District had the following fixed income investments, which are rated by both Standard & Poor's (S&P's) and Moody's Investors Service (Moody's) (amounts are in thousands):

	Fair value	Credit ratings	
		S&P's	Moody's
U.S. Treasury obligations	\$ 35,429	AAA	Aaa
U.S. government agencies	21,217	AAA	Aaa
Illinois Funds (government investment pool)	352,047	AAAm	n/a
Money market accounts	55,270	AAA	Aaa
Commercial paper	7,293	A1	P1
Total	\$ 471,256		

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Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of a third party. The investment policies of the District require investment securities be held by an authorized custodial bank pursuant to a written custodial agreement.

(b) Fiduciary Activities – Park Employees’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago (Retirement Fund)

The Retirement Fund’s investments are held by a bank-administered trust fund, except for the pooled separate real estate accounts. Investments that represent 5.0% or more of the Retirement Fund’s net assets (except those issued or guaranteed by the U.S. government) are separately identified.

A summary of cash and investments as of June 30, 2007 is as follows (amounts are in thousands):

	Fiduciary activities
Investments at fair value as determined by quoted price:	
Short-term investments	\$ 15,946
Bonds:	
PIMCO funds	31,383
Other	163,123
Common and preferred stock:	
Aggregate stock funds	183,846
Other	135,247
Other investments	24,562
	554,107
Investments at fair value as determined by plan administrator:	
Pooled separate real estate accounts	71,726
	\$ 625,833

The Retirement Fund shall also apply the prudent investor rule in investing for funds under its supervision. The retirement funds must be invested exclusively for the benefit of their members and in accordance with the respective Retirement Fund’s investment goals and objectives.

Interest Rate Risk –Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

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At June 30, 2007, the following table shows the investments by investment type and maturity (amounts are in thousands):

	Total fair value	Unknown	Investment maturities (in years)			
			Less than 1	1 to 5	6 to 10	More than 10
Security type:						
Asset-backed	\$ 7,627	90	121	5,638	481	1,297
Commercial mortgage-backed	7,862	177	—	—	443	7,242
Corporate bonds	68,963	41,016	59	8,427	10,209	9,252
Corporate convertible bonds	2,018	60	267	260	312	1,119
Government agencies	34,752	18,544	3,429	9,348	2,300	1,131
Government bonds	14,980	—	372	4,237	6,589	3,782
Government mortgage-backed	48,401	11,835	—	1,175	5,149	30,242
Government issued commercial mortgage-backed	64	—	—	64	—	—
Municipal/provincial bonds	870	540	—	—	—	330
Nongovernmental backed CMOs	1,826	—	—	13	206	1,607
Short-term bills and notes	7,143	—	7,143	—	—	—
Short-term investments	15,946	—	15,946	—	—	—
	<u>\$ 210,452</u>	<u>72,262</u>	<u>27,337</u>	<u>29,162</u>	<u>25,689</u>	<u>56,002</u>

Some investments are more sensitive to interest rate changes than others. Variable and floating rate collateralized mortgage obligations (CMOs), asset-backed securities (ABS), interest-only and principal-only securities are examples of investments whose fair values may be highly sensitive to interest rate changes.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Retirement Fund maintains a highly diversified portfolio of debt securities encompassing a wide range of credit ratings. Each fixed income manager is given a specific set of guidelines to invest within, based on the mandate for which it was hired. The guidelines specify in which range of credit the manager may invest. These ranges include investment-grade and high-yield categories.

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The following table presents the Retirement Fund's ratings as of June 30, 2007 (amounts are in thousands):

S&P credit rating	Index market value	Asset-backed securities	Comm'l. mort. backed	Corp. bonds	Gov't. agencies	Gov't. bonds	Gov't. mort. backed	Gov't. issued CMO	Non gov't. backed CMO's	Muni. bonds
AAA	\$ 37,941	5,846	7,452	750	9,559	13,504	—	—	830	—
AA	4,386	—	—	2,967	1,419	—	—	—	—	—
A	5,812	—	—	5,812	—	—	—	—	—	—
BBB	9,445	935	—	8,320	—	190	—	—	—	—
BB	4,809	—	—	4,147	—	662	—	—	—	—
B	3,591	—	—	3,432	—	159	—	—	—	—
CCC	339	—	—	339	—	—	—	—	—	—
D	32	—	—	32	—	—	—	—	—	—
NR	75,578	846	410	68,271	667	371	3,147	—	996	870
U.S. gov't agency	68,519	—	—	—	23,107	94	45,254	64	—	—
	<u>\$ 210,452</u>	<u>7,627</u>	<u>7,862</u>	<u>94,070</u>	<u>34,752</u>	<u>14,980</u>	<u>48,401</u>	<u>64</u>	<u>1,826</u>	<u>870</u>

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

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Securities Lending – Under the provisions of State statutes, the Retirement Fund lends securities (both equity and fixed income) to qualified and Retirement Fund-approved brokerage firms for collateral that will be returned for the same securities in the future. The Retirement Fund’s custodian manages the securities lending program, which includes the securities of the Retirement Fund as well as other lenders, and receives cash, U.S. Treasury securities, or letters of credit as collateral. The collateral received cannot be pledged or sold by the Retirement Fund unless the borrower defaults. However, the Retirement Fund does have the right to close the loan at any time. All security loan agreements are initially collateralized at 102.0% of the loaned securities. Whenever adjustments are needed to reflect changes in the market value of the securities loaned, the collateral is adjusted accordingly. At June 30, 2007, the Retirement Fund had loaned to borrowers, securities with a market value of \$48.4 million. At June 30, 2007, the Retirement Fund received from borrowers’ cash collateral of \$49.4 million, and noncash collateral of \$3.4 million. Securities lending net income for the year ended June 30, 2007 was \$48.2 thousand.

At June 30, 2007, the Retirement Fund has no credit risk exposure to the borrowers because the fair value of the collateral received exceeded the fair value of the securities on loan.

(4) Interfund Balances and Activity

(a) Balances Due to/from Other Funds

The following balances at December 31, 2007 represent amounts due to/from other funds (amounts are in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities:		
General	Park improvements	\$ 12,182
	Garage revenue capital improvements	1,833
	Nonmajor governmental funds	6,812
Nonmajor governmental funds	General	<u>5,562</u>
Total		<u>\$ 26,389</u>

These outstanding balances between funds result mainly from the time lag between the dates the (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances are repaid during the next fiscal year within the normal course of business.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

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(b) Transfers to/from Other Funds

Interfund transfers for the year ended December 31, 2007 were as follows (amounts are in thousands):

Fund Type/Fund	Transfers In	Transfers Out
Governmental Activities:		
General	\$ 15,061	5,493
Long-term income reserve	642	5,000
Bond debt service	4,833	71
Park improvements	—	13,703
Nonmajor governmental funds	13,731	10,000
Total transfers	\$ 34,267	34,267

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. Approximately, \$4.8 million of the District's harbor revenue was transferred for debt service payments. Also, during 2007, transfers consisted of \$10 million from the Pension fund (nonmajor governmental fund) to the General Fund relating to the 2004 State legislature amendment to the State statutes allowing the District to reduce employer contributions by \$5.0 million for both calendar years 2005 and 2006. The long-term income reserve fund transferred \$5.0 million to the General fund to replenish the net effect of the parking fee revenues from the sale of the garages in 2006. The Park Improvements Fund transferred \$13.7 million to the newly created Federal, State, and Local Grants Fund where it had previously been retained.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

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(5) Capital Assets

Capital asset activity for the year ended December 31, 2007 was as follows (amounts are in thousands):

Governmental Activities	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
Capital assets not being depreciated:				
Land and land improvements	\$ 179,935	—	—	179,935
Works of art and historical collections	8,475	—	—	8,475
Construction in progress	81,802	48,747	28,239	102,310
Total capital assets not being depreciated	<u>270,212</u>	<u>48,747</u>	<u>28,239</u>	<u>290,720</u>
Capital assets being depreciated:				
Infrastructure	349,583	610	—	350,193
Site improvements	79,039	16,025	—	95,064
Harbor and harbor improvements	115,208	501	—	115,709
Stadium and stadium improvements	642,883	—	—	642,883
Buildings and building improvements	371,395	1,312	—	372,707
Equipment	39,001	9,996	—	48,997
Total capital assets being depreciated	<u>1,597,109</u>	<u>28,444</u>	<u>—</u>	<u>1,625,553</u>
Less accumulated depreciation:				
Infrastructure	154,646	5,650	—	160,296
Site improvements	32,445	3,689	—	36,134
Harbor and harbor improvements	52,125	2,308	—	54,433
Stadium and stadium improvements	43,804	12,858	—	56,662
Buildings and building improvements	114,407	7,017	—	121,424
Equipment	27,288	1,760	—	29,048
Total accumulated depreciation	<u>424,715</u>	<u>33,282</u>	<u>—</u>	<u>457,997</u>
Total capital assets being depreciated, net	<u>1,172,394</u>	<u>(4,838)</u>	<u>—</u>	<u>1,167,556</u>
Governmental activity capital assets, net	<u>\$ 1,442,606</u>	<u>43,909</u>	<u>28,239</u>	<u>1,458,276</u>

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Depreciation expense of \$33.3 million was charged to the Park Operations and Maintenance function of the District.

(6) Short-Term Debt

Corporate Purpose Tax Anticipation Warrants (TAWs) are annually issued to provide operating funds to the District and are secured by a pledge against the corporate tax levy. In August 2006, the District issued \$14.1 million of TAWs secured by a pledge against the 2007 corporate tax levy bearing a coupon interest rate of 4.5% per annum and maturing on March 15, 2007.

Changes in short-term obligations for the year ended December 31, 2007 were as follows (amounts are in thousands):

Governmental Activities	Balance, January 1, 2007	Issued	Redeemed	Balance, December 31, 2007
Corporate purpose tax anticipation warrants 2006 issue	\$ 14,090	—	14,090	—

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Notes to Basic Financial Statements
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(7) Long-Term Obligations

(a) Changes in Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2007 were as follows (amounts are in thousands):

Governmental Activities	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007	Amounts due within one year
General obligation bonds:					
Capital improvement	\$ 801,895	—	33,940	767,955	34,535
Aquarium and museums	75,155	—	7,045	68,110	5,090
Unamortized premiums	24,368	—	2,844	21,524	—
Deferred amount on refunding	(23,100)	—	(2,521)	(20,579)	—
Total general obligation bonds	878,318	—	41,308	837,010	39,625
Capital lease debt PBC	20,880	—	2,375	18,505	2,895
Compensated absences	7,764	9,481	8,452	8,793	8,768
Claims and judgments	11,762	3,395	829	14,328	6,357
Net pension obligation	—	10,198	9,595	603	—
Net OPEB obligation	—	3,930	1,085	2,845	—
Property tax claim payable	17,357	9,836	8,074	19,119	9,861
Workers' compensation	12,586	6,862	3,525	15,923	2,600
Total governmental activities	\$ 948,667	43,702	75,243	917,126	70,106

Compensated absences have been liquidated by the applicable governmental funds that account for the salaries and wages of the related employees. Claims and judgments have been liquidated from the General Fund.

CHICAGO PARK DISTRICT

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(b) General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities of the District and also the aquarium and museums. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Annual debt service requirements to maturity for general obligation bonds are as follows (amounts are in thousands):

	Principal	Interest	Total
Year ending December 31:			
2008	\$ 39,625	40,984	80,609
2009	37,190	39,153	76,343
2010	39,660	37,297	76,957
2011	38,880	35,287	74,167
2012	44,190	33,247	77,437
2013 – 2017	215,790	132,710	348,500
2018 – 2022	188,165	80,160	268,325
2023 – 2027	154,000	37,598	191,598
2028 – 2031	78,565	5,380	83,945
	\$ 836,065	441,816	1,277,881

(c) Capital Lease Debt – PBC

The District has entered into various capital lease agreements with the PBC for park projects and for construction projects related to recreational and park facilities, including the Lincoln Park Zoo, with a historical cost and accumulated depreciation of \$14.2 million and \$3.0 million, respectively, at December 31, 2007. All of the agreements provide that taxes be levied to pay the annual rentals. Future minimum lease payments at December 31, 2007 are as follows (amounts are in thousands):

	Amount
Year ending December 31:	
2008	\$ 3,904
2009	3,903
2010	3,906
2011	3,906
2012	3,907
Total minimum lease payments	19,526
Less amounts representing interest	1,021
Present value of future minimum lease payments	\$ 18,505

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(d) Defeased Bonds

Defeased bonds have been removed from the statement of net assets because related assets have been placed in irrevocable trusts that, together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest. Defeased bonds at December 31, 2007 are as follows (amounts are in thousands):

	<u>Amount defeased</u>	<u>Outstanding</u>
General Obligation Limited Tax Park Bonds, Series 1997	\$ 20,965	20,965
General Obligation Unlimited Tax Refunding Bonds, Series 1997	15,715	14,750
General Obligation Unlimited Tax Park Bonds, Series 1997 (Personal Property Replacement Tax Alternate Revenue Source)	21,845	21,845
General Obligation Limited Tax Park Bonds, Series 1999A	13,575	13,575
Parking Facilities System Revenue Bonds, Series 1999	73,750	61,255
Harbor Facilities Revenue Bonds, Series 2000	60,025	51,375
General Obligation Limited Tax Park Bonds, Series 2001A	27,115	27,115
General Obligation Unlimited Tax Park and Refunding Bonds, Series 2001B (Personal Property Replacement Tax Alternate Revenue Source)	35,895	35,895
General Obligation Limited Tax Park Bonds, Series 2001C	30,670	30,670
General Obligation Unlimited Tax Park Bonds, Series 2001D (Personal Property Replacement Tax Alternate Revenue Source)	4,390	4,390
General Obligation Unlimited Tax Refunding Bonds, Series 2002A (Parking Revenues Alternate Revenue Source)	72,630	69,390
	<u>\$ 376,575</u>	<u>351,225</u>

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

(8) Operating Leases

(a) Lessor

The District leases land to the Metropolitan Pier and Exposition Authority (MPEA) under the terms of a noncancelable operating lease agreement that requires the MPEA to make minimum lease payments to the District through 2028. In 1999, the District sold a parking facility to MPEA. The land with a zero cost basis underlying the parking facility is leased from the District and has been since 1956. Rental income under the operating lease was \$390 thousand for the year ended December 31, 2007.

The following is a schedule of future minimum lease payments receivable under the operating lease (amounts are in thousands):

	<u>Amount</u>
Year ending December 31:	
2008	\$ 390
2009	310
2010	335
2011	361
2012	290
2013 – 2017	2,473
2018 – 2022	4,316
2023 – 2027	9,338
2028	<u>2,889</u>
	<u>\$ 20,703</u>

The District leases Soldier Field Stadium that has a cost of \$642.9 million and accumulated depreciation of \$56.7 million to the Chicago Bears Football Club, Inc. and Chicago Bears Stadium LLC (together, the Club) under the terms of a noncancelable operating lease agreement that requires the Club to make minimum lease payments to the District through 2033. Rental income under the operating lease was \$5.7 million for the year ended December 31, 2007.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

The following is a schedule of future minimum lease payments receivable under the operating lease (amounts are in thousands):

	<u>Amount</u>
Year ending December 31:	
2008	\$ 5,700
2009	5,700
2010	5,700
2011	5,700
2012	5,700
2013 – 2017	28,500
2018 – 2022	28,500
2023 – 2027	28,500
2028 – 2032	28,500
2033	5,700
	<u>\$ 148,200</u>

(b) Lessee

The District leases the administration facility under the terms of a noncancelable operating lease agreement that requires the District to make minimum lease payments through May 12, 2012. However, in March 2008, the District purchased 111,000 square feet of the previously leased floors; therefore, there are no longer any future lease payments. Rent expenditures under the operating lease were \$1.9 million for the year ended December 31, 2007.

(9) Employee Retirement System

(a) Plan Description

The Retirement Fund is a single-employer defined benefit pension plan administered by a seven-member board of trustees comprised of three appointed and four elected officials. The plan covers eligible public employees of the District. The defined benefits, as well as the employer and employee contribution levels of the Retirement Fund, are mandated by State statutes and may be amended only by the Illinois legislature.

Plan membership at June 30, 2007 consists of the following:

Retirees and beneficiaries currently receiving benefits	3,056
Terminated employees entitled to benefits, but not yet receiving them	162
Current employees	<u>3,040</u>
Total	<u><u>6,258</u></u>

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

The Retirement Fund provides retirement, disability, and death benefits to Retirement Fund members and beneficiaries. Employees attaining the age of 50 with at least 10 years or more of creditable service are entitled to receive a minimum service retirement pension. The retirement pension is based upon the average of the four highest consecutive years of salary within the last 10 years at various rates depending on years of service. If the employee retires prior to the attainment of age 60, the allowance computed is reduced by 0.25% for each full month the employee is under age 60. There is no reduction if the participant has 30 years of service. Employees with four years of service at age 60 receive a retirement benefit. The monthly annuity of an employee who retires at age 60 or after is increased each year, following one year's receipt of pension payments, by 3.0% of the original monthly annuity and the same 3.0% (not compounded) annually thereafter.

The Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing to the Pension Board at 55 East Monroe, Suite 2880, Chicago, Illinois 60605.

(b) Summary of Significant Accounting Policies

The financial statements of the Retirement Fund are prepared using the accrual method of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Retirement Fund. The financial statements of the Retirement Fund include all financial transactions as of and for fiscal year ended June 30, 2007.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Fair values for bonds and stocks are determined by quoted market prices. Investments in pooled separate real estate accounts are reported at fair value as determined by the plan administrator.

(c) Funding Policy and Annual Pension Cost

Covered employees are required by State statutes to contribute 9% of their salary to the Retirement Fund. If a covered employee leaves employment before the age of 55 prior to qualifying for a pension, accumulated employee contributions are refunded without interest. The District is required by State statute to contribute the remaining amounts necessary to finance the requirements of the Retirement Fund on an actuarially funded basis.

The District is required to levy a tax at a rate not more than an amount equal to the total amount of contributions by the employees made in the fiscal year two years prior to the year for which the annual applicable tax is levied, multiplied by a factor of 110% annually. In the opinion of the District's legal counsel, the District has no legal obligation to fund pension costs above that allowed by State statutes.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

The District's annual pension cost and net pension asset (obligation) for fiscal year 2007 were as follows (amounts are in thousands):

Annual required contribution	\$	17,529
Interest on net pension asset		(590)
Adjustment to annual required contribution		<u>628</u>
Annual pension cost		17,567
Contributions made		<u>9,595</u>
Decrease in net pension asset		(7,972)
Net pension asset at January 1, 2007		<u>7,369</u>
Net pension obligation at December 31, 2007	\$	<u><u>(603)</u></u>

The following tables of information assist users in assessing the District's progress in accumulating assets to pay benefits when due. The three-year historical information for the District is as follows (amounts are in thousands):

	Employer contribution			Net pension asset (obligation)
	Annual pension cost	Percentage contributed		
Year ended December 31:				
2007	\$ 17,567	55%	\$	(603)
2006	15,326	34		7,369
2005	14,903	32		17,521

While not specified under State law, certain health benefits are available to employees who retire from the District based upon their participation in the District's pension plan. Health benefits include basic benefits for annuitants and supplemental benefits for Medicare eligible annuitants.

The cost of health benefits is recognized as an expenditure in the accompanying financial statements as claims are reports and are funded on a pay-as-you-go basis. In 2007, the net expense to the District for providing these benefits to approximately 3,056 annuitants plus their dependents was approximately \$2.4 million.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

(10) Postemployment Healthcare Plan

(a) Plan Description

Park District Retired Employees Healthcare Plan (Healthcare Plan) is a single-employer defined benefit healthcare plan administered by the District. The Healthcare Plan provides medical and prescription drug insurance benefits to eligible retirees, spouses, and dependents. Eligible retirees are former District Employees who have retired at the age of 50 with a minimum of 10 years of creditable service or at the age of 60 with a minimum of 4 years of creditable service. District employees that qualify for Medicare eligible at the age of 65, generally those hired after April 1984, are not covered by the Healthcare Plan. The Healthcare Plan is unfunded and pays benefits on a pay-as-you-go basis, therefore, does not issue a publicly available financial report.

(b) Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District. The required contribution is based on pay-as-you-go financing. For fiscal year 2007, the District contributed \$1.1 million to the plan. Plan members receiving benefits contributed \$1.8 million, or approximately 62% of the total premiums, through their required contribution of \$375/\$500 per month for retiree-only coverage, \$750/\$875 for retiree and spouse coverage, and \$1,000/\$1,125 family coverage, for HMO/PPO respectively.

(c) Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (Expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The District's annual OPEB cost and net OPEB obligation for fiscal year 2007 was to be as follows (amounts are in thousands):

Annual required contribution	\$	3,930
Adjustment to annual required contribution		<u>—</u>
Annual OPEB cost		3,930
Contributions made		<u>1,085</u>
Increase in net OPEB obligation		(2,845)
Net OPEB obligation at January 1, 2007		<u>—</u>
Net OPEB obligation at December 31, 2007	\$	<u><u>(2,845)</u></u>

As the District implemented the requirements of GASB 45 prospectively, the net obligation at the beginning of the period is \$0.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2007 was to be as follows (amounts are in thousands):

	<u>Employer contribution</u>		<u>Net OPEB obligation</u>
	<u>Annual OPEB cost</u>	<u>Percentage contributed</u>	
Year ended December 31: 2007*	\$ 3,930	28%	\$ 2,845

* Three years of trend information will be displayed in future years.

(d) Funded Status and Funding Progress

As of January 1, 2007, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$47.2 million, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$47.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$82.1 million and the ratio of the UAAL to the covered payroll was 57.4 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

(e) *Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. The table below identifies the actuarial assumptions used in the January 1, 2007 valuation:

Actuarial-cost method	Projected unit credit
Amortization method	Level-dollar
Amortization period	30 years (open)
Asset valuation method	actuarial value equals market value
Actuarial assumptions:	
Investment rate of return	4% per year
Healthcare cost trend rate	10.0% for 2007 and grading down to 5.5% in 2016 and beyond

(11) Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance against losses arising from automotive liability, property, property-related business interruption, terrorism, marine property and liability, employment-related suits, including discrimination and sexual harassment, and management liability of board members, directors, and officers of the District. Liability coverage is also purchased against losses arising from gymnastic activities and surety bonds are arranged for various obligations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is also self-insured for general liability and automotive liability losses up to a limit of \$1.5 million per claim at which point stop-loss insurance becomes effective. The District is self-insured for statutory workers' compensation claims and obligations. A reserve has been provided at December 31, 2007, for the estimated potential claim liability based upon an actuary's estimate. Management believes, based on prior experience, that the estimated reserve for claims is adequate to satisfy all claims filed or to be filed for incidents, which occurred through December 31, 2007.

The government-wide financial statements include a \$3.2 million liability to cover the lost wages and associated interest as per a Service Employees International Union (SEIU) Local 73's

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

potential settlement agreement for certain employees who had a reduction of hours worked for fiscal years 2001 and 2002.

The following is a reconciliation of the District's claims liability (amounts are in thousands):

	<u>2007</u>	<u>2006</u>
Accrued self-insurance – beginning of year	\$ 24,348	20,193
Claims and other expenses incurred – during year	10,257	10,276
Claims paid – during year	<u>(4,354)</u>	<u>(6,121)</u>
Accrued self-insurance – end of year	<u>\$ 30,251</u>	<u>24,348</u>

(12) Commitments and Contingencies

(a) Construction Commitments

The District has various outstanding construction projects estimated at December 31, 2007 to be \$94.3 million.

The City has an extraordinary opportunity to host the 2016 Olympic Games. As part of the venue selection process, it is incumbent upon the host candidate to demonstrate to the selection committee that it has the ability to provide world-class venues for Olympic-caliber athletic competition. Although Chicago does not possess an Olympic-standard aquatic center, it must demonstrate that, if chosen, as host city, it can meet the requirements of the International Olympic Committee (IOC) for all events. By including the District's portion of the aquatic center funding in the long-term capital plan, the District demonstrates the commitment level required by the IOC to host the games, yet does not commit future Boards to any expenditure unless the conditions are fulfilled.

On March 14, 2007, the Board authorized the General Superintendent to commit \$15.0 million for the sole and limited purpose of partially funding a District owned, world-class aquatic center in the event that Chicago is selected as host of the 2016 Olympic Games. This authorization is contingent upon: 1) Chicago being chosen as the host venue for the 2016 Olympic Games; and 2) Chicago 2016, or its delegate, providing \$65.0 million in funding to finance 85% of the estimated \$80.0 million that it will cost to construct the center. If built, the aquatic center will be permanently located on District property in Douglas Park and will remain open for public usage and such other events and activities, as the District may deem appropriate after the conclusion of the 2016 Olympic Games. In the event that Chicago is not chosen as the host city for the 2016 Olympic Games or the \$65.0 million is not provided, the District funding obligation is automatically extinguished and the designated \$15.0 million will be made available for future appropriation.

CHICAGO PARK DISTRICT

Notes to Basic Financial Statements

December 31, 2007

(b) *Litigation*

The District is routinely involved in a number of legal proceedings and claims that cover a wide range of matters. In the opinion of management, the outcome of these matters is not expected to have any material adverse effect on the financial position or results of operations of the District.

(c) *Federal- and State-Assisted Grant Programs*

The District participates in a number of Federal- and State-assisted grant programs. These grants are subject to audits by or on behalf of the grantors to assure compliance with grant provisions. Any liability for reimbursement, which may arise as the result of audits of grant programs, is not believed by District Management to be material.

(13) *Subsequent Events (Unaudited)*

On January 23, 2008, the District issued General Obligation Refunding Bonds, Series 2008A-D in an amount of \$28,030 thousand. The Series can be segregated out by: \$8,330 thousand of General Obligation Unlimited Tax Refunding Bonds, Series 2008A (Series 2008A Bonds) (Personal Property Replacement Tax Alternative Revenue Source); \$7,420 thousand General Obligation Limited Tax Refunding Bonds, Series 2008B (Series 2008B Bonds); \$5,590 thousand General Obligation Unlimited Tax Refunding Bonds, Series 2008C (Series 2008C Bonds); and \$6,690 thousand General Obligation Unlimited Tax Refunding Bonds, Series 2008D (Series 2008D Bonds). The proceeds from the Series 2008A Bonds will be used to (i) redeem all or a portion of certain maturities of the District's outstanding General Obligation Unlimited Tax Bonds, Series 1997 (Personal Property Replacement Tax Alternate Revenue Source)(Series 1997 Bonds) and (ii) pay costs of issuance of the Series 2008A Bonds and the refunding of the Series 1997 Bonds. The proceeds from the Series 2008B Bonds will be used to (i) redeem all or a portion of certain maturities of the District's outstanding General Obligation Limited Tax Bonds, Series 1997 (Series 1997 Limited Tax Bonds) and (ii) pay costs of issuance of the Series 2008B Bonds and the refunding of the Series 1997 Limited Tax Bonds. The proceeds from the Series 2008C Bonds will be used to (i) redeem all or a portion of certain maturities of the District's outstanding General Obligation Unlimited Tax Refunding Bonds, Series 1997 (Series 1997 Unlimited Tax Bonds) and (ii) pay costs of issuance of the Series 2008C Bonds and the refunding of the Series 1997 Unlimited Tax Bonds. The proceeds from the Series 2008D Bonds will be used to (i) redeem all or a portion of certain maturities of the District's outstanding General Obligation Refunding Bonds, Series 1997 (Series 1997 Refunding Bonds) and (ii) pay costs of issuance of the Series 2008D Bonds and the refunding of the Series 1997 Refunding Bonds.

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CHICAGO PARK DISTRICT

Required Supplementary Information

Schedule of Revenues and Expenditures – Budget and Actual

General Fund (Budgetary Basis) (Unaudited)

Year ended December 31, 2007

(Amounts are in thousands of dollars)

	Budgeted amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property tax	\$ 134,571	134,571	135,795	1,224
Personal property replacement tax	19,308	19,308	27,822	8,514
Interest on investments	2,350	2,350	2,085	(265)
Concession revenue	5,409	5,409	3,810	(1,599)
Parking fees*	6,668	6,668	6,732	64
Harbor fees	20,426	20,426	21,432	1,006
Golf fees	500	500	500	—
Park fees	11,955	11,955	11,263	(692)
Soldier field	22,561	22,561	21,092	(1,469)
Northerly Island	201	201	205	4
Donations and grant income	9,000	227	677	450
Rentals	2,246	2,246	2,770	524
Miscellaneous income	2,124	2,124	1,651	(473)
Permits	2,743	2,743	3,459	716
Capital contributions	1,200	1,200	—	(1,200)
Transfer in*	10,000	10,000	10,061	61
Total revenues	251,262	242,489	249,354	6,865
Expenditures:				
Personnel services	140,283	139,433	136,183	3,250
Materials and supplies	7,118	5,622	5,016	606
Small tools and equipment	2,121	677	546	131
Contractual services	87,997	82,572	75,390	7,182
Program expense	9,195	9,637	9,279	358
Transfer out	4,548	4,548	5,493	(945)
Total expenditures	251,262	242,489	231,907	10,582
Revenues over expenditures	\$ —	—	17,447	17,447

* See notes to budgetary comparison schedule.

See accompanying independent auditors' report.

CHICAGO PARK DISTRICT

Required Supplementary Information

Schedule of Revenues and Expenditures – Budget and Actual
Long-term Income Reserve Fund (Budgetary Basis) (Unaudited)

Year ended December 31, 2007

(Amounts are in thousands of dollars)

	Budgeted amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ —	—	4,977	(4,977)
Total revenues	—	—	4,977	(4,977)
Expenditures:				
Transfer out	5,000	5,000	5,000	—
Total expenditures	5,000	5,000	5,000	—
Revenues over expenditures	<u>\$ (5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>—</u>

See accompanying independent auditors' report.

CHICAGO PARK DISTRICT

Required Supplementary Information

Notes to Budgetary Comparison Schedules (Unaudited)

Year ended December 31, 2007

A reconciliation of the different basis of revenue and expenditure recognition for the year ended December 31, 2007 is as follows (amounts are in thousands):

	fund	fund
Revenues, GAAP basis	\$ 238,801	4,977
Add:		
Reclassification of salary reimbursement	140	—
Transfer in	10,061	—
Transfer in (reclassified to Parking fees)	5,000	—
Less:		
Reclassification of property tax refunds	(4,648)	—
Revenues, budgetary basis	\$ 249,354	4,977
Expenditures, GAAP basis	\$ 233,747	—
Add:		
Reclassification of salary reimbursement	140	—
Transfer out	5,493	5,000
Encumbered in 2007	364	—
Less:		
Reclassification of property tax refunds	(4,648)	—
Payments on PY Encumbrances	(3,189)	—
Expenditures, budgetary basis	\$ 231,907	5,000

Excess of Expenditures over Appropriations

For the year ended December 31, 2007, expenditures did not exceed appropriations in the any of the account classes (the legal level of budgetary control) of the General Fund or the Long-term Income Reserve Fund.

See accompanying independent auditors' report.

CHICAGO PARK DISTRICT
 Required Supplementary Information
 Schedule of Funding Progress (Unaudited)
 June 30, 2007
 (Amounts are in Thousands of Dollars)

Schedule of Funding Progress – Pension Plan

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) – entry age (b)	Unfunded actuarial accrued liability (UAAL) (b-a)	AAL funding ratio (a/b)	Annual covered payroll (c)	UAAL as a percent of annual covered payroll ((b-a)/c)
June 30, 2007	\$ 583,296	767,931	184,635	76.0%	\$ 106,602	173.2%
June 30, 2006	572,659	745,244	172,585	76.8	101,058	170.8
June 30, 2005	587,774	734,361	146,587	80.0	95,707	153.2

See accompanying independent auditors' report.

CHICAGO PARK DISTRICT

Required Supplementary Information

Note to Schedule of Funding Progress (Unaudited)

June 30, 2007

Actuarial Methods and Assumptions – Pension Plan

Valuation date	June 30, 2007
Actuarial-cost method	Projected unit credit
Amortization method	Level-dollar
Amortization period	30 years (open)
Asset valuation method	5-year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.0% per year
Projected salary increases *	4.5% per year
Inflation rate	4.0% per year

* Includes inflation at cost-of-living adjustments

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CHICAGO PARK DISTRICT

Nonmajor Governmental Funds

Combining Fund Statements and Other Supplementary Information

December 31, 2007

Special Revenue Funds - Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Aquarium and Museums Operating Fund – for the amount of maintenance tax to be levied in conformity with provisions of an act entitled An Act in Relation to the Creation, Maintenance, Operation and Improvement of the District approved July 10, 1933, as amended and an act entitled An Act Concerning Aquariums and Museums in Public Parks approved July 18, 1933, title as amended by an act approved June 24, 1935, as amended, for the purpose of operating, maintaining, and caring for the institutions.

Pension Fund – for the amount of tax to be levied as required for the purpose of providing the amount necessary to be contributed by the District as employer, to the Retirement Board of Park Employees' Annuity and Benefit Fund for the funds provided under the provisions of an act entitled An Act to Provide for the Creation, Setting Apart, Formation, Administration, and Disbursement of a Park Employees' and Retirement Board Annuity and Benefit Fund approved June 24, 1919 title as amended by an act approved July 10, 1937.

Special Recreation Tax Fund – for the purpose of paying the associated expenses as related to increasing the accessibility of facilities in accordance with Americans with Disabilities Act (ADA), providing programming and personnel-related costs to the operations of said programs.

Public Building Commission Operating Fund – for the purpose of operations and maintenance by the District for the Public Building Commission of Chicago's facilities.

Federal, State and Local Grants Fund – for the purpose of accounting for the programs/projects with revenues provided by the Federal government, State government, and the City of Chicago as well as certain local donors. Purpose can be specified as either capital or operating in nature.

Reserve for Park Replacement Fund – for the purpose of future capital improvements to parkland above, beneath and adjacent to specifically, the East Monroe Street Garage, in accordance with the Intergovernmental Agreement and Concession Agreement.

Debt Service Fund - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Public Building Commission Debt Service Fund – for the purpose of paying the annual rental due per terms of leases between the District and the Public Building Commission of Chicago to pay for the facilities that will be operated by the District.

Capital Project Fund - Capital Project funds are used to account for the acquisition and construction of major capital facilities.

Aquarium and Museums Capital Fund – for the purpose of paying the cost of erecting, enlarging, ornamenting, building, rebuilding, rehabilitating, and improving any aquarium, or any museum, or museums of art, industry, science, or natural or other history located within any public park or parks under the control of the District.

CHICAGO PARK DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007
(Amounts are in thousands of dollars)

Assets	Special Revenue			
	Aquarium and museums operating	Pension	Special recreation tax	Public Building Commission operating
Cash and cash equivalents (note 3)	\$ —	—	—	—
Investments (note 3)	2,870	910	—	9,504
Receivables:				
Property taxes, net	29,525	8,794	5,790	11,388
Personal property replacement tax	517	3	—	—
Accounts	—	—	—	—
Due from other funds (note 4)	—	—	5,562	—
Due from other governments	—	—	—	—
Total assets	\$ 32,912	9,707	11,352	20,892
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ 2,870	—	494	2,940
Accrued payroll	—	—	59	—
Due to other funds (note 4)	—	—	—	—
Due to other organizations	517	913	—	—
Retainage payable	—	—	18	—
Deferred revenue:				
Property taxes	25,175	7,457	4,924	9,728
Unearned revenue:				
Other	—	—	—	—
Other liabilities	—	—	—	—
Total liabilities	28,562	8,370	5,495	12,668
Fund balances:				
Fund balances reserved for:				
Encumbrances	—	—	513	—
Debt service	—	—	—	—
Contributions for other organizations	4,350	1,337	—	—
Special recreational activities	—	—	5,344	—
Park replacement over Monroe Garage	—	—	—	—
Fund balances unreserved:				
Undesignated, special revenue fund	—	—	—	8,224
Undesignated, capital project fund	—	—	—	—
Total fund balances	4,350	1,337	5,857	8,224
Total liabilities and fund balances	\$ 32,912	9,707	11,352	20,892

See accompanying independent auditors' report.

		<u>Debt Service</u>	<u>Capital Project</u>	
<u>Federal, State, and local grants</u>	<u>Reserve for park replacement</u>	<u>Public Building Commission debt service</u>	<u>Aquarium and museums capital</u>	<u>Total nonmajor governmental funds</u>
3,337	—	—	—	3,337
35,019	36,722	—	1,978	87,003
—	—	3,768	—	59,265
—	—	—	—	520
4,074	—	—	—	4,074
—	—	—	—	5,562
—	—	635	—	635
42,430	36,722	4,403	1,978	160,396
2,862	—	—	—	9,166
6	—	—	—	65
6,640	—	172	—	6,812
—	—	—	—	1,430
388	—	—	—	406
—	—	3,214	—	50,498
10,335	—	—	—	10,335
19	—	—	—	19
20,250	—	3,386	—	78,731
—	—	—	—	513
—	—	1,017	—	1,017
—	—	—	—	5,687
—	—	—	—	5,344
—	35,000	—	—	35,000
22,180	1,722	—	—	32,126
—	—	—	1,978	1,978
22,180	36,722	1,017	1,978	81,665
42,430	36,722	4,403	1,978	160,396

CHICAGO PARK DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)

Nonmajor Governmental Funds

Year ended December 31, 2007

(Amounts are in thousands of dollars)

	Special Revenue			
	Aquarium and museums operating	Pension	Special recreation tax	Public Building Commission operating
Revenues:				
Property taxes	\$ 29,729	9,401	5,990	11,268
Personal property replacement tax	3,801	20	—	—
Investment income	—	—	—	—
Donations and grant income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>33,530</u>	<u>9,421</u>	<u>5,990</u>	<u>11,268</u>
Expenditures:				
Current:				
Park operations and maintenance	—	2,812	—	—
Recreation programs	—	4,188	1,609	—
Special services	31,098	28	—	9,104
General and administrative	922	1,963	297	377
Capital outlay	—	—	2,362	—
Debt service:				
Principal	—	—	—	—
Interest	—	—	—	—
Total expenditures	<u>32,020</u>	<u>8,991</u>	<u>4,268</u>	<u>9,481</u>
Excess (deficiency) of revenues over expenditures	<u>1,510</u>	<u>430</u>	<u>1,722</u>	<u>1,787</u>
Other financing sources (uses):				
Transfers in (note 4)	—	—	—	—
Transfers out (note 4)	—	(10,000)	—	—
Total other financing sources and uses, net	<u>—</u>	<u>(10,000)</u>	<u>—</u>	<u>—</u>
Net change in fund balances	1,510	(9,570)	1,722	1,787
Fund balances – beginning of year	2,840	10,907	4,135	6,437
Fund balances – end of year	\$ <u><u>4,350</u></u>	<u><u>1,337</u></u>	<u><u>5,857</u></u>	<u><u>8,224</u></u>

See accompanying independent auditors' report.

		<u>Debt Service</u>	<u>Capital Project</u>	
<u>Federal, State, and local grants</u>	<u>Reserve for park replacement</u>	<u>Public Building Commission debt service</u>	<u>Aquarium and museums capital</u>	<u>Total nonmajor governmental funds</u>
—	—	3,793	—	60,181
—	—	—	—	3,821
1,315	1,722	—	105	3,142
15,199	—	—	—	15,199
1,041	—	—	—	1,041
<u>17,555</u>	<u>1,722</u>	<u>3,793</u>	<u>105</u>	<u>83,384</u>
811	—	—	—	3,623
3,100	—	—	—	8,897
—	—	—	—	40,230
204	—	119	—	3,882
4,991	—	—	—	7,353
—	—	2,375	—	2,375
—	—	1,406	—	1,406
<u>9,106</u>	<u>—</u>	<u>3,900</u>	<u>—</u>	<u>67,766</u>
<u>8,449</u>	<u>1,722</u>	<u>(107)</u>	<u>105</u>	<u>15,618</u>
13,731	—	—	—	13,731
—	—	—	—	(10,000)
<u>13,731</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,731</u>
22,180	1,722	(107)	105	19,349
—	35,000	1,124	1,873	62,316
<u>22,180</u>	<u>36,722</u>	<u>1,017</u>	<u>1,978</u>	<u>81,665</u>

CHICAGO PARK DISTRICT

Combining Schedule of Revenues – Budget and Actual (Budgetary Basis)

Nonmajor Special Revenue Funds

Year ended December 31, 2007

(Amounts are in thousands of dollars)

FUND	Donations and grant income	Property taxes	Personal property replacement tax
Original Budgeted Revenues:			
Aquarium and museums operating	\$ —	30,596	3,240
Pension	—	9,114	17
Special recreation tax	—	6,000	—
Public Building Commission operating	—	11,800	—
Federal, State, and local grants	—	—	—
Reserve for park replacement	—	—	—
Total budgeted revenues	<u>—</u>	<u>57,510</u>	<u>3,257</u>
Final Budgeted Revenues:			
Aquarium and museums operating	—	30,596	3,240
Pension	—	9,114	17
Special recreation tax	—	6,000	—
Public Building Commission operating	—	11,800	—
Federal, State, and local grants	8,773	—	—
Reserve for park replacement	—	—	—
Total budgeted revenues	<u>8,773</u>	<u>57,510</u>	<u>3,257</u>
Actual Revenues:			
Aquarium and museums operating	—	28,807	3,801
Pension	—	9,104	20
Special recreation tax	—	5,771	—
Public Building Commission operating	—	10,891	—
Federal, State, and local grants	15,199	—	—
Reserve for park replacement	—	—	—
Total actual revenues	<u>15,199</u>	<u>54,573</u>	<u>3,821</u>
Variance with Final Budget:			
Aquarium and museums operating	—	(1,789)	561
Pension	—	(10)	3
Special recreation tax	—	(229)	—
Public Building Commission operating	—	(909)	—
Federal, State, and local grants	6,426	—	—
Reserve for park replacement	—	—	—
Total variance of revenues	<u>\$ 6,426</u>	<u>(2,937)</u>	<u>564</u>

See accompanying independent auditors' report.

<u>Interest on investments</u>	<u>Miscellaneous income</u>	<u>Total nonmajor governmental funds</u>
—	—	33,836
—	—	9,131
—	2,700	8,700
—	—	11,800
—	—	—
—	—	—
<u>—</u>	<u>2,700</u>	<u>72,240</u>
—	—	33,836
—	—	9,131
—	2,700	8,700
—	—	11,800
—	—	8,773
—	—	—
<u>—</u>	<u>2,700</u>	<u>72,240</u>
—	—	32,608
—	—	9,124
—	—	5,771
—	—	10,891
1,315	1,041	17,555
1,722	—	1,722
<u>3,037</u>	<u>1,041</u>	<u>77,671</u>
—	—	(1,228)
—	—	(7)
—	(2,700)	(2,929)
—	—	(909)
1,315	1,041	8,782
1,722	—	1,722
<u>3,037</u>	<u>(1,659)</u>	<u>5,431</u>

CHICAGO PARK DISTRICT

Combining Schedule of Expenditures – Budget and Actual (Budgetary Basis)

Nonmajor Special Revenue Funds

Year ended December 31, 2007

(Amounts are in thousands of dollars)

	<u>Personnel services</u>	<u>Materials and supplies</u>	<u>Small tools and equipment</u>
FUND			
Original Budgeted Expenditures:			
Aquarium and museums operating	\$ —	—	—
Pension	—	—	—
Special recreation tax	2,622	50	25
Public Building Commission operating	—	—	—
Federal, State, and local grants	—	—	—
Reserve for park replacement	—	—	—
Total budgeted expenditures	<u>2,622</u>	<u>50</u>	<u>25</u>
Final Budgeted Expenditures:			
Aquarium and museums operating	—	—	—
Pension	—	—	—
Special recreation tax	2,654	50	25
Public Building Commission operating	—	—	—
Federal, State, and local grants	408	1,500	1,500
Reserve for park replacement	—	—	—
Total budgeted expenditures	<u>3,062</u>	<u>1,550</u>	<u>1,525</u>
Actual Expenditures:			
Aquarium and museums operating	—	—	—
Pension	—	—	—
Special recreation tax	1,564	41	7
Public Building Commission operating	—	—	—
Federal, State, and local grants	488	471	74
Reserve for park replacement	—	—	—
Total actual expenditures	<u>2,052</u>	<u>512</u>	<u>81</u>
Variance with Final Budget:			
Aquarium and museums operating	—	—	—
Pension	—	—	—
Special recreation tax	1,090	9	18
Public Building Commission operating	—	—	—
Federal, State, and local grants	(80)	1,029	1,426
Reserve for park replacement	—	—	—
Total variance of expenditures	<u>\$ 1,010</u>	<u>1,038</u>	<u>1,444</u>

See accompanying independent auditors' report.

Contractual services	Program expense	Total nonmajor governmental funds
—	33,835	33,835
—	9,130	9,130
5,832	100	8,629
11,800	—	11,800
—	—	—
—	—	—
17,632	43,065	63,394
—	33,835	33,835
—	9,130	9,130
6,005	100	8,834
11,800	—	11,800
5,365	—	8,773
—	—	—
23,170	43,065	72,372
—	31,098	31,098
—	8,693	8,693
2,861	90	4,563
4,786	—	4,786
7,769	303	9,105
—	—	—
15,416	40,184	58,245
—	2,737	2,737
—	437	437
3,144	10	4,271
7,014	—	7,014
(2,404)	(303)	(332)
—	—	—
7,754	2,881	14,127

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Part III
STATISTICAL SECTION

CHICAGO PARK DISTRICT

Statistical Section

December 31, 2007

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and well-being has changed over time. 95 – 101

REVENUE CAPACITY

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. 102 – 107

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. 108 – 111

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. 112 – 113

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. 114 – 120

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments in 2002; schedules presenting government-wide information include information beginning in that year.

CHICAGO PARK DISTRICT

NET ASSETS BY COMPONENT

Last Six Years

(accrual basis of accounting)

(Amounts are in Thousands of Dollars)

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities						
Invested in Capital Assets						
Net of Related Debt	\$ 209,425	345,031	448,054	478,267	467,240	489,493
Restricted	93,815	205,042	218,808	135,757	211,194	220,437
Unrestricted (Deficit)	<u>52,419</u>	<u>40,827</u>	<u>14,348</u>	<u>135,236</u>	<u>355,759</u>	<u>353,161</u>
Total Governmental Activities	\$ <u>355,659</u>	<u>590,900</u>	<u>681,210</u>	<u>749,260</u>	<u>1,034,193</u>	<u>1,063,091</u>
Business-type Activities						
Invested in Capital Assets						
Net of Related Debt	\$ 26,055	—	—	—	—	—
Restricted	9,508	—	—	—	—	—
Unrestricted	<u>4,059</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Business-type Activities	\$ <u>39,622</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Primary Government						
Invested in Capital Assets						
Net of Related Debt	\$ 235,480	345,031	448,054	478,267	467,240	489,493
Restricted	103,323	205,042	218,808	135,757	211,194	220,437
Unrestricted	<u>56,478</u>	<u>40,827</u>	<u>14,348</u>	<u>135,236</u>	<u>355,759</u>	<u>353,161</u>
Total Primary Government	\$ <u>395,281</u>	<u>590,900</u>	<u>681,210</u>	<u>749,260</u>	<u>1,034,193</u>	<u>1,063,091</u>

Data Source

Audited Financial Statements

CHICAGO PARK DISTRICT
CHANGES IN NET ASSETS
Last Six Years
(accrual basis of accounting)
(Amounts are in Thousands of Dollars)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental Activities						
Park operations and maintenance	\$ 134,081	96,007	104,942	108,824	136,586	142,493
Recreation programs	130,764	133,573	111,287	101,768	106,256	88,925
Special services	47,720	66,711	75,766	75,746	72,597	66,611
General and administrative	38,218	55,252	33,441	41,390	46,925	64,925
Interest in long-term debt	31,895	54,201	51,511	52,114	50,561	44,848
Total Governmental Activities Expenses	382,678	405,744	376,947	379,842	412,925	407,802
Business-type Activities						
Parking	13,713	—	—	—	—	—
Harbor	11,545	4,691	—	—	—	—
Total Business-type Activities Expenses	25,258	4,691	—	—	—	—
Total Primary Government Expenses	\$ 407,936	410,435	376,947	379,842	412,925	407,802
Program Revenues						
Governmental Activities						
Charges for Services						
Park operations and maintenance	\$ 2,992	4,250	4,654	5,075	3,308	3,270
Recreation programs	11,001	8,885	9,630	10,077	10,629	11,256
Special programs	21,662	37,440	72,471	74,604	77,132	60,700
General and administrative	—	—	—	—	—	—
Interest in Long-term Debt	—	—	—	—	—	—
Operating Grants and Contributions	3,266	4,016	4,642	4,781	3,205	2,851
Capital Grants and Contributions	5,046	26,902	27,867	6,745	52,031	26,061
Total Governmental Activities Program Revenues	43,967	81,493	119,264	101,282	146,305	104,138
Business-type Activities						
Charges for Services						
Parking	14,068	12,999	—	—	—	—
Harbor	15,845	—	—	—	—	—
Operating Grants and Contributions	—	—	—	—	—	—
Capital Grants and Contributions	—	—	—	—	—	—
Total Business-type Activities Program Revenues	29,913	12,999	—	—	—	—
Total Primary Government Program Revenues	\$ 73,880	94,492	119,264	101,282	146,305	104,138
Net (Expense) Revenue						
Governmental Activities	\$ (338,711)	(324,251)	(257,683)	(278,560)	(266,620)	(303,664)
Business-type Activities	4,655	8,308	—	—	—	—
Total Primary Government Net (Expense) Revenue	\$ (334,056)	(315,943)	(257,683)	(278,560)	(266,620)	(303,664)

(Continued)

CHICAGO PARK DISTRICT
CHANGES IN NET ASSETS
Last Six Years
(accrual basis of accounting)
(Amounts are in Thousands of Dollars)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Taxes						
Property taxes	\$ 242,176	247,354	252,291	266,049	268,516	254,510
Personal property replacement taxes	23,185	26,878	29,190	40,480	42,482	51,591
Grants and Contributions not Restricted to						
Specific Programs	220,293	232,760	62,906	32,949	3,082	2,040
Unrestricted Investment Earnings	4,756	2,200	3,018	5,139	12,348	21,869
Miscellaneous	987	2,141	588	1,993	1,544	2,552
Transfers	5,761	48,159	588	1,993	—	—
Special Items	—	—	—	—	223,581	—
Total Governmental Activities	497,158	559,492	348,581	348,603	551,553	332,562
Business-type Activities						
Investment Earnings	1,106	229	—	—	—	—
Transfers	(5,761)	(48,159)	—	—	—	—
Total Business-type Activities	(4,655)	(47,930)	—	—	—	—
Total Primary Government	\$ 492,503	511,562	348,581	348,603	551,553	332,562
Change in Net Assets						
Governmental Activities	\$ 158,447	235,241	90,898	70,043	284,933	28,898
Business-type Activities	—	(39,622)	—	—	—	—
Total Primary Government Change in Net Assets	\$ 158,447	195,619	90,898	70,043	284,933	28,898

Data Source

Audited Financial Statements

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CHICAGO PARK DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Six Years
 (modified accrual basis of accounting)
 (Amounts are in Thousands of Dollars)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund						
Reserved						
Contributions for other organizations	\$ 12,010	15,018	13,323	8,341	—	—
Encumbrances	—	—	—	—	3,189	364
Working cash	—	—	77,249	—	—	—
Special recreational activities	—	—	—	1,120	—	—
Capital improvement	—	—	—	—	240	—
Unreserved						
Designated	671	2,005	—	—	—	10,000
Undesignated	<u>(70,407)</u>	<u>(65,679)</u>	<u>(87,570)</u>	<u>18,881</u>	<u>6,488</u>	<u>14,175</u>
Total General Fund	\$ <u>(57,726)</u>	<u>(48,656)</u>	<u>3,002</u>	<u>28,342</u>	<u>9,917</u>	<u>24,539</u>
All Other Governmental Funds						
Reserved						
Debt service funds	\$ 59,991	68,907	72,379	75,457	66,632	59,403
Capital project funds	99,211	93,912	66,076	87,805	—	—
Encumbrances	—	—	—	—	12,788	513
Contributions for other organizations	—	—	—	—	3,747	5,687
Special recreational activities	—	—	—	—	4,130	5,344
Park replacement over Monroe Garage	—	—	—	—	35,000	35,000
Working cash	77,238	77,245	—	—	—	—
Unreserved, reported in						
Special Revenue Funds	6,923	7,087	3,382	5,907	133,824	154,451
Debt Service Funds	—	—	—	—	—	—
Capital Project Funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>202,688</u>	<u>172,433</u>
Total All Other Governmental Funds	\$ <u>243,363</u>	<u>247,151</u>	<u>141,837</u>	<u>169,169</u>	<u>458,809</u>	<u>432,831</u>

Data Source

Audited Financial Statements. Data prior to 2002 is not available as revenue was presented on a non-GAAP basis.

CHICAGO PARK DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Six Years
 (modified accrual basis of accounting)
 (Amounts are in Thousands of Dollars)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues						
Property Tax	\$ 194,117	263,772	210,708	264,240	239,371	253,681
Personal property replacement tax	28,805	26,878	29,190	40,480	42,482	51,591
Investment Income	4,756	2,200	3,018	5,139	12,348	21,869
Parking fees	1,048	16,418	20,103	19,830	19,400	1,732
Harbor fees	—	2,894	17,189	17,972	19,447	21,432
Other privatized fees	—	—	1,495	1,772	1,690	1,312
Concessions	2,173	1,816	1,991	2,328	2,456	2,505
Rental of Soldier Field	15,269	12,766	19,120	20,122	21,816	21,092
Rental of other property	1,876	2,084	2,369	2,486	2,808	2,770
Golf course fees	3,171	3,545	3,757	3,512	500	500
Recreational activities	11,001	8,885	9,630	10,077	10,629	11,256
Other user charges	1,116	2,166	2,285	2,589	3,155	3,459
Donations and grant income	8,312	30,918	31,143	12,392	25,252	17,239
Miscellaneous	987	2,142	588	1,993	1,545	2,552
Total Revenues	<u>272,631</u>	<u>376,484</u>	<u>352,586</u>	<u>404,932</u>	<u>402,899</u>	<u>412,990</u>
Expenditures						
Current:						
Park operations and maintenance	44,231	47,133	64,891	74,852	79,322	94,110
Recreation programs	132,458	136,074	113,332	95,927	99,435	84,522
Special services	47,735	59,862	60,055	68,788	65,633	59,667
General and administrative	38,376	30,159	32,151	35,212	42,728	53,597
Capital Outlay	83,423	73,077	87,433	25,479	58,682	44,118
Debt Service						
Principal	20,680	24,145	34,795	43,500	41,740	43,360
Extinguishment of debt	—	—	—	—	75,951	—
Interest	43,194	46,835	51,397	48,918	52,231	44,613
Cost of issuance and other	7,278	2,027	2,420	1,392	2,166	—
Total Expenditures	<u>417,375</u>	<u>419,312</u>	<u>446,474</u>	<u>394,068</u>	<u>517,888</u>	<u>423,987</u>
Excess of Revenues over (under) Expenditures	<u>(144,744)</u>	<u>(42,828)</u>	<u>(93,888)</u>	<u>10,864</u>	<u>(114,989)</u>	<u>(10,997)</u>

(Continued))

CHICAGO PARK DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Six Years

(modified accrual basis of accounting)

(Amounts are in Thousands of Dollars)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Other financing Sources (Uses)						
Proceeds from bond refunding	78,410	93,585	125,895	44,180	144,855	—
Proceeds from bond issuance	—	34,625	36,930	40,000	35,000	—
Premium (Discount) on long-term debt	3,017	9,345	10,331	3,457	8,768	—
Premium on TAW issuance	431	498	916	727	63	—
Payments to refund bond escrow agent	(84,919)	(103,449)	(133,841)	(43,788)	(150,615)	—
Payments for current refunding of bonds	—	—	—	(2,769)	—	—
Garage lease revenue	—	—	—	—	—	—
Transfers in	41,081	27,257	95,906	13,265	363,106	34,267
Transfers out	(16,649)	(6,176)	(95,906)	(13,265)	(363,106)	(34,267)
Total other financing sources (uses)	<u>21,371</u>	<u>55,685</u>	<u>40,231</u>	<u>41,807</u>	<u>38,071</u>	<u>—</u>
Special Item: Sale of Garages	—	—	—	—	347,775	—
Net Change in Fund Balances	<u>\$ (123,373)</u>	<u>12,857</u>	<u>(53,657)</u>	<u>52,671</u>	<u>270,857</u>	<u>(10,997)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 19.13%	 20.50%	 24.01%	 25.07%	 37.00%	 23.16%

Data Source

Audited Financial Statements. Data prior to 2002 is not available as revenue was presented on a non-GAAP basis.

CHICAGO PARK DISTRICT
PERSONAL PROPERTY REPLACEMENT TAX RECEIPTS
 Last Ten Collection Years
 (Amounts are in Thousands of Dollars)

Collection Year	Personal Property Replacement Tax Receipts
1998	\$ 32,647 (1)
1999	35,881 (1)
2000	39,932 (1)
2001	30,910
2002	28,805
2003	26,878
2004	29,190
2005	40,480
2006	42,482
2007	51,591

(1) As noted in the District's audited financial statements from 1998 through 2000, the District reported its property and personal property replacement tax revenues on a budgetary basis that differed from GAAP. The revenue numbers above reflect reconciliation to GAAP basis of accounting.

CHICAGO PARK DISTRICT
ASSESSED VALUE AND ESTIMATED FAIR MARKET VALUE OF TAXABLE PROPERTY

Last Ten Levy Years
 (Amounts are in Thousands of Dollars)

Levy Year	Assessed Values (1)				Tax-Exempt (4) Property Value	State Equalization Factor (5)	Total Equalized Assessed Value (6)	Total Direct Tax Rate	Total Estimated Fair Market Value (7)	Ratio of Total Equalized Assessed to Total Estimated Fair Market Value
	Class 2 (2) Residential Property	Class 3 (3) Residential Property	Industrial/Commercial Property							
1997	\$ 6,554,716	2,077,043	7,809,485	357,517	16,798,761	2.1489	\$ 33,349,557	0.665	\$ 111,679,906	29.862 %
1998	6,646,198	2,047,577	7,848,335	267,007	16,809,117	2.1799	33,940,146	0.653	122,726,446	27.655
1999	6,777,400	2,021,411	7,910,838	282,255	16,991,904	2.2505	35,354,802	0.627	135,522,333	26.088
2000	8,758,682	1,966,921	8,807,444	342,943	19,875,990	2.2235	40,480,077	0.571	162,593,364	24.897
2001	8,973,796	1,923,256	8,757,366	354,036	20,008,454	2.3098	41,981,912	0.568	185,912,246	22.582
2002	9,221,622	1,865,646	8,878,142	349,372	20,314,782	2.4689	45,330,892	0.545	201,938,231	22.448
2003	12,677,199	2,233,572	10,303,732	487,680	25,702,183	2.4598	53,168,632	0.463	223,572,427	23.781
2004	12,988,216	1,883,048	10,401,429	465,462	25,738,155	2.5757	55,277,096	0.455	262,080,627	21.092
2005	13,420,538	1,842,613	10,502,698	462,099	26,227,948	2.7320	59,304,530	0.443	283,137,884	20.945
2006 (8)	18,521,873	2,006,898	12,157,149	688,868	33,374,788	2.7080	69,517,264	0.379	N/A (9)	N/A (9)

Data Source

- (1) Source: Cook County Assessor's Office. Excludes portion of City in DuPage County.
- (2) Residential, 6 units and under.
- (3) Residential, 7 units and over and mixed use.
- (4) Vacant, not-for-profit and industrial/commercial incentive classes. Includes railroad and farm property.
- (5) Source: Illinois Department of Revenue.
- (6) Source: Cook County Clerk's Office. Excludes portion of DuPage County and net of exemptions. Calculations also include assessment of pollution control facilities
- (7) Source: The Civic Federation. Excludes values for railroad, pollution control, or that part of O'Hare Airport in DuPage County.
- (8) 2007 information not available at time of publication.
- (9) 2006 information not available at time of publication.

CHICAGO PARK DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years
(Per \$100 of Equalized Assessed Valuation)

Levy Year	District Direct Rates								
	Corporate	Liability Insurance	Debt Service	Aquarium & Museum Debt Service	Aquarium & Museum Operating & Maintenance	Pension	Public Building Commission	Special Recreation Programs	
1997	\$ 0.372	0.024	0.126	-	0.102	0.028	0.013	-	
1998	0.351	0.022	0.123	-	0.103	0.027	0.027	-	
1999	0.337	0.021	0.119	-	0.099	0.026	0.025	-	
2000	0.292	0.019	0.113	0.015	0.086	0.023	0.023	-	
2001	0.293	0.018	0.106	0.021	0.083	0.024	0.023	-	
2002	0.286	0.019	0.098	0.030	0.077	0.022	0.013	-	
2003	0.242	0.014	0.083	0.024	0.063	0.019	0.018	-	
2004	0.238	0.013	0.080	0.024	0.055	0.018	0.027	-	
2005	0.230	0.012	0.074	0.022	0.052	0.017	0.026	0.010	
2006	0.197	0.011	0.064	0.019	0.044	0.014	0.022	0.010	

Data Source

Office of the Clerk of Cook County

DISTRICT STATUTORY PROPERTY TAX RATE LIMITATIONS BY FUND

Fund	Limit
Corporate	\$ 0.660
Liability Insurance	Unlimited, except Workers' Compensation Claims Reserve Fund, which is limited to \$ 0.005, but subject to the Limitation Law.
Debt Service	Unlimited
Aquarium and Museum	\$ 0.150
Pension	Unlimited, levy calculated on basis of 110% of employee contributions for the two years prior to the applicable year, but subject to the Limitation Law.
Public Building Commission	Unlimited
Special Recreation Programs	\$ 0.040

Park District Total Direct Tax Rate	Overlapping Rates							Total
	City of Chicago	Chicago School Finance Authority	Board of Education	Community College District No. 508	Metropolitan Water Reclamation District	Forest Preserve District of Cook County	Cook County	
0.665	2.024	0.270	4.084	0.356	0.451	0.074	0.919	8.843
0.653	1.998	0.268	4.172	0.354	0.444	0.072	0.911	8.872
0.627	1.860	0.255	4.104	0.347	0.419	0.070	0.854	8.536
0.571	1.660	0.223	3.714	0.311	0.415	0.069	0.824	7.787
0.568	1.637	0.223	3.744	0.307	0.401	0.067	0.746	7.693
0.545	1.591	0.177	3.562	0.280	0.371	0.061	0.690	7.277
0.463	1.380	0.151	3.142	0.246	0.361	0.059	0.630	6.432
0.455	1.302	0.177	3.104	0.242	0.347	0.060	0.593	6.280
0.443	1.243	0.127	3.026	0.234	0.315	0.060	0.533	5.981
0.379	1.062	0.118	2.697	0.205	0.284	0.057	0.500	5.302

CHICAGO PARK DISTRICT

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO (1)

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation
Sears Tower	\$ 493,804	1	0.71 %	\$ 291,616	1	0.87 %
AON Center (2)	356,510	2	0.51	212,586	2	0.64
Equity Office (3)	340,473	3	0.49	—		—
AT&T Corporate Center 1	283,386	4	0.41	157,287	5	0.47
Prudential Plaza	279,533	5	0.40	161,834	4	0.49
Chase Tower (4)	238,266	6	0.34	183,286	3	0.55
Water Tower Place	219,995	7	0.32	—		—
Citigroup Center	205,853	8	0.30	106,521	9	0.32
Leo Burnett Building	201,662	9	0.29	—		—
70 West Madison, Chicago	196,044	10	0.28	—		—
Three First National Plaza	—		—	129,099	6	0.39
Hyatt Regency Hotel	—		—	128,867	7	0.39
CIGNA	—		—	112,441	8	0.34
Civic Opera House	—		—	104,724	10	0.31
	<u>\$ 2,815,526</u>		<u>4.05 %</u>	<u>\$ 1,588,261</u>		<u>4.76 %</u>

NOTES:

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

(1) 2007 information not available at time of publication.

(2) AON and Amoco is the same building renamed.

(3) Equity Office owns and manages two adjoining office tower buildings.

(4) Chase Tower, BankOne Plaza, and One First National Plaza is the same building renamed.

Data Source

Cook County Treasurer's Office, Cook County Assessor's Office

CHICAGO PARK DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Levy Years
 (Amounts are in Thousands of Dollars)

Levy Year	Collection Year	Final Collection Due Date	Gross Tax Levied	Percentage Rate of Uncollectible Taxes	Allowance For Uncollectible Taxes	Net Tax Levied	Collected within the first Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
							Amount	Percentage of Levy		Amount	Percentage of Levy
1997	1998	10/28/98	\$ 221,632	3.0 %	\$ 6,649	214,983	212,832	96.03 %	\$ 3,844	216,676	100.79 %
1998	1999	11/01/99	221,632	3.0	6,649	214,983	206,938	93.37	8,444	215,382	100.19
1999	2000	10/02/00	221,632	3.0	6,649	214,983	210,264	94.87	2,012	212,276	98.74
2000	2001	11/02/01	231,428	2.0	4,629	226,799	219,944	95.04	3,680	223,624	98.60
2001	2002	11/01/02	235,116	2.0	4,702	230,414	225,162	95.77	5,849	231,011	100.26
2002	2003	11/01/03	243,853	3.0	7,316	236,537	235,685	96.65	5,221	240,906	101.85
2003	2004	11/15/04	243,250	3.0	7,298	235,953	231,351	95.11	10,474	241,825	102.49
2004	2005	11/01/05	247,853	3.0	7,436	240,417	242,927	98.01	7,650	250,577	104.23
2005	2006	09/01/06	259,448	3.5	9,081	250,367	253,082	97.55	5,820	258,902	103.41
2006	2007	12/03/07	280,266	3.5	9,109	251,157	232,526	89.34	—	232,526	92.56

Office of the County Clerk

CHICAGO PARK DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
 (Amounts are in Thousands of Dollars)

Fiscal Year Ended	Governmental Activities										Total Direct Debt	Percentage of EAV	Per Capita*
	General Obligation Bonds	Principal of PBC Lease	PPRT Alternate Revenue	Parking Alternate Revenue	Harbor Alternate Revenue	Corporate Tax Anticipation Warrants	Total Debt	Less Alternate Revenue Source and Warrants	Total Debt	Percentage of EAV			
1998	\$ 588,605	35,245	—	—	—	70,000	693,850	70,000	623,850	1.87	%	0.22	
1999	664,485	33,670	—	75,000	—	66,000	839,155	141,000	698,155	2.06		0.25	
2000	642,065	33,670	—	75,000	61,925	90,000	902,660	226,925	675,735	1.91		0.24	
2001	813,080	31,880	—	75,000	61,925	70,000	1,051,885	206,925	844,960	2.09		0.29	
2002	872,720	29,970	—	73,750	61,925	50,000	1,088,365	185,675	902,690	2.15		0.31	
2003	485,180	27,925	296,075	78,085	62,565	62,000	1,011,830	498,725	513,105	1.13		0.18	
2004	534,140	25,735	291,620	75,565	60,520	74,485	1,062,065	502,190	559,875	1.05		0.19	
2005	560,855	24,060	291,970	75,565	60,520	72,270	1,085,240	500,325	584,915	1.06		0.20	
2006	532,605	21,715	286,010	—	58,435	14,090	912,855	358,535	554,320	0.93		0.19	
2007	501,370	19,205	278,410	—	56,285	—	855,270	334,695	520,575	0.75		0.18	

Note: Details of the District's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Demographic and Economic Statistics on page 104 for personal income and population data.

CHICAGO PARK DISTRICT
GENERAL OBLIGATION BONDED DEBT SCHEDULE

As of December 31, 2007

(Amounts are in Thousands of Dollars)

Equalized Assessed Valuation (2006) (1)	\$ <u>69,517,264</u>
General Obligation Bonds Outstanding	
Park Improvement Bonds	\$ 361,834
Aquarium and Museum Bonds (pre-1994) (2)	27,745
New Aquarium and Museum Bonds (1994 and thereafter) (2)	90,116
Working Cash Fund Bonds	<u>21,675</u>
Subtotal	<u>501,370</u>
General Obligation (PPRT Alternate Revenue) (3)	278,410
General Obligation (Harbor Alternate Revenue) (3)	<u>56,285</u>
Subtotal	<u>334,695</u>
Total General Obligation and Alternate General Obligation Bonds	\$ <u>836,065</u>
Bonded Debt Limit	
2.30% of Equalized Assessed Valuation	\$ 1,598,897
General Obligation Bonds Outstanding (4)	<u>(501,370)</u>
Unexercised Bonded Debt Limit	<u>\$ 1,097,527</u>
Non-Referendum bonded Debt Limit	
1.00% of Equalized Assessed Valuation	\$ 695,173
Park Improvement Bonds Outstanding	<u>(361,834)</u>
Unexercised Non-Referendum Bonding Authority	<u>\$ 333,339</u>
Tax Supported Debt (3)	
Outstanding General Obligation Bonds (4)	\$ 501,370
Leases supporting principal of Public Building Commission Bonds	<u>19,205</u>
Total Direct Debt	\$ <u>520,575</u>

Notes:

- (1) Figure includes both Cook County and the relevant portion of DuPage County.
- (2) Aquarium and Museum Bonds issued before 1994 are not subject to the limits of the Debt Service Extension Base, but are chargeable against the Debt Service Extension Base. Aquarium and Museum Bonds issued in 1994 and thereafter are neither subject to the limits of nor chargeable against the Debt Service Extension Base.
- (3) Under applicable law, alternate bonds are not treated as debt for purposes of statutory debt limitation calculations and the direct property taxes levied for their payment must be abated from the alternate revenue source. The alternate revenue sources utilized are the Personal Property Replacement Tax and the Harbor Revenues.
- (4) Not including alternate general obligation bonds.

CHICAGO PARK DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2007
(Amounts are in Thousands of Dollars)

Governmental unit	Gross Debt	Percentage Debt Applicable to the Chicago Park District	Chicago Park District Share of Debt
Chicago Park District	\$ 520,575	100.00%	\$ 520,575
City of Chicago	5,805,921	100.00%	5,805,921
Chicago Board of Education	4,719,936	100.00%	4,719,936
Chicago School Finance Authority	127,795	100.00%	127,795
Community College District No. 508	—	100.00%	—
Cook County	2,953,610	48.16%	1,422,459
Forrest Preserve District of Cook County	121,270	48.16%	58,404
Metropolitan Water Reclamation District	1,465,854	49.14%	720,321
	<u>15,194,386</u>		<u>12,854,835</u>
	<u>\$ 15,714,961</u>		<u>\$ 13,375,410</u>

Source: Each of the respective taxing districts.

CHICAGO PARK DISTRICT
DEBT SERVICE EXTENSION BASE
SCHEDULE OF DEBT SERVICE AS COMPARED TO DEBT SERVICE EXTENSION BASE
As of December 31, 2007

(Amounts are in Thousands of Dollars)

Tax Levy Year	Non-Referendum Outstanding Debt (1)	Aggregate Debt Service Extension Base (2)	Available Debt Service Extension Base (3)
2007	\$ 40,423,692	42,142,942	1,719,250
2008	39,624,327	42,142,942	2,518,615
2009	39,331,103	42,142,942	2,811,839
2010	39,853,385	42,142,942	2,289,557
2011	35,490,329	42,142,942	6,652,613
2012	36,376,879	42,142,942	5,766,063
2013	37,153,763	42,142,942	4,989,179
2014	32,628,190	42,142,942	9,514,752
2015	28,767,160	42,142,942	13,375,782
2016	29,053,498	42,142,942	13,089,444
2017	28,913,798	42,142,942	13,229,144
2018	27,118,485	42,142,942	15,024,457
2019	27,009,223	42,142,942	15,133,719
2020	16,411,125	42,142,942	25,731,817
2021	16,304,738	42,142,942	25,838,204
2022	17,611,350	42,142,942	24,531,592
2023	17,620,100	42,142,942	24,522,842
2024	17,611,850	42,142,942	24,531,092
2025	17,610,850	42,142,942	24,532,092
2026	17,613,675	42,142,942	24,529,267
2027	17,612,525	42,142,942	24,530,417
2028	11,144,150	42,142,942	30,998,792
2029	6,825,000	42,142,942	35,317,942

- (1) Source: Office of the Cook County Clerk and the Chicago Park District's Official Statements.
These amounts represent the non-referendum bonds on which the debt service is chargeable against the debt service extension base. This amount does not include the debt service on any 1994 and newer Aquarium and Museum Bonds or any Alternate Revenue Source Bonds.
- (2) Source: Office of the Cook County Clerk.
- (3) It is anticipated that the available amount will be utilized in future financing transactions.

CHICAGO PARK DISTRICT

Demographic and Economic Information

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2007	2,896,016	\$ N/A (4)	N/A (4)	5.7%
2006	2,896,016	121,612,399,888	41,993	5.2%
2005	2,896,016	115,206,412,496	39,781	7.0%
2004	2,896,016	107,642,018,704	37,708	7.5%
2003	2,896,016	102,704,311,424	35,733	8.1%
2002	2,896,016	101,606,721,360	35,195	8.2%
2001	2,896,016	101,815,234,512	34,512	6.8%
2000	2,896,016	101,123,086,688	33,915	5.5%
1999	2,783,726	91,038,975,104	31,672	5.9%
1998	2,783,726	88,180,088,502	30,880	5.9%

Data Source

- (1) U.S. Census (City of Chicago)
- (2) U.S. Department of Commerce, Bureau of Economic Analysis - (Cook County)
- (3) U.S. Department of Labor, Bureau of Labor Statistics
- (4) N/A means not available at time of publication.

CHICAGO PARK DISTRICT
Principal Employers (Non-Government)
Current Year and Nine Years Ago

Employer	2007			1998		
	Employees	Rank	% of Total District Population	Employees	Rank	% of Total District Population
J. P. Morgan Chase (1)	9,114	1	0.31 %	7,290	2	0.26 %
United Airlines	6,102	2	0.21	8,125	1	0.29
Jewel Food Stores, Inc.	5,424	3	0.19	4,918	5	0.18
Northern Trust	4,787	4	0.17	5,083	4	0.18
Accenture LLP (2)	4,283	5	0.15	3,756	7	0.13
SBC/AT&T (3)	4,002	6	0.14	5,569	3	0.20
American Airlines	3,645	7	0.13	—	—	—
Ford Motor Company	3,367	8	0.12	—	—	—
CVS Corporation	3,120	9	0.11	—	—	—
Deloitte & Touche	2,988	10	0.10	—	—	—
Commonwealth Edison Company	—	—	—	4,178	6	0.15
Arthur Andersen, LLP	—	—	—	3,675	8	0.13
Marshall Field's and Company	—	—	—	3,661	9	0.13
Bank of America	—	—	—	3,185	10	0.11
	<u>46,832</u>		<u>1.62 %</u>	<u>49,440</u>		<u>1.78 %</u>

NOTES:

- (1) First Chicago NBD Corporation has been acquired by J. P. Morgan Chase
- (2) Accenture LLP formerly known as Anderson Consulting
- (3) Ameritech has been acquired by SBC/AT&T

Data Source

City of Chicago, Department of Revenue, Employer's Expense Tax Return, June 30, 2007.

CHICAGO PARK DISTRICT

FULL-TIME EQUIVALENT EMPLOYEES

Last Two Years

<u>Area</u>	<u>2006</u>	<u>2007</u>
General Government		
Administration	648	646
Beaches	376	301
Lakefront	549	559
North	540	552
Central	483	483
South	521	539
Total Full-time equivalent Employees	<u>3,117</u>	<u>3,080</u>

Data Source

Comptroller's Office

Note: Beginning with fiscal year 2006, the Park District will accumulate ten years of data.

CHICAGO PARK DISTRICT

OPERATING INDICATORS

Last Two Years

Function/Program	2006	2007
Total Number of Work Orders	24,714	25,122
Total Work Order Completed	22,426	24,443
% Completed	91%	97%
Total Work Orders Completed by Type		
ADA Improvements Park	6	-
Brickwork	114	177
Carpentry	4,253	4,327
Cement and Asphalt Repair	87	317
Door Repair	14	-
Emergency Repairs	1,516	-
Equipment Repairs	1,322	676
Equipment Requests	719	591
Erecting	204	836
General Cleaning	183	229
Inside Electric	3,498	2,959
Iron Work	955	1,249
Mechanical	799	801
Moving / Hauling	522	1,232
Outside Electric	1,636	2,176
Painting	1,633	2,225
Park Repair / Maintenance	2,288	1,680
Program / Event Information	6	-
Plastering / Painting	101	101
Plumbing Repair	4,678	5,258
Roofing Repair	159	288
Special Event-Related	21	-
Cultural Programming		
Total number of Movies in the Park	118	186
Total number of Concerts in the Park	15	29
Performances at Theatre on the Lake	45	45
Number of Theatre Companies	9	9

(Continued)

CHICAGO PARK DISTRICT

OPERATING INDICATORS

Last Two Years

Function/Program	2006	2007
Park Level Programming		
Total Registration	255,368	284,063
By Age Group		
Adult	36,342	41,481
All Ages	24,078	21,376
Family	940	-
Preschool	39,953	50,218
Pre-Teen	1,533	1,637
Senior	13,859	15,311
Teen	23,192	25,758
Young Adult	212	236
Youth	115,259	128,046
Registration By Type of Programming for Youth		
Cultural Enrichment	8,510	8,510
Health & Physical Activities	56,150	68,298
Outdoor & Environmental Education	397	544
Social Interaction	45,554	45,189
Special Events	3,215	3,839
Special Interests	1,085	1,286
Therapeutic Recreation	348	380
Number of Programs by Type of Programming for Youth		
Cultural Enrichment	999	1,027
Health & Physical Activities	4,919	5,390
Outdoor & Environmental Education	43	45
Social Interaction	1,512	1,401
Special Events	265	287
Special Interests	133	117
Therapeutic Recreation	37	34

Data Source

Various Park District Departments

Note: Beginning with fiscal year 2006, the Park District will accumulate ten years of data.

CHICAGO PARK DISTRICT
CAPITAL ASSET STATISTICS
 Last Two Years

Major Facilities	2006	2007
Number of:		
Outdoor facilities:		
Assembly Areas	77	77
Baseball fields (Jr.)	355	355
Baseball fields (Sr.)	179	179
Basketball backboards	903	903
Batting cages	2	2
Beaches	31	31
Carousels	2	2
Dog friendly areas	11	11
Fitness courses	7	7
Fields (combination soccer/football)	209	209
Golf:		
9 hole courses	5	5
18 hole course	1	1
Driving Ranges	3	3
Miniature 18 hole course	2	2
Putting green	2	2
Handball/racquetball courts	13	13
Harbors	9	9
Boat slips	3,434	3,434
Mooring cans	1,222	1,222
Star docks	432	432
Horseshoe courts	128	128
Ice skating rinks (refrigerated)	10	10
Interactive water play areas	32	32
Playgrounds	358	349
Stand alone playgrounds	154	164
Pools	52	52
Roller hockey courts	3	3
Sandboxes	228	228
Skate parks	5	7
Skating areas (non-ice)	19	19

(Continued)

CHICAGO PARK DISTRICT
CAPITAL ASSET STATISTICS
 Last Two Years

<u>Major Facilities</u>	<u>2006</u>	<u>2007</u>
Soccer fields (artificial surface)	5	7
Soccer fields	44	44
Softball fields	254	254
Spray pools	184	184
T-ball fields	9	9
Tennis courts	618	618
Tracks (running)	34	34
Volleyball courts (sand 168)	372	372
Water slides	4	4
Indoor facilities:		
Auditoria/assembly halls	95	94
Clubrooms	916	913
Cultural centers	15	15
Field houses	266	263
Fitness centers	41	41
Gymnasiums	197	197
Gymnastics centers	4	4
Ice skating rink	1	1
Kitchens	177	177
Natatoriums	34	34
Handball/racquetball courts	41	41
Stages	57	57
Gymnastics centers	4	4
Parking facilities	5	5
Parking spaces	709	709
Museums/Aquarium	10	10
Zoos	2	2
Professional sport stadium	1	1

Data Source

Various Park District Departments

Note: Beginning with fiscal year 2006, the Park District will accumulate ten years of data.

CHICAGO PARK DISTRICT

CAPITAL ASSET STATISTICS

December 31, 2007

Definitions of Park Classifications

Magnet parks: A large park in excess of 50 acres that contains a combination of indoor and outdoor facilities that regularly attracts large numbers of persons from the entire metropolitan area and beyond.

Citywide parks: A large park of at least 50 acres that contains a combination of indoor and outdoor facilities which attract patrons from the entire city, but which primarily serve the population living within one mile. Citywide parks have a Class A or Class B field house and at least one magnet facility, such as a zoo, museum, cultural center, conservatory, marine major lakefront beach, stadium, sports center, or golf course. Citywide parks also contain a variety of passive and active recreational areas including playground apparatus.

Regional parks: A park that is generally from 15 to 50 acres that has a Class A or Class B field house. Regional parks also contain a variety of passive and active outdoor recreation areas including playground apparatus. The primary service population for a regional park lives within ¾ mile. Exceptions: Regional parks include those with more than 50 acres that do not have a magnet facility and those from 5 to 15 acres that have both a Class C or Class D field house and a magnet facility.

Community parks: A park that is generally from 5 to 15 acres with playground apparatus and a variety of other indoor and outdoor recreational facilities. The primary service population for a community park lives within ½ mile. Exceptions: Community parks include those with more than 15 acres that have a Class C or Class D field house and parks with less than five acres that do have a Class A field house, Class B field house, or a magnet facility.

Neighborhood parks: A park that is generally ½ acre to 5 acres with playground apparatus. The park may contain other indoor or outdoor recreational facilities. Indoor facilities shall not exceed the size of a Class C or Class D field house. The primary service population for a neighborhood park lives within ¼ mile.

Mini-parks: A park less than ½ acre in size with playground apparatus. The park may or may not contain other indoor or outdoor recreational facilities. Indoor facilities do not exceed the size of a Class D field house. A mini-park serves the population within 1/10 mile, i.e., a portion of a neighborhood.

Passive parks: A landscaped park without indoor or outdoor facilities for active recreation. Such a park may be used informally for active recreation, but there are no designated playing fields. Such a park may have fixtures and accessory uses, such as parking, benches, paths, walkways, and drinking fountains.

Unimproved parks: Park land acquired for future park development.

Data Source

Various Park District Departments

CHICAGO PARK DISTRICT

CAPITAL ASSET STATISTICS

Last Two Years

Parks by Classification	2006	2007
Magnet parks:		
number	5	5
acres	2,776.98	2,784.33
Citywide parks:		
number	13	13
acres	1,967.92	1,967.92
Regional parks:		
number	48	48
acres	1,254.50	1,254.50
Community parks:		
number	127	127
acres	1,050.69	1,050.69
Neighborhood parks:		
number	163	164
acres	359.01	361.34
Mini-parks:		
number	142	142
acres	34.54	34.70
Passive parks:		
number	47	47
acres	84.04	84.04
Unimproved parks:		
number	24	24
acres	52.16	52.16
Total parks:		
number	<u>569</u>	<u>570</u>
acres (1)	<u>7,579.84</u>	<u>7,589.68</u>
Miles of lakefront:	26	26

Note: Beginning with fiscal year 2006, the Park District will accumulate ten years of data.

(1) Includes 563.52 acres owned by the Chicago Board of Education, Chicago Housing Authority, City of Chicago, Chicago Water Fund, Chicago Transit Authority, Metra, Metropolitan Water Reclamation District, and the State of Illinois leased by the Chicago Park District.

Data Source

Various Park District Departments