

**CHICAGO PARK DISTRICT  
CHICAGO, ILLINOIS**

Comprehensive Annual Financial Report  
For the year ended December 31, 2008



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



## chicago park district

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### Board of Commissioners

Gery J. Chico  
*President*

Bob Pickens  
*Vice President*

Dr. Margaret T. Burroughs  
Dr. Scott Hanlon, D.O.  
M. Laird Koldyke  
Reverend Daniel Matos-Real  
Rouhy J. Shalabi

### General Superintendent & CEO

Timothy J. Mitchell

City of Chicago  
Richard M. Daley  
*Mayor*

July 29, 2009

To the Citizens of Chicago and the Financial Community:

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

The past year was an engaging year to say the least. It was a year for the District to celebrate significant milestones. The Garfield Park Conservatory, once described as a work of "landscape art under glass" commemorated 100 years of innovation and botanical contributions to the City. It was also the 40<sup>th</sup> anniversary of the Special Olympics. The District takes great pride in the history of this amazing global movement, having been the site of the first games at Soldier Field and the home to some of the early visionaries. The most comprehensive restoration project ever for the 81-year old Buckingham Fountain began in September 2008. A Chicago icon, the restoration includes everything from plumbing to treating the fountain's bronze sea horses to landscaping.

In 2008, the District had over 301,000 registrants enjoying one or more of the approximately 19,000 programs offered. The District was selected as a site for the National Junior Olympic Skills Competition. The event was held at Homan Square Park and featured over 200 competitors. We continued our mission to provide a diverse range of recreational opportunities for children and adults with disabilities by piloting a variety of new programs and events. We announced a \$30 million capital program dedicated to improving district-wide facility accessibility. As environmental stewards of parkland, the District expanded its recycling program to all parks and beaches.

While we strove to provide quality programming, well-managed facilities and comfortable, safe recreation areas, we were mindful of the unfolding economic recession. Throughout 2008, we took bold steps to manage our costs, including the purchase of our administrative office space, which realized a savings of \$1.5 million over the previous lease agreement. We reduced energy consumption, telecommunications expenses, and overtime for a combined savings of \$1.2 million. We also condensed citywide park operations from four regions to three, yielding an overall savings of \$6 million. In addition to these measures, the District offered a voluntary severance package for employees with two or more years of service. As a result, 71 individuals accepted the severance package, saving more than \$8.2 million in salaries and other employee-related costs.

The District, like countless other public organizations, private businesses, and families is challenged by the difficult financial times. Looking forward, as we celebrate the District's historic 75<sup>th</sup> anniversary in 2009, we are charged with making tough decisions today that will ensure our strength and stability in the future. We will continue to cultivate public-private partnerships that have proved to be vital to our progress. We continue to seek additional local, state, and federal dollars to improve our parks and green space throughout Chicago's neighborhoods.

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



**2008 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
CHICAGO PARK DISTRICT**

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## **Part I**

# **INTRODUCTORY SECTION**

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## **chicago park district**

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541 North Fairbanks  
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### **Board of Commissioners**

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Reverend Daniel Matos-Real  
Rouhy J. Shalabi

### **General Superintendent & CEO**

Timothy J. Mitchell

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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, 2008. 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 after 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, 2008.

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, 2008. 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 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 7,617 acres of green space on which rest over 570 parks, 264 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 to:

- 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).

This year marked the 40<sup>th</sup> anniversary of the Special Olympics. The District takes great pride in the history of this amazing global movement, having been the site of the first games at Soldier Field and the home to some of the early visionaries.

The District dedicated 3 sonar boats to the Judd Goldman Adaptive Sailing Program (JGASP). This program includes classroom and on-water instruction for people with physical disabilities. JGASP is a public/private partnership whereby the Foundation raises funds for instructor salaries, boats, and maintenance costs while the District operates the program on a day-to-day basis.

The District's Board of Commissioners adopted a resolution that authorizes the reimbursement of expenditures for accessibility improvements district-wide related to the ADA. The District began implementation of this \$30 million SRA (Special Recreational Activity) capital improvement program. Major projects have already begun for 30 locations throughout the city including pool lifts, beach mats, bathroom renovations, and entrance enhancements.

Also in 2008, the District continued its mission to provide a diverse range of recreational opportunities for children and adults with disabilities by piloting a variety of new programs and events. Among those were a pottery program and Goal Ball program for blind/visually impaired individuals; Special Olympics first unified volleyball competition; a wheelchair division in the adaptive tennis tournament via a partnership with United States Tennis Association (USTA); with Chicago Public Schools, created a Bitty Basketball/wheelchair basketball for youth program; and the first camping trip for citywide special recreation participants.

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. As of December 31, 2008, we have completed more than 60 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.

Garfield Park Conservatory, which first opened its doors in April 1908, celebrated 100 years of innovation and botanical contributions to the City. Year-long events activities and shows were held, themed "CHICAGOASIS: The Greenest Show on Earth." The celebration included the unveiling of a new permanent exhibit, "Sugar From the Sun."

A Safe Summer Initiative was implemented, in partnership with the City of Chicago, where the District committed to serving more than 90,000 young people in programs and allocated an additional \$500,000 to expand NeighborSports program to serve a total of 5,500 teenagers, 1,500 more than the previous summer. For the first time, weekend NeighborSports was offered until 10 p.m. at 20 sites in high-crime neighborhoods. The District also extended hours at 17 swimming pools to remain open until 9 p.m.

In the North Region, the parks created and implemented a comprehensive Olympic Movement curriculum at 74 parks for more than 10,000 children in the Summer Daycamp program through cultural, sporting, and educational activities. These activities included an Olympic Torch Run, creating country flags, and a region-wide Olympic Day Celebration.

The District was also selected as a site for the national Junior Olympic Skills Competition. The competition, which was held at Homan Square Park, featured over 200 competitors (50 participants represented the District) representing over 20 different schools, community centers, and park districts throughout the Chicagoland Area. The competition featured youth 8-13 years of age who qualifies in basketball, soccer, tennis, and track.

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 7,617 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.

The District expanded its recycling program to all parks and beaches in 2008. Two types of receptacles made of 100% recycled material were purchased, blue for recyclables and green for non-recyclables material. The District has also dedicated recycling trucks to pick up recyclables throughout the District. One recycling truck is dedicated to the lakefront and a separate recycling truck for all other locations through a waste removal contract with a private contractor. Chicagoans also have the option to recycle their household materials at recycling drop-off centers, located in 16 communities across the City with 7 District locations currently and 5 more locations to come. The centers accept the same full range of materials as the blue carts located in the parks and all recyclable can be tossed in together.

In an effort to be proactive beach managers, the District implemented aggressive programs that helped reach the District's goal of having the beaches open for swimming as often as possible. The current water testing method is approved by the United States Environmental Protection Agency (USEPA) but has a slower result turn around time of 18-24 hours. The District is implementing predictive modeling which is a type of rapid method water testing where recreational swimming water is tested, measuring water and weather conditions to predict water quality at a certain beach, giving real time results. The system is being piloted at 63<sup>rd</sup> Street Beach for a trial period to determine its potential ability to accurately predict the indicator bacteria levels in daily water sample tests during the swimming season.

The District continues to decrease energy consumption by 10% via the following strategies: developed existing energy usage baseline; focused efforts on decreasing energy consumption at high-energy-use facilities; expanded the use of alternative energy systems, equipment, and vehicles; began installation of solar panels to provide supplemental heat for domestic hot water systems; and began development and coordination of the Spent Waste Recycling and Exchange

pilot program with sister agencies and established an internal program for managing spent waste within the District.

Connected - As we continue to weather a difficult financial climate, the cost of our capital and programming needs far exceeds 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.

New Park Advisory Council Guidelines and By-Laws were developed in 2008 by community residents, advisory council members, Friends of the Parks, and District staff. The General Superintendent and the Legislative and Community Affairs Department held a series of meetings with an advisory council working group to develop the updated guidelines. The new guidelines provide additional clarification on the formation and recognition of a park advisory council, as well as recommendations for the structure of a park advisory council and its members.

On August 13, 2008, the guidelines were adopted by the Board. The process of adopting the new guidelines exemplifies how council members and park staff will work together as partners to keep Chicago's parks open, active, green, and connected.

Additionally, in an effort to improve communications with the Chicago boating community, in 2008, the District established a Harbor Advisory Council. This council is made up of representatives from each of the 9 harbors, along with boating groups like the Chicago Yachting Association and the Friends of the Marine Community. The meetings are chaired by the General Superintendent and are held quarterly. The topics of discussion range from day to day issues to long-term planning initiatives such as construction of the proposed harbors, Gateway Harbor, near Navy Pier, and 31<sup>st</sup> Street Harbor, at 31<sup>st</sup> Street.

### ***Local Economy***

Throughout 2008, the economy and financial system experienced extraordinary turbulence. According to participants in the Chicago Fed's annual Economic Outlook Symposium, the nation's economic growth in 2009 is forecasted to be very weak, with inflation moving lower and the unemployment rate higher. The housing sector is predicted to remain weak, and light vehicle sales are expected to decline further. Finally putting an end to the discussion that occurred quite often during the year, on December 1, 2008 the National Bureau of Economic Research's Business Cycle Dating Committee determined that economic activity had peaked in December 2007 and that the economy had begun a recession in January 2008.

Mortgage rates at record lows and incentives such as the federal homebuyer tax credit aided April 2009 sales, according to the Illinois Association of Realtors. "Illinois home sales are showing some signs of life as people take advantage of the favorable buyers' market conditions and the federal stimulus package incentives," Pat Callan, president of the association and owner of Realty Executives Premiere in Wheaton. "We continue to see homes in foreclosure and short sales driving prices lower in many areas of the city," David Hanna, president of the Chicago Association of Realtors. Hanna also said, "Policy changes such as allowing first-time homebuyers to use the \$8,000 tax credit at closing and a streamlined process for short sales will help, but the critical issues are the rising numbers of foreclosures and restrictive lending guidelines not crafted for our urban market."

On the brighter side in 2008, Chicago was named City of the Year by GQ magazine. Also according to World Business Chicago press release December 30, 2008, "Chicago consistently leads the nation in business investment and expansion, and 2008 was no exception. Despite the country's economic downturn, the city garnered direct investment and welcomed many new additions to its diverse economy." World Business Chicago also cites "Chicago received remarkable positive attention by being home to the next President of the United States. The election of Barack Obama has shed international attention on Chicago, including its business community, furthering its position as a top global business destination."

### ***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 2008, the District completed the Chicago Lakefront Harbor Plan, which includes discussion over the construction of two new harbors within the next few years, Gateway Harbor, near Navy Pier, and

31<sup>st</sup> Street Harbor, at 31<sup>st</sup> Street. Its management team also prepares a three-year operating budget outlook, which is used for long-term financial planning.

Parkways Foundation - Since 1994, Parkways Foundation, the District's philanthropic arm, has impacted neighborhood parks by raising private funds for 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 Haas Park Playground, Alvin Ailey Dance Camp, and much more.

Lollapalooza & C3 - 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, of \$1.6 million, support the new, artificial turf soccer field in the McKinley Park community.

Buckingham Fountain – Parkways Foundation has also supported the most comprehensive restoration project ever for the 81-year old Buckingham Fountain that began in September 2008. A Chicago icon, the restoration includes an overhaul of the plumbing, repair of the fountain's leaky outer basin, treating the fountain's bronze sea horses, and fencing. The restoration will also greatly improve the fountain's water and lighting show. In addition, new landscaping and the planting of trees will more closely mirror the original plans by Edward H. Bennett. Funding for the restoration through the Parkways Foundation was helped by \$1 million generated from the Lollapalooza music festival and \$8 million from the Buckingham Fountain Endowment Fund, which is administered by the Art Institute of Chicago.

"The Tiffany & Co. Foundation Celebration Garden" in Grant Park – In September, the Parkways Foundation announced the contribution of a \$1.25 million grant from the Tiffany & Co. Foundation for creation of "The Tiffany & Co. Foundation Celebration Garden" in Grant Park. Working in conjunction with the District, Parkways will transform Grant Park's south rose garden into a formal garden and event space adjacent to Buckingham Fountain. The garden is scheduled to open in the fall of 2009.

Chicago Cubs - 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. The Cubs also contributed \$500,000 to help renovate Thillens Stadium.

Kraft Foods - The Kraft Kidsmobiles bring organized arts, nature, and physical activities to playlots and parks. These brightly decorated vans tour select parks twice a week for two-hour visits during summer months. This offering has also incorporated a summer reading program.

Wrigley Field Replica in Humboldt Park – A new replica of Wrigley Field was built near the intersection of Diversity and Kedzie streets in Humboldt Park. The new mini-stadium seats 800 people and cost roughly \$2 million. The new replica was built to replace the old Cubs Care Park on North Halstead that was recently demolished. This was achieved through partnerships with Chicago Cubs and local officials.

ComEd – A sponsor of the District’s “Green” initiatives, ComEd has contributed \$1.5 million to support a wide range of nature and science educational programs and restoration of several Chicago natural areas including the historic Jens Jensen Prairie River in Humboldt Park. Other ComEd-sponsored programs include Nature Oasis, which offers opportunities for outdoor exploration, the Junior Earth Team, an environmental apprenticeship program, and Outdoor Classroom, which encourages teachers to utilize parks to teach environmental science.

Olympics – 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 host opening and closing ceremonies and track and field events as well as the aquatics
- BMX and Velodrome at Douglas Park
- Celebration Site, Archery, and Marathon Start at Grant Park
- Tennis and Triathlon at Lincoln Park
- Field Hockey at Jackson Park
- Volleyball and Sailing at Northerly Island
- Rowing at Monroe Harbor
- Soccer at Soldier Field
- Olympic Village at Burnham Park

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 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, 2007. This was the second 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.

In addition, the District also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document dated January 1, 2009. In order to qualify for the Distinguished Budget Presentation Award, the government’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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 cursive script that reads "Steve Hughes".

Steve Hughes  
Chief Financial Officer

A handwritten signature in cursive script that reads "Constance M. Kravitz, CPA".

Constance M. Kravitz, CPA  
Comptroller

July 29, 2009

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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, 2007

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.



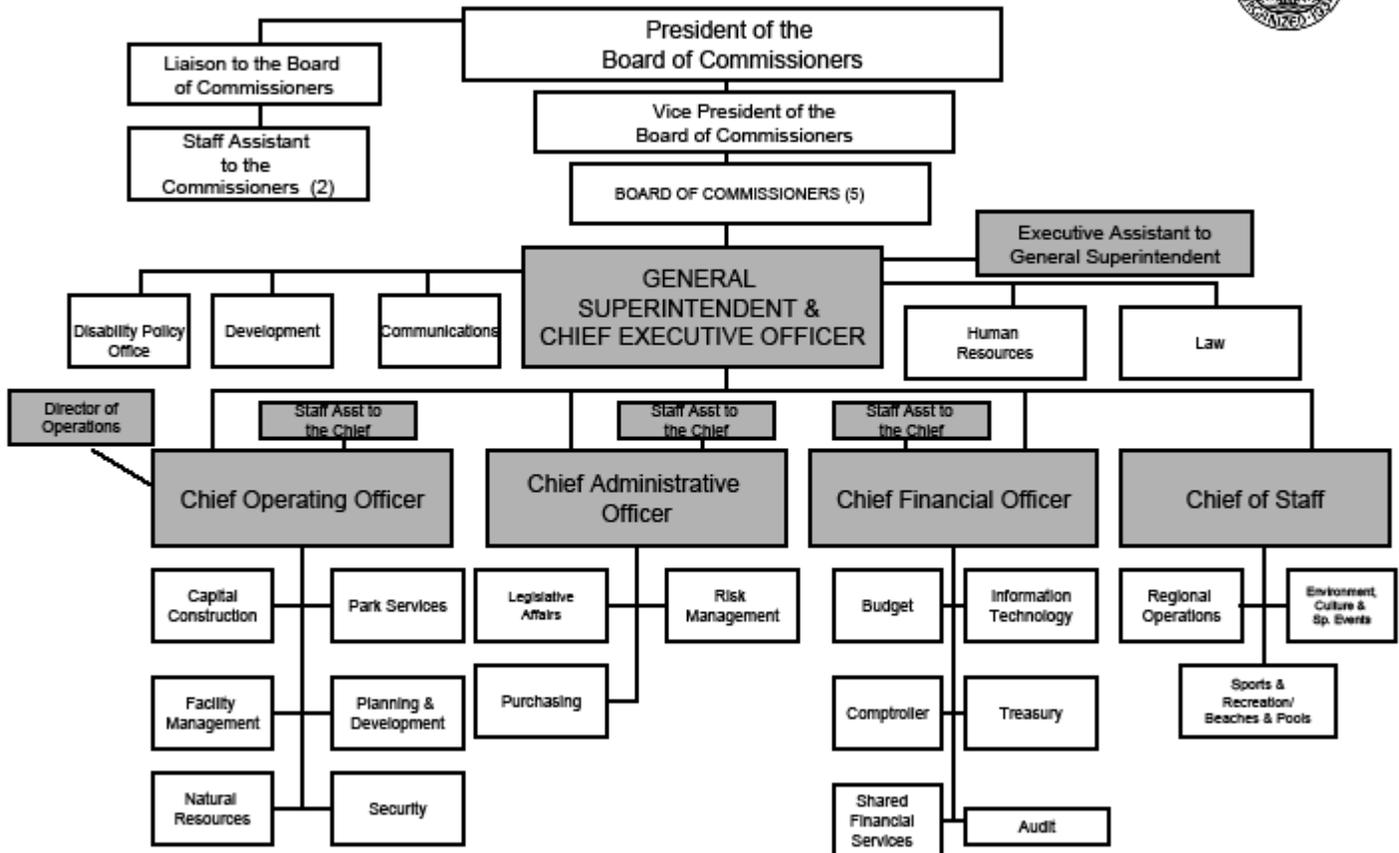
A handwritten signature in black ink, appearing to read "M. L. ...".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. ...".

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**

**Rouhy J. Shalabi**

**Dr. Scott Hanlon, D.O. (as of July 8, 2009)**

## **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  
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## **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, 2008, 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 78% and 2% 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, 2008, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2009 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 schedules of funding progress on pages 21 through 35, 83 through 85, and 86 through 87, 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 29, 2009

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

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, 2008. 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, 2008 by \$1,056 million. Of this amount, \$283 million is unrestricted in governmental activities and may be used to meet obligations.
- The District's net assets decreased by \$7 million during the year, which represents less than 1% of the total.
- At December 31, 2008, the governmental funds reported combined fund balances of \$379 million.
- Governmental fund balances decreased \$78 million during the year largely because of a boost in capital expenditures in the Park Improvements Fund and Garage Revenue Capital Improvement Fund offset with a \$16 million new bond issue. This decrease also was due to the purchase of the Administration Building of \$22 million from the Long-term Income Reserve Fund. These amounts are included with a \$6 million (budgeted \$10 million) fund balance decrease in the General Fund, which was primarily due to a decline in Personal Property Replacement Tax (PPRT) in the 4<sup>th</sup> quarter of 2008 as the recession mounted.
- The District's long-term obligations decreased \$13 million primarily as a result of a reduction in general obligation bonds liabilities due to current year principal payments of \$44 million, offset by the following: \$16 million increase from new debt issuances, a \$10 million actuary calculated increase in pension obligation, and an \$8 million increase in property tax claims payable.

#### 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

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

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.

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.

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

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. 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 14 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 nine 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 and health plan obligations.

***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.

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

#### Government-wide Financial Analysis

The following is a summary of assets, liabilities, and net assets (amounts are in millions) as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>	<u>Increase (decrease)</u>	<u>Percentage increase (decrease)</u>
Current and other assets	\$ 789	849	(60)	(7.1)%
Capital assets	<u>1,506</u>	<u>1,459</u>	<u>47</u>	<u>3.2</u>
Total assets	<u>2,295</u>	<u>2,308</u>	<u>(13)</u>	<u>(0.6)</u>
Long-term obligations	904	917	(13)	(1.4)
Other liabilities	<u>335</u>	<u>328</u>	<u>7</u>	<u>2.1</u>
Total liabilities	<u>1,239</u>	<u>1,245</u>	<u>(6)</u>	<u>(0.5)</u>
Net assets:				
Invested in capital assets net of related debt	559	490	69	14.1
Restricted	214	220	(6)	(2.7)
Unrestricted	<u>283</u>	<u>353</u>	<u>(70)</u>	<u>(19.8)</u>
Total net assets	<u>\$ 1,056</u>	<u>1,063</u>	<u>(7)</u>	<u>(0.7)%</u>

Current and other assets decreased 7.1%, or \$60 million. This occurred due to a combination of a \$16 million decrease in property tax receivable, 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 netted against a \$16 million issuance of new debt.

Capital assets increased 3.2%, or \$47 million, as the result of the capital contributions such as the purchase of the administration building and restoration of Buckingham Fountain. Capital outlays were \$76 million with \$36 million of depreciation expense in 2008.

Long-term obligations decreased \$13 million, or 1.4%, in 2008 as a result of a reduction in general obligation bonds liabilities due to current year principal payments of \$44 million, offset by the following: \$16 million increase new debt issue, over \$10 million increase in pension obligation, \$8 million increase in property tax claims payable. Other liabilities increased \$7 million, or 2.1%, due to Unearned Revenue as there was an \$8 million increase due to many new State of Illinois (State) capital grants, which had received the initial 25% advance payment before work had commenced. As a result, this revenue was deferred.

Net assets decreased 0.7% or \$7 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 (52.9%) 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 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

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

sources since the capital assets themselves cannot be used to liquidate these liabilities. Net assets invested in capital assets, net of related debt, increased 14.1%, or \$69 million, as the capital assets increased and the debt associated with the capital assets was paid down during the year. The District has also been purchasing capital assets with funds derived from the sale of the parking garages; consequently, there is no associated debt.

An additional portion of the District's governmental activities net assets, 20.3% for 2008 (20.7% for 2007) represents resources that are subject to external restrictions on how they may be used. The decrease in restricted net assets of 2.7%, or \$6 million, is the result of over a \$9 million decrease in restricted for capital assets category, which was due to the increase in acquired capital grants, offset by a decrease by approximately \$4 million in debt service due to the current debt service requirements and a decrease of \$8 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 \$283 million (26.8%) is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors. This represents a decrease from 2007 of \$70 million, or 19.8%.

**Governmental Activities.** There was a decrease in net assets from governmental activities of \$7 million, or 0.7%, during the current fiscal year. The decrease is primarily attributable to a decrease in investment income due to the national decline in interest rates and PPRT from the State decreasing as the economy declined, coupled with an increase in property tax receipts. While expenses are up, general and administrative expenses are down due to fiscal restraint. Park level programming registration increased from 284,000 in 2007 to 300,663 for 2008. Park operations and maintenance activities have increased as the boost in capital activity spurred the capital type activity, which does not meet the District's capitalization policy and is therefore categorized as maintenance.

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

Following is a summary of changes in net assets (amounts are in millions) for the years ended December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>	<u>Increase (decrease)</u>	<u>Percentage increase (decrease)</u>
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 76	75	1	1.3%
Operating grants and contributions	2	3	(1)	(33.3)
Capital grants and contributions	19	26	(7)	(26.9)
Total program revenues	<u>97</u>	<u>104</u>	<u>(7)</u>	<u>(6.7)</u>
General revenues:				
Property tax	267	254	13	5.1
Personal property replacement tax	48	52	(4)	(7.7)
Capital contributions	1	2	(1)	(50.0)
Investment income	8	22	(14)	(63.6)
Miscellaneous income	1	3	(2)	(66.7)
Total general revenues	<u>325</u>	<u>333</u>	<u>(8)</u>	<u>(2.4)</u>
Total revenues	<u>422</u>	<u>437</u>	<u>(15)</u>	<u>(3.4)</u>
<b>Expenses:</b>				
Park operations and maintenance	159	142	17	12.0
Recreation programs	95	89	6	6.7
Special services	73	67	6	9.0
General and administrative	62	65	(3)	(4.6)
Interest on long-term debt	40	45	(5)	(11.1)
Total expenses	<u>429</u>	<u>408</u>	<u>21</u>	<u>5.1</u>
Total changes in net assets	<u>(7)</u>	<u>29</u>	<u>(36)</u>	<u>(124.1)</u>
Net assets, beginning of year	<u>1,063</u>	<u>1,034</u>	<u>29</u>	<u>2.8</u>
Net assets, end of year	<u>\$ 1,056</u>	<u>1,063</u>	<u>(7)</u>	<u>(0.7)%</u>

- Program revenues decreased 6.7%, or \$7 million, primarily as a result of decreased capital grant revenue of \$7 million. This was primarily due to a decrease in contributions of \$6 million in 2008 from \$16 million in 2007. The Lakefront Shoreline Revetment Project ticked down from \$15.9 million in 2007 to \$5.8 million in 2008, which was the major capital contribution from outside sources in 2008. The decrease in 2008 does not reflect any change in District core values or policy towards partnerships but is strictly related to timing of contributed capital assets.
- Park operations and maintenance expenses increased 12%, or \$17 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.

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

- Recreational program expenses increased 6.7%, or \$6 million, primarily due to \$4.6 million of salaries and wages. The increase in salaries and wages is due to a voluntary severance incentive program that was offered in October 2008 to employees with two or more years of District service. If accepted, a prorated cash payment was issued based on years served, and as a direct correlation of this severance program, there was also an increase in vacation payouts with the separated employees. There was also over \$817 thousand in pension increase from prior year as pension liabilities climb. As the majority of employees are categorized in this expense type, the increase is primarily allocated to recreational program.
- Special services expenses increased 9.0%, or \$6 million, in part due to \$4.8 million in property tax receipts that came in strong and thus increased the associated property tax receipts that are levied on the Aquarium and Museums' behalf. There was also an increase in harbor management fees of almost \$1 million.
- General and administrative expenses decreased 4.6%, or \$3 million. This is due to the purchase of our administrative office space, which realized savings of \$1.5 million over the existing rental agreement. Due to the decline in revenues as the nation's economy has slowed into a recession, the District had implemented further restrictions in non-critical spending. The purchase of office supplies, travel, and overtime was tightly managed.
- Investment income decreased 63.6%, or \$14 million, in large part due to decreased interest rates as the fed funds rate declined, which is set by the Federal Reserve.

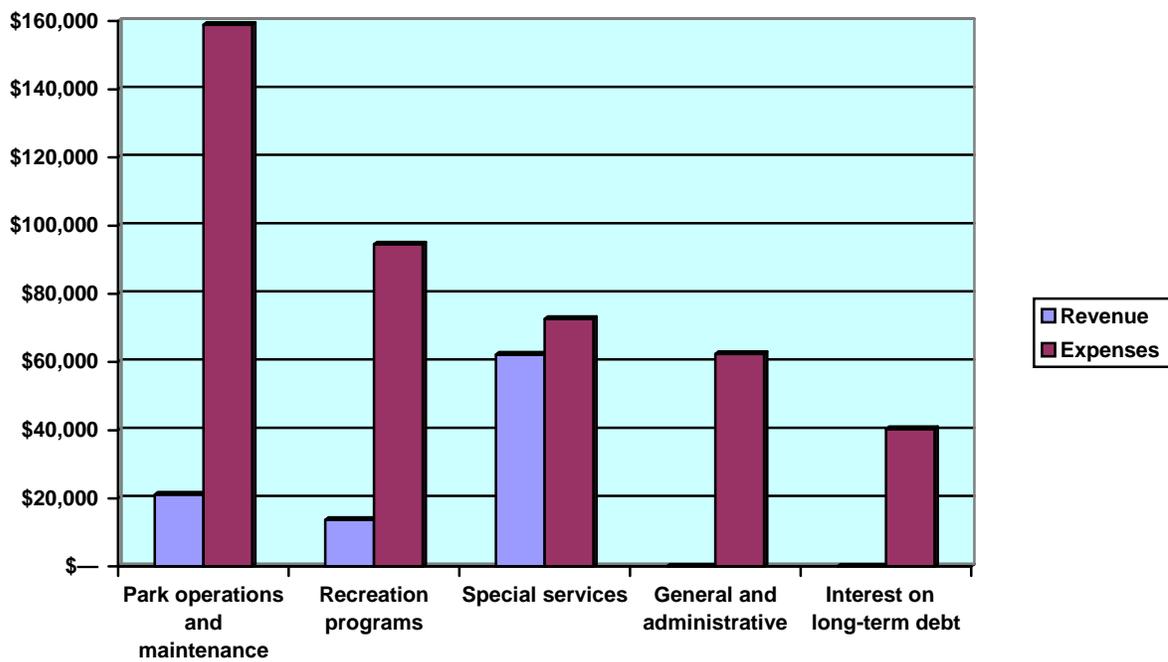
# CHICAGO PARK DISTRICT

Management's Discussion and Analysis (Unaudited)

December 31, 2008

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

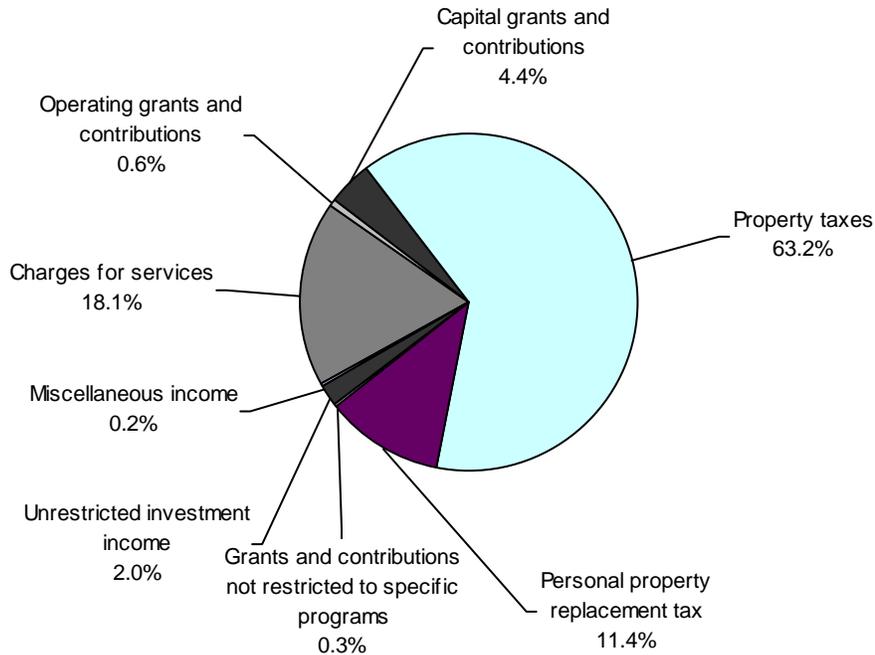


# CHICAGO PARK DISTRICT

## Management's Discussion and Analysis (Unaudited)

December 31, 2008

### 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 \$379 million, a decrease of \$78 million over last year from \$457 million. The decrease in combined fund balance was due largely to the spend-down of previous bond proceeds and garage proceeds offset by \$16 million in new debt.

The General Fund is the primary operating fund of the District and reported an ending fund balance of \$18 million. During the year, expenditures exceeded revenues in the General Fund by over \$5 million, which is actually a positive as the budget reflected a \$10 million use of prior year fund balance. Total other financing sources and uses netted to a decrease of less than \$1 million. The transfer of \$5 million was transferred in from the Long-term Income Reserve Fund as part of the District's plan to replenish net income from the sale of the parking garages. There was also the transfer out of almost \$6 million for harbor debt service.

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

The result showed that the General Fund experienced a net decrease in fund balance of approximately \$6 million. Part of this decrease in the General Fund is attributed to the combination of collection of revenues primarily Property Taxes (up \$9 million) and PPRT (down \$2.6 million). On the expenditures side, there was an increase of over \$5 million of maintenance expense relating to the increase in capital expenditures of which did not meet the capitalization policy requirements. Also, in 2008, the operating Northerly Island income and associated expenditures were moved out of the General Fund to form a new Nonmajor Special Revenue Fund named Northerly Island Fund for the purpose of segregating net revenues generated from the Northerly Island concert venue, to fund future capital improvements at Northerly Island.

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 2008, investment income of \$5 million from the Long-term Income Reserve Fund was transferred to the General Fund, as budgeted. Also in 2008, the District purchased our administrative office space for \$22 million, which will realize annual savings of \$1.5 million over the previous rental agreement in the General Fund.

The Bond Debt Service Fund has a total fund balance of \$55 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 \$62 million; all of which is unreserved and undesignated. Expenditures exceeded revenues by \$3 million. It is the nature of this capital project fund to not necessarily match revenues with expenditures. Construction is often a several years process once the funding is received; generally, in the form of bond issuance or grants and donations. This year, there was \$112 million of general obligation bond refunding and \$16 million general obligation bond project-related money. Also, instead of issuing more bonds, the District has been fulfilling the capital needs in 2008 through the recently created Garage Revenue Capital Improvement Fund (see below). To get a true comparison from 2007 to 2008 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.

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 \$70 million, down from \$120 million last year. There was \$52 million in capital-related expenditures during the year and investment income was \$2 million.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Board passed the annual appropriation ordinance for 2008 at the December 12, 2007 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.

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

The 2008 year-end General Fund original budget appropriation was approximately \$251 million. The following is an explanation for the significant variances in the final budget to actual for the General Fund:

#### ***Revenues***

- Property Tax revenue had a positive variance of \$8 million. Although the budget was consistent from the previous year as there was no property tax increase, due to timing of payment due dates offset by an increase in claims rebated through property tax assessment appeals that are associated with previous levies.
- Interest on investments had a negative budget variance of \$1.6 million. This was due to the downturn in the economy and the lowering of interest rates, thus impacting our rate of return.
- Golf fees were below budgeted projections by one third as the Diversey Driving Range was under construction several months in the spring and, therefore, was out of commission.
- Donations and Grant revenue shifted from the General Fund in 2008 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 2008 but was not fully utilized. The total expense of \$604 thousand represented the charge back of District employees who worked on capital projects.
- \$10 million of the prior year fund balance was dedicated to be used in the 2008 budget year. Due to the combination of all revenue variances, only \$6.4 million was needed to cover expenditures. In 2008, all appropriation lapsed at year end; therefore, no encumbrances were outstanding, and the revenues over expenditures of \$364 represent 2007 encumbrances as cleared out.

#### ***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. The District also implemented some initiatives that produced additional expenditures in 2008 where the District will reap the benefit in the years ahead. As previously mentioned, the increase is due to a voluntary severance incentive program that was offered in October 2008 to employees with two or more years of District service. If accepted, a prorated cash payment was issued based on years served, and as a direct correlation of this severance program, there was also an increase in vacation pay-outs with the separated employees. Additionally, in lieu of a cost of living increase in 2009, employees received a lump-sum bonus in December 2008 equivalent to what the increase might have been. Also in 2008, two furlough days were mandated for all management, which grossed savings of \$105 thousand.

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

- Materials and supplies was almost \$1.3 million under budget. This was due to budget allotments being put in place to slow spending as well as consistent reminders to conserve and reuse, especially in office supplies.
- Contractual services came in over budget by \$1.3 million primarily due to workers compensation expense budgeted for \$2.5 million that exceeded budget by \$1.9 million. Due to the nature of this type of expenditure, it is often difficult to determine the anticipated budget necessary. Workers' compensation represents settlements or awards for prior year's activities, some going back four or more years. These awards are court ordered and generally individually approved by the Board; therefore, the expenditures must be immediately paid even though they exceed the budget.
- Program expense is \$1 million below budget as the 2007 expenses included a \$1 million in computer networking of 110 parks to enable the use of Cityspan software allowing parks to maximize efficiency and impact of programs. That was not a reoccurring expense. This decrease should not indicate the Park Level programming is down, as registration has increased; total registration is at 300,663 from 284,386 in 2007.
- 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.

### 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, 2008 was \$1,506 million (net of accumulated depreciation), up \$47 million over last year.

Major capital asset events during the year were:

- Construction in progress included improvements to Grant Park, DuSable Harbor, Palmer Park, and various additional projects. Construction in progress was valued at over \$111 million.
- The District has several District-wide playground construction projects underway. Completed projects totaled approximately \$8 million. Additionally, various site improvements (including District-wide landscaping and pool liners) were capitalized valuing over \$10 million.
- The Buckingham Fountain Restoration projects include but is not limited to site paving, landscaping, site lighting, and the fountain restoration to enhance the beauty of one of Chicago's greatest historical sites. Approximately, \$11 million was expensed in 2008.
- Considerable additions were added to building and improvements in 2008. The purchase of the District's administration building, floors 3-7, for \$22 million, completion of Gale School Field House totaled over \$7 million, and Phase I restoration of Broadway Armory was completed for approximately \$4 million.

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

- Construction of the Lakefront Shoreline Revetment Project remains in progress with additions totaling \$64 million by the close of the fiscal year. Revetment infrastructure asset additions recorded for the year totaled approximately \$12 million.

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

	<u>2008</u>	<u>2007</u>	<u>Increase (decrease)</u>	<u>Percentage increase (decrease)</u>
Land	\$ 180	180	—	—%
Works of art and historical collections	9	8	1	12.5
Construction in process	111	102	9	8.8
Infrastructure	364	350	14	4.0
Site improvements	104	95	9	9.5
Harbor and improvements	117	116	1	0.9
Stadium and improvements	643	643	—	—
Buildings and improvements	410	373	37	9.9
Equipment	62	49	13	26.5
Accumulated depreciation	(494)	(458)	(36)	7.9
	<u>\$ 1,506</u>	<u>1,458</u>	<u>48</u>	<u>3.3%</u>

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

### DEBT ADMINISTRATION

There are various State laws that govern how the District can issue bonds as well as how much debt it can have outstanding. The District's general obligation debt limit is 2.3% of the latest known Equalized Assessed Valuation (EAV). The District was \$1,213 million or 72% below the \$1,694 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 \$377 million in capacity under this limit. At the end of 2008, the District had a total of \$823 million in governmental funds outstanding long-term debt, which is 3.7% less than the year prior. During the course of the year, the District's general obligation bond rating was upgraded to AA+ from AA by both Standard & Poor's and Fitch Ratings. Moody's Investors Service rating is Aa3.

## CHICAGO PARK DISTRICT

### Management's Discussion and Analysis (Unaudited)

December 31, 2008

#### Long-Term Debt

In January and December 2008 respectively, the District issued \$28 million, and \$84.3 million of general obligation limited and unlimited tax refunding bonds to redeem all, or a portion of, certain maturities of the District's outstanding general obligation bonds to realize a net present value savings from refunding. Additionally, in December 2008, the District issued \$16 million of general obligation limited tax bonds to fund a portion of the District's capital improvement program. Current debt service principal paid during 2008 was approximately \$43.8 million. A comparative schedule of long-term debt (amounts are in millions) is as follows:

	December 31,		Increase	Percent
	2008	2007	(decrease)	increase (decrease)
General obligation bonds	\$ 807	836	(29)	(3.5)%
Capital lease debt PBC	16	19	(3)	(15.8)
Total	\$ 823	855	(32)	(3.7)%

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 6.4% increased from 5.7% in 2006 but still much lower than the 2005 rate of 7.0% and those in previous years. The per capita personal income increased 4% in 2007 to \$43,714. The past three years have seen a 5% increase.

On November 12, 2008, the Board approved the District's 2009 annual appropriation ordinance and budget recommendations for the fiscal year ending December 31, 2009. The summary of budgeted operating revenues and expenditures for 2009 totals \$393 million, a decrease of approximately \$4 million, or 1.0% decrease, from 2008.

The 2009 budget reflects the careful consideration of each park and the communities it serves. In these tough economic times, the District has been forced to make difficult decisions while keeping in mind a worsening economy and tough financial challenges faced by the residents of the City of Chicago. The budget was achieved without raising overall taxes for the fifth straight year. In 2008, the District management staff took two days off without pay in order to help balance the FY 2008 budget. In 2009, the District is implementing a plan to shut down all non-emergency operations for 3 days for a projected savings of \$1.3 million. The District has reduced its position count by 138 vacant positions, reducing personnel expenditures by \$8.2 million including the cost of benefits associated with these positions. A hiring freeze has been implemented since third quarter of 2008.

Despite efforts to manage more efficiently, more revenue is needed to maintain and improve operations in our parks. To this end, the District in 2009 will implement a Pay and Display system for parking along the lakefront; estimated revenue to be \$750 thousand.

## **CHICAGO PARK DISTRICT**

Management's Discussion and Analysis (Unaudited)

December 31, 2008

### **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.

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# CHICAGO PARK DISTRICT

## Statement of Net Assets

December 31, 2008

(Amounts are in thousands of dollars)

	<b>Governmental activities</b>
<b>Assets:</b>	
Cash and cash equivalents (note 3)	\$ 8,357
Cash with fiscal agent	1,856
Investments (note 3)	423,475
Receivables:	
Property taxes, net	252,176
Personal property replacement tax	5,005
Accounts	14,782
Due from other governments	10
Other current assets	1,201
Unamortized cost of debt issuance	5,093
Prepaid contributions, net (note 1h)	77,310
Capital assets (note 5):	
Not being depreciated	300,382
Being depreciated, net	1,205,713
<b>Total assets</b>	<b>2,295,360</b>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	59,784
Accrued payroll	5,912
Accrued interest	17,853
Due to other organizations	379
Retainage payable	3,562
Deposits	497
Unearned revenue:	
Program fees	887
Other	16,998
Soldier Field	229,186
Other liabilities	12
Long-term obligations (note 6):	
Due within one year	64,971
Due in more than one year	838,915
<b>Total liabilities</b>	<b>1,238,956</b>
<b>Net assets:</b>	
Invested in capital assets, net of related debt	559,393
Restricted for:	
Debt service	87,015
Capital projects	51,878
Other purposes	35,931
Contributions for other organizations	39,017
Unrestricted	283,170
<b>Total net assets</b>	<b>\$ 1,056,404</b>

See accompanying notes to financial statements.

**CHICAGO PARK DISTRICT**  
Statement of Activities  
Year ended December 31, 2008  
(Amounts are in thousands of dollars)

Functions/programs	Expenses
Governmental activities:	
Park operations and maintenance	\$ 158,906
Recreation programs	94,509
Special services	72,661
General and administrative	62,377
Interest on long-term debt	40,378
Total governmental activities	\$ 428,831
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
2,743	—	18,435	(137,728)
11,317	2,378	—	(80,814)
62,148	—	—	(10,513)
—	—	—	(62,377)
—	—	—	(40,378)
<u>76,208</u>	<u>2,378</u>	<u>18,435</u>	<u>(331,810)</u>
			266,982
			47,991
			1,086
			8,277
			787
			<u>325,123</u>
			(6,687)
			<u>1,063,091</u>
			<u>\$ 1,056,404</u>

**CHICAGO PARK DISTRICT**

Balance Sheet

Governmental Funds

December 31, 2008

(Amounts are in thousands of dollars)

<b>Assets</b>	<b>General</b>	<b>Long-term income reserve</b>	<b>Bond debt service</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Cash and cash equivalents (note 3)	\$ 512	—	—
Cash with fiscal agent	—	—	1,856
Investments (note 3)	8,022	97,409	46,913
Receivables:			
Property taxes, net	142,299	—	50,061
Personal property replacement tax	2,383	—	2,243
Accounts	2,808	—	—
Due from other funds (note 4)	35,462	—	—
Due from other governments	—	—	—
Other assets	915	—	—
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ 192,401	97,409	101,073
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 28,526	20	—
Accrued payroll	5,884	—	—
Due to other funds (note 4)	8,284	2	—
Due to other organizations	—	—	—
Retainage payable	—	—	—
Deposits	447	—	—
Deferred revenue:			
Property taxes	130,207	—	45,790
Unearned revenue:			
Program fees	887	—	—
Other	—	—	—
Other liabilities	12	—	—
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	174,247	22	45,790
	<u>          </u>	<u>          </u>	<u>          </u>
Fund balances:			
Fund balances reserved for:			
Debt service	—	—	55,283
Contributions for other organizations	—	—	—
Special recreational activities	—	—	—
Park replacement over Monroe Garage	—	—	—
Fund balances unreserved:			
Undesignated, general fund	18,154	—	—
Undesignated, special revenue fund	—	97,387	—
Undesignated, capital project fund	—	—	—
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	18,154	97,387	55,283
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	\$ 192,401	97,409	101,073
	<u>          </u>	<u>          </u>	<u>          </u>

See accompanying notes to financial statements.

<b>Park improvements</b>	<b>Garage revenue capital improvements</b>	<b>Other governmental funds</b>	<b>Total governmental funds</b>
—	—	7,845	8,357
—	—	—	1,856
82,255	97,467	91,409	423,475
—	—	59,816	252,176
—	—	379	5,005
200	—	11,774	14,782
—	—	8,284	43,746
—	—	10	10
54	232	—	1,201
<u>82,509</u>	<u>97,699</u>	<u>179,517</u>	<u>750,608</u>
3,570	14,577	13,091	59,784
—	—	28	5,912
15,903	11,086	8,471	43,746
—	—	379	379
1,057	2,130	375	3,562
—	—	50	497
—	—	54,639	230,636
—	—	—	887
—	—	26,120	26,120
—	—	—	12
<u>20,530</u>	<u>27,793</u>	<u>103,153</u>	<u>371,535</u>
—	—	353	55,636
—	—	3,356	3,356
—	—	8,690	8,690
—	—	35,000	35,000
—	—	—	18,154
—	—	27,052	124,439
61,979	69,906	1,913	133,798
<u>61,979</u>	<u>69,906</u>	<u>76,364</u>	<u>379,073</u>
<u>82,509</u>	<u>97,699</u>	<u>179,517</u>	<u>750,608</u>

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**CHICAGO PARK DISTRICT**

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

December 31, 2008

(Amounts are in thousands of dollars)

Total fund balances – governmental funds	\$	379,073
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		5,093
Prepaid contributions used in governmental activities are not financial resources and, therefore, are not in the funds (note 1(h))		77,310
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		1,506,095
Capital payments received for Soldier Field are not earned and, therefore, are unearned in the government-wide statement of net assets		(229,186)
Capital grant payments not received but earned and, therefore, are not deferred in the government-wide statement of net assets		9,122
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		230,636
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, 2008 are:		
Accrued interest on bonds		(17,853)
General obligation bonds		(806,540)
Unamortized bond premium		(24,618)
Deferred amount on refunding		19,689
Capital lease debt of PBC		(15,610)
Compensated absences		(8,121)
Claims and judgments		(9,849)
Net pension obligation		(10,839)
Net OPEB obligation		(5,718)
Property tax claim payable		(27,222)
Workers' compensation		(15,058)
Total long-term obligations		<u>(921,739)</u>
Net assets of governmental activities	\$	<u><u>1,056,404</u></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, 2008

(Amounts are in thousands of dollars)

	<u>General</u>	<u>Long-term income reserve</u>	<u>Bond debt service</u>
Revenues:			
Property taxes	\$ 149,484	—	54,735
Personal property replacement tax	25,304	—	18,922
Investment income	794	1,726	260
Parking fees	1,460	—	—
Harbor fees	21,796	—	—
Other privatized fees	2	—	—
Concessions	3,833	—	—
Rental of Soldier Field	20,245	—	—
Rental of other property	2,422	—	—
Golf course fees	321	—	—
Recreational activities	11,317	—	—
Permit fees	4,747	—	—
Donations and grant income	1,085	—	—
Northery island	—	—	—
Miscellaneous	787	—	—
Total revenues	<u>243,597</u>	<u>1,726</u>	<u>73,917</u>
Expenditures:			
Current:			
Park operations and maintenance	98,635	—	—
Recreation programs	77,279	—	—
Special services	20,426	—	—
General and administrative	51,700	—	2,403
Capital outlay	—	21,877	—
Debt service:			
Principal	1,300	—	39,625
Interest	34	—	40,729
Cost of issuance and other	—	—	—
Total expenditures	<u>249,374</u>	<u>21,877</u>	<u>82,757</u>
Excess (deficiency) of revenues over expenditures	<u>(5,777)</u>	<u>(20,151)</u>	<u>(8,840)</u>
Other financing sources (uses):			
Proceeds from bond refunding	—	—	—
Proceeds from bond issuance	—	—	—
Premium on long-term debt	—	—	—
Payments to refund bond escrow agent	—	—	—
Transfers in (note 4)	5,256	213	6,282
Transfers out (note 4)	(5,864)	(5,000)	(545)
Total other financing sources and (uses), net	<u>(608)</u>	<u>(4,787)</u>	<u>5,737</u>
Net change in fund balances	<u>(6,385)</u>	<u>(24,938)</u>	<u>(3,103)</u>
Fund balances – beginning of year	24,539	122,325	58,386
Fund balances – end of year	\$ <u>18,154</u>	<u>97,387</u>	<u>55,283</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>
—	—	63,871	268,090
—	—	3,765	47,991
1,773	2,280	1,444	8,277
—	—	—	1,460
—	—	—	21,796
—	—	—	2
—	—	—	3,833
—	—	—	20,245
—	—	—	2,422
—	—	—	321
—	—	—	11,317
—	—	—	4,747
—	—	6,940	8,025
—	—	897	897
—	—	—	787
<u>1,773</u>	<u>2,280</u>	<u>76,917</u>	<u>400,210</u>
—	—	3,354	101,989
—	—	10,857	88,136
—	—	45,313	65,739
—	—	4,226	58,329
3,668	52,076	15,698	93,319
—	—	2,895	43,820
—	—	1,634	42,397
<u>1,258</u>	<u>—</u>	<u>—</u>	<u>1,258</u>
<u>4,926</u>	<u>52,076</u>	<u>83,977</u>	<u>494,987</u>
<u>(3,153)</u>	<u>(49,796)</u>	<u>(7,060)</u>	<u>(94,777)</u>
112,390	—	—	112,390
16,115	—	—	16,115
6,907	—	—	6,907
(118,932)	—	—	(118,932)
1,603	—	2,248	15,602
<u>(3,704)</u>	<u>—</u>	<u>(489)</u>	<u>(15,602)</u>
<u>14,379</u>	<u>—</u>	<u>1,759</u>	<u>16,480</u>
11,226	(49,796)	(5,301)	(78,297)
50,753	119,702	81,665	457,370
<u>61,979</u>	<u>69,906</u>	<u>76,364</u>	<u>379,073</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, 2008

(Amounts are in thousands of dollars)

Net change in fund balances – total governmental funds	\$ (78,297)
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 (\$76,663) exceeded depreciation (\$35,530)	41,133
Various Park Improvement bonds were refunded through issuance of general obligation bonds. In governmental funds, bond proceeds are considered a source in the governmental funds, but in the statement of net assets, the bonds are reported as a liability	(128,505)
Premium (discount) associated with refunding and park improvement bonds issued during the year is shown as an other financing source in the governmental funds but in the statement of net assets, it is deferred/capitalized and amortized over the life of the bonds	(6,907)
Costs of issuance associated with refunding bonds are capitalized and amortized over the life of the bonds in the statement of net assets	684
The payments made for current refundings and payments to the escrow agent for the refunding of the various park improvement bonds is an other financing use in the governmental funds, but in the statement of net assets, the payment is a reduction of the bond liability	118,932
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	43,820
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	(1,108)
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	9,167
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	7,188
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:	
Land	10
Midway Plaisance	750
George Washington Park	112
Lakefront revetment contribution	5,814
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	2,151
Amortization of prepaid contribution	(6,878)
Amortization of bond issuance costs	(654)
Amortization of bond premiums	3,813
Amortization of deferred loss on refunding	(2,717)
Decrease in compensated absences	672
Decrease in claims and judgments	4,479
Net pension obligation	(10,236)
Net OPEB obligation	(2,873)
Increase in property tax claim payable	(8,102)
Decrease in workers' compensation	865
Change in net assets of governmental activities	\$ <u>(6,687)</u>

See accompanying notes to financial statements.

**CHICAGO PARK DISTRICT**  
Statement of Fiduciary Net Assets  
June 30, 2008  
(Amounts are in thousands of dollars)

		<u>Pension trust</u>
		<u>Retirement Fund</u>
<b>Assets:</b>		
Cash and short-term investments:		
Cash	\$	61
Short-term investments		27,391
Total cash and short-term investments		<u>27,452</u>
Receivables:		
Employer contributions		4,405
Employee contributions		490
Due from broker for securities sold		13,172
Accrued investment income		1,300
Miscellaneous receivables		7
Total receivables		<u>19,374</u>
Investments, at fair value:		
Bonds		194,079
Common and preferred stock		63,575
Collective investment funds		175,628
Pooled separate real estate accounts		76,921
Other		33,831
Total investments		<u>544,034</u>
Invested securities lending collateral		46,952
Furniture and fixtures – net		68
Prepaid expenses		126
Total assets		<u>638,006</u>
<b>Liabilities:</b>		
Accounts payable		375
Accrued benefits payable		321
Securities lending collateral		46,951
Due to broker for securities purchased		28,089
Total liabilities		<u>75,736</u>
<b>Net Assets:</b>		
Net assets held in trust for pension benefits (an unaudited schedule of funding progress is presented on page 86)	\$	<u><u>562,270</u></u>

See accompanying notes to financial statements.

**CHICAGO PARK DISTRICT**

Statement of Changes in Fiduciary Net Assets

Year ended June 30, 2008

(Amounts are in thousands of dollars)

	<u>Pension trust</u>
	<u>Retirement Fund</u>
Additions:	
Contributions:	
Employer contributions	\$ 8,999
Employee contributions	10,265
Total contributions	<u>19,264</u>
Investment income:	
Net depreciation in fair value	(31,470)
Interest	11,344
Dividends	2,374
Investment return on pooled separate real estate accounts	1,973
Total investment loss	<u>(15,779)</u>
Less investment expense	1,827
Net investment loss	<u>(17,606)</u>
Securities lending activities:	
Securities lending income	2,186
Borrower rebates	(1,830)
Bank fees	(142)
Total security lending activities	<u>214</u>
Total additions	<u>1,872</u>
Deductions:	
Benefits:	
Annuity payments	57,399
Disability and death benefits	575
Total benefits	<u>57,974</u>
Refund of contributions	1,965
Administrative and general expense	1,289
Total deductions	<u>61,228</u>
Net decrease in net assets	<u>(59,356)</u>
Net assets held in trust for pension benefits – beginning of year	<u>621,626</u>
Net assets held in trust for pension benefits – end of year	\$ <u><u>562,270</u></u>

See accompanying notes to financial statements.

## CHICAGO PARK DISTRICT

### Notes to Basic Financial Statements

December 31, 2008

#### (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 affiliated 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 Field Museum  
The Art Institute of Chicago  
John G. Shedd Aquarium  
Chicago History Museum

The Notebaert Nature Museum  
Adler Planetarium and Astronomy Museum  
DuSable Museum of African American History  
National Museum of Mexican Art  
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, 2008

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 are 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 2008 levy is recognized as revenue for the year ended December 31, 2008. Revenues 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

## CHICAGO PARK DISTRICT

### Notes to Basic Financial Statements

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specified 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

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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, 2008. 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

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- 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**

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**(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:

<b>Capital asset category</b>	<b>Capitalization threshold (not rounded)</b>	<b>Estimated useful life (in years)</b>
Infrastructure:		
Public	\$ 50,000	15 – 50
System	50,000	20
Land	100,000	N/A
Site improvements	100,000	3 – 50
Buildings	100,000	10 – 60
Buildings improvements	100,000	3 – 50
Equipment and machinery	25,000	4 – 8
Seawalls	100,000	60
Harbor and harbor improvements	50,000	40 – 60
Stadium and stadium improvements	100,000	50

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

## CHICAGO PARK DISTRICT

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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 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) Claims and Judgments**

Claims and judgments 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

## CHICAGO PARK DISTRICT

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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 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 2008 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 2008, 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 2007 levy that were not recognized as revenue in fiscal year 2007 (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 \$28.8 million at December 31, 2008.

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.

## CHICAGO PARK DISTRICT

### Notes to Basic Financial Statements

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

**(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) Capital Outlay Adjustment**

The Park Improvement Fund includes a reduction of capital outlay expenditures totaling approximately \$2.7 million due to an adjustment which resulted from the over-accrual of expenditures recorded in 2003 and prior years. If this adjustment had not been recorded, capital outlay expenditures would have been approximately \$6.4 million for the year ended December 31, 2008.

**(s) New Accounting Pronouncements**

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 implemented this Statement for the year ending December 31, 2008 and there was no impact to the District.

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 implemented 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.

In June 2008, GASB issued Statement No. 53, *Accounting and Reporting for Derivative Instruments*, which addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The District is required to implement this Statement for the year ending December 31, 2010.

## CHICAGO PARK DISTRICT

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In February 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The District is required to implement this Statement for the year ending December 31, 2011.

#### **(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).

**CHICAGO PARK DISTRICT**

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**(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.

**(c) Excess of expenditures over appropriations**

For the year ended December 31, 2008, expenditures exceeded appropriations in the General Fund's contractual services account class (the legal level of budgetary control). Workers' compensation claims paid, which is part of the contractual services account class, came in higher than budgeted and are mandatory to be paid. These overexpenditures were funded by savings in the other account classes. The transfer-out of the General Fund is the movement of Harbor Revenues to the Debt Service Fund to fund the Harbor Bond's debt payment.

**(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, 2008 is as follows (amounts are in thousands):

	<b>Governmental activities</b>	
	<hr/>	
Petty cash	\$	6
Demand deposits		8,351
Certificates of deposit		1,601
U.S. Treasury obligations		6,562
U.S. government agencies		17,260
Illinois Funds (government investment pool)		346,804
Money market accounts		50,849
Corporate bonds		400
	\$	<hr/> <hr/> <b>431,833</b> <hr/> <hr/>

**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).

## CHICAGO PARK DISTRICT

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**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, 2008, 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, 2008, the fair value of the District’s callable bond portfolio (pooled and restricted) is \$17.3 million. Of that total, \$3.8 million of the callable securities is expected to be called on their respective call dates, with the \$13.5 million remaining noncallable.

As of December 31, 2008, 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	\$ 6,562	6,562	—	—
U.S. government agencies	17,260	15,190	2,070	—
Illinois Funds (government investment pool)	346,804	346,804	—	—
Money market accounts	50,849	50,849	—	—
Corporate bonds	400	400	—	—
Total	\$ 421,875	419,805	2,070	—

**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

**CHICAGO PARK DISTRICT**

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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, 2008, 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):

	<u>Fair value</u>	<u>Credit ratings</u>	
		<u>S&amp;P's</u>	<u>Moody's</u>
U.S. government agencies	\$ 17,260	AAA	Aaa
Illinois Funds (government investment pool)	346,804	AAAm	n/a
Money market accounts	50,849	AAA	Aaa
Corporate bonds	400	A+	Aa3
Total	<u>\$ 415,313</u>		

**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.

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A summary of cash and investments as of June 30, 2008 is as follows (amounts are in thousands):

	<u>Fiduciary activities</u>
Investments at fair value as determined by quoted price:	
Short-term investments	\$ 27,391
Bonds:	
PIMCO funds	31,923
Other	162,156
Common and preferred stock	<u>63,575</u>
	285,045
Investments at fair value as determined by plan administrator:	
Collective investment fund:	
International Research Equity	29,671
NTGI QM Collective Daily S&P 500	46,461
NTGI QM Collective Daily US Marketcap Equity	49,970
NTGI QM Collective Daily All Country World Index	49,526
Pooled separate real estate accounts	76,921
Private equity partnerships	<u>33,831</u>
	\$ <u><u>571,425</u></u>

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, 2008, the following table shows the investments by investment type and maturity (amounts are in thousands):

	Total	Unknown	Investment maturities (in years)			
			Less than 1	1 to 5	6 to 10	More than 10
Security type:						
Asset-backed	\$ 4,297	—	—	2,548	397	1,352
Commercial mortgage-backed	8,738	498	—	363	418	7,459
Corporate convertible bonds	602	—	371	—	—	231
Corporate bonds	90,581	52,240	3,276	15,478	11,102	8,485
Government agencies	14,897	8,980	3,403	1,984	227	303
Government bonds	22,425	—	—	7,225	10,899	4,301
Government mortgage-backed	50,082	—	95	806	2,770	46,411
Municipal/provincial bonds	1,269	959	—	—	—	310
Non-government backed CMOs	1,159	—	—	60	105	994
Short-term investment funds	27,391	—	27,391	—	—	—
Short-term bills and notes	29	—	29	—	—	—
	<u>\$ 221,470</u>	<u>62,677</u>	<u>34,565</u>	<u>28,464</u>	<u>25,918</u>	<u>69,846</u>

Some investments are more sensitive to interest rate changes than others. Variable and floating rate collateralized mortgage obligations (CMOs), asset-backed securities (ABS), and 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, 2008 (amounts are in thousands):

S&P credit rating	Total	Asset-backed securities	Comm'l. mort. backed	Corp. bonds	Gov't. agencies	Gov't. bonds	Gov't. mort. backed	Non gov't. backed CMO's	Muni. bonds
AAA	\$ 32,406	2,027	8,218	845	2,646	17,954	—	716	—
AA	4,473	527	—	3,427	519	—	—	—	—
A	8,389	14	—	8,375	—	—	—	—	—
BBB	14,436	963	—	13,155	153	—	—	—	165
BB	3,816	—	—	3,767	—	49	—	—	—
B	2,987	—	—	2,938	—	49	—	—	—
CCC	412	—	—	412	—	—	—	—	—
NR	91,400	766	520	85,684	—	—	2,883	443	1,104
U.S. gov't agency	63,151	—	—	—	11,579	4,373	47,199	—	—
	<u>\$ 221,470</u>	<u>4,297</u>	<u>8,738</u>	<u>118,603</u>	<u>14,897</u>	<u>22,425</u>	<u>50,082</u>	<u>1,159</u>	<u>1,269</u>

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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, 2008, the Retirement Fund had loaned to borrowers, securities with a market value of \$45.8 million. At June 30, 2008, the Retirement Fund received from borrowers’ cash collateral of \$47.0 million, and noncash collateral of \$312.2 thousand. Securities lending net income for the year ended June 30, 2008 was \$214.1 thousand.

At June 30, 2008, 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, 2008 represent amounts due to/from other funds (amounts are in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Activities:</b>		
General	Long-term income reserve	\$ 2
	Park improvements	15,903
	Garage revenue capital improvements	11,086
	Nonmajor governmental funds	8,471
Nonmajor governmental funds	General	<u>8,284</u>
Total		<u>\$ 43,746</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**

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**(b) Transfers to/from Other Funds**

Interfund transfers for the year ended December 31, 2008 were as follows (amounts are in thousands):

Fund Type/Fund	Transfers In	Transfers Out
<b>Governmental Activities:</b>		
General	\$ 5,256	5,864
Long-term income reserve	213	5,000
Bond debt service	6,282	545
Park improvements	1,603	3,704
Nonmajor governmental funds	2,248	489
Total transfers	\$ 15,602	15,602

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. 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 \$1.4 million to the newly created Northerly Island Fund (nonmajor governmental) where it had previously been retained.

## CHICAGO PARK DISTRICT

### Notes to Basic Financial Statements

December 31, 2008

#### (5) Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows (amounts are in thousands):

<b>Governmental Activities</b>	<b>Balance January 1, 2008</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2008</b>
Capital assets not being depreciated:				
Land and land improvements	\$ 179,935	11	—	179,946
Works of art and historical collections	8,475	100	—	8,575
Construction in progress	102,310	82,476	72,925	111,861
Total capital assets not being depreciated	<u>290,720</u>	<u>82,587</u>	<u>72,925</u>	<u>300,382</u>
Capital assets being depreciated:				
Infrastructure	350,193	13,563	—	363,756
Site improvements	95,064	8,871	—	103,935
Harbor and harbor improvements	115,709	1,028	—	116,737
Stadium and stadium improvements	642,883	—	—	642,883
Buildings and building improvements	372,707	37,440	—	410,147
Equipment	48,997	12,785	—	61,782
Total capital assets being depreciated	<u>1,625,553</u>	<u>73,687</u>	<u>—</u>	<u>1,699,240</u>
Less accumulated depreciation:				
Infrastructure	160,296	5,796	—	166,092
Site improvements	36,134	4,310	—	40,444
Harbor and harbor improvements	54,433	2,340	—	56,773
Stadium and stadium improvements	56,662	12,857	—	69,519
Buildings and building improvements	121,424	7,454	—	128,878
Equipment	29,048	2,773	—	31,821
Total accumulated depreciation	<u>457,997</u>	<u>35,530</u>	<u>—</u>	<u>493,527</u>
Total capital assets being depreciated, net	<u>1,167,556</u>	<u>38,157</u>	<u>—</u>	<u>1,205,713</u>
Governmental activity capital assets, net	<u>\$ 1,458,276</u>	<u>120,744</u>	<u>72,925</u>	<u>1,506,095</u>

**CHICAGO PARK DISTRICT**  
Notes to Basic Financial Statements  
December 31, 2008

Depreciation expense of \$35.5 million was charged to the Park Operations and Maintenance function of the District.

**(6) Long-Term Obligations**

**(a) Changes in Long-Term Obligations**

Changes in long-term obligations for the year ended December 31, 2008 were as follows (amounts are in thousands):

<u>Governmental Activities</u>	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2008</u>	<u>Amounts due within one year</u>
General obligation bonds:					
Capital improvement	\$ 767,955	128,505	128,000	768,460	24,955
Aquarium and museums	68,110	—	30,030	38,080	5,350
Unamortized premiums	21,524	6,907	3,813	24,618	—
Deferred amount on refunding	<u>(20,579)</u>	<u>(1,827)</u>	<u>(2,717)</u>	<u>(19,689)</u>	<u>—</u>
Total general obligation bonds	837,010	133,585	159,126	811,469	30,305
Capital lease debt PBC	18,505	—	2,895	15,610	3,065
Compensated absences	8,793	8,319	8,991	8,121	8,721
Claims and judgments	14,328	(3,190)	1,289	9,849	6,010
Net pension obligation	603	19,234	8,998	10,839	—
Net OPEB obligation	2,845	3,885	1,012	5,718	—
Property tax claim payable	19,119	19,824	11,722	27,221	13,570
Workers' compensation	<u>15,923</u>	<u>3,516</u>	<u>4,381</u>	<u>15,058</u>	<u>3,300</u>
Total governmental activities	<u>\$ 917,126</u>	<u>185,173</u>	<u>198,414</u>	<u>903,885</u>	<u>64,971</u>

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**

Notes to Basic Financial Statements

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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):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2009	\$ 30,305	37,244	67,549
2010	39,800	37,654	77,454
2011	41,740	35,688	77,428
2012	43,195	33,626	76,821
2013	42,625	31,510	74,135
2014 – 2018	211,185	125,572	336,757
2019 – 2023	188,915	74,932	263,847
2024 – 2028	152,925	32,026	184,951
2029 – 2033	55,850	3,894	59,744
	<u>\$ 806,540</u>	<u>412,146</u>	<u>1,218,686</u>

**(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 \$3.3 million, respectively, at December 31, 2008. All of the agreements provide that taxes be levied to pay the annual rentals. Future minimum lease payments at December 31, 2008 are as follows (amounts are in thousands):

	<u>Amount</u>
Year ending December 31:	
2009	\$ 3,903
2010	3,906
2011	3,906
2012	<u>3,907</u>
Total minimum lease payments	15,622
Less amounts representing interest	<u>12</u>
Present value of future minimum lease payments	<u>\$ 15,610</u>

## CHICAGO PARK DISTRICT

### Notes to Basic Financial Statements

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**(d) Issuance of General Obligation Refunding Bonds (Current Refunding)**

On January 23, 2008, the District issued General Obligation Unlimited Tax Refunding Bonds, Series 2008A (Personal Property Replacement Tax Alternate Revenue Source) (the Series 2008A PPRT ARS Bonds) in the amount of \$8,330 thousand, General Obligation Limited Tax Refunding Bonds, Series 2008B (the Series 2008B Bonds) in the amount of \$7,420 thousand, General Obligation Unlimited Tax Refunding Bonds, Series 2008C (the Series 2008C Bonds) in amount of \$5,590 thousand, and General Obligation Unlimited Tax Refunding Bonds, Series 2008D (Personal Property Replacement Tax Alternate Revenue Source) (the Series 2008D Bonds) in the amount of \$6,690 thousand.

The proceeds of the Series 2008A PPRT ARS Bonds were used to: (i) redeem \$8,195 thousand of all or a portion of certain maturities of the Park District's outstanding General Obligation Unlimited Tax Park Bonds, Series 1997 (Personal Property Replacement Tax Alternate Revenue Source) bearing interest ranging from 5.20% to 5.375%; and (ii) pay certain costs of issuance. The transaction resulted in a net present value savings of \$832 thousand which amounted to 10.16% of refunded bonds.

(amounts are in thousands):

Cash flow requirements to service old debt	\$ 12,634
Less cash flow requirements for new debt	<u>(11,698)</u>
Net savings from refunding	<u>\$ 936</u>

The Series 2008B Bonds were used to: (i) redeem \$7,870 thousand of all or a portion of certain maturities of the Park District's outstanding General Obligation Limited Tax Park Bonds, Series 1997A bearing interest ranging from 5.10% to 5.40%; and (ii) to pay certain costs of issuance. The transaction resulted in a net present value savings of \$756 thousand which amounted to 9.61% of the refunded bonds.

(amounts are in thousands):

Cash flow requirements to service old debt	\$ 10,520
Less cash flow requirements for new debt	<u>(9,583)</u>
Net savings from refunding	<u>\$ 937</u>

## CHICAGO PARK DISTRICT

### Notes to Basic Financial Statements

December 31, 2008

The Series 2008C Bonds were used to: (i) redeem \$5,630 thousand of all or a portion of certain maturities of the Park District's outstanding General Obligation Unlimited Tax Refunding Bonds, Series 1997B bearing interest ranging from 4.90% to 5.50%; and (ii) to pay certain costs of issuance. The transaction resulted in a net present value savings of \$322 thousand which amounted to 5.72% of the refunded bonds.

(amounts are in thousands):

Cash flow requirements to service old debt	\$	6,726
Less cash flow requirements for new debt		<u>(6,347)</u>
Net savings from refunding	\$	<u>379</u>

The Series 2008D Bonds were used to: (i) redeem \$7,040 thousand of all or a portion of certain maturities of the Park District's outstanding General Obligation Refunding Bonds, Series 1997C bearing interest of 5.125%; and (ii) to pay certain costs of issuance. The transaction resulted in a net present value savings of \$434 thousand, which amounted to 6.16% of the refunded bonds.

(amounts are in thousands):

Cash flow requirements to service old debt	\$	8,495
Less cash flow requirements for new debt		<u>(7,984)</u>
Net savings from refunding	\$	<u>511</u>

On December 11, 2008, the District issued General Obligation Limited Tax Bonds, Series 2008F (Series 2008F Bonds) in the amount of \$16,115 thousand, General Obligation Limited Tax Refunding Bonds, Series 2008G (Series 2008G Bonds) in the amount of \$36,140 thousand, General Obligation Unlimited Tax Refunding Bonds, Series 2008H (Series 2008H Bonds) in the amount of \$28,310 thousand, and General Obligation Unlimited Tax Refunding Bonds, Series 2008I (Personal Property Replacement Tax Alternate Revenue Source) (Series 2008I PPRT ARS Bonds) in the amount of \$19,910 thousand.

## CHICAGO PARK DISTRICT

### Notes to Basic Financial Statements

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The proceeds of the Series 2008F Bonds were used to: (i) finance a portion of the cost of building, maintaining, and improving parks within the District as part of the District's capital improvement plan; (ii) provide for capital interest on the Series 2008F Bonds; and (iii) pay certain costs of issuance.

The proceeds of the Series 2008G Bonds were used to: (i) redeem \$30,425 thousand of all or a portion of certain maturities of the District's outstanding General Obligation Refunding Bonds, Series 1998A bearing interest ranging from 5.125% to 5.25% and \$7,290 thousand of all or a portion of certain maturities of the District's outstanding General Obligation Limited Tax Park Bonds, Series 1999A bearing interest ranging from 4.60% to 5.00%; and (ii) pay certain costs of issuance. The transaction resulted in a net present value savings of \$1,751 thousand, which amounted to 4.64% of refunded bonds.

(amounts are in thousands):

Cash flow requirements to service old debt	\$ 45,146
Less cash flow requirements for new debt	<u>(43,766)</u>
Net savings from refunding	<u>\$ 1,380</u>

The Series 2008H Bonds were used to: (i) redeem \$24,940 thousand of all or a portion of certain maturities of the District's outstanding General Obligation Aquarium and Museum Bonds, Series 1997 bearing interest ranging from 5.125% to 5.50% and \$5,065 thousand of all or a portion of certain maturities of the District's outstanding General Obligation Refunding Bonds, Series 1998A bearing interest of 5.125%; and (ii) to pay certain costs of issuance. The transaction resulted in a net present value savings of \$1,989 thousand, which amounted to 6.63% of the refunded bonds.

(amounts are in thousands):

Cash flow requirements to service old debt	\$ 37,663
Less cash flow requirements for new debt	<u>(34,920)</u>
Net savings from refunding	<u>\$ 2,743</u>

**CHICAGO PARK DISTRICT**

Notes to Basic Financial Statements

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The Series 2008I PPRT ARS Bonds were used to: (i) redeem \$6,740 thousand of all or a portion of certain maturities of the District's outstanding General Obligation Unlimited Tax Park Bonds, Series 1999B (Personal Property Replacement Tax Alternate Revenue Source) bearing interest of 5.00% and \$13,910 thousand of all or a portion of certain maturities of the District's outstanding General Obligation Unlimited Tax Park Refunding Bonds, Series 1999C (Personal Property Replacement Tax Alternate Revenue Source) bearing interest ranging from 4.30% to 5.00%; and (ii) to pay certain costs of issuance. The transaction resulted in a net present value savings of \$971 thousand, which amounted to 4.70% of the refunded bonds.

(amounts are in thousands):

Cash flow requirements to service old debt	\$	27,175
Less cash flow requirements for new debt		<u>(25,929)</u>
Net savings from refunding	\$	<u><u>1,246</u></u>

**(e) 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, 2008 are as follows (amounts are in thousands):

		<b>Amount defeased</b>	<b>Outstanding</b>
General Obligation Aquarium and Museum Bonds, Series 1997	\$	24,940	24,940
General Obligation Refunding Bonds, Series 1998A		35,490	35,490
General Obligation Limited Tax Park Bonds, Series 1999A		20,865	20,865
General Obligation Unlimited Tax Park Bonds, Series 1999B (Personal Property Replacement Tax Alternate Revenue Source)		6,740	6,740
General Obligation Unlimited Tax Park Refunding Bonds, Series 1999C (Personal Property Replacement Tax Alternate Revenue Source)		13,910	13,910
Parking Facilities System Revenue Bonds, Series 1999		73,750	67,670
Harbor Facilities Revenue Bonds, Series 2000		60,025	48,880
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	34,725
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)		<u>72,630</u>	<u>66,050</u>
	\$	<u><u>406,420</u></u>	<u><u>381,445</u></u>

**CHICAGO PARK DISTRICT**

Notes to Basic Financial Statements

December 31, 2008

**(7) Operating Leases**

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, 2008.

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:	
2009	\$ 310
2010	335
2011	361
2012	290
2013	422
2014 – 2018	2,671
2019 – 2023	5,035
2024 – 2028	<u>10,890</u>
	<u>\$ 20,313</u>

The District leases Soldier Field Stadium that has a cost of \$642.9 million and accumulated depreciation of \$69.5 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, 2008.

**CHICAGO PARK DISTRICT**

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

	<b>Amount</b>
Year ending December 31:	
2009	\$ 5,700
2010	5,700
2011	5,700
2012	5,700
2013	5,700
2014 – 2018	28,500
2019 – 2023	28,500
2024 – 2028	28,500
2029 – 2033	28,500
	\$ 142,500

**(8) 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, 2008 consists of the following:

Retirees and beneficiaries currently receiving benefits	3,013
Terminated employees entitled to benefits, but not yet receiving them	161
Current employees	3,031
Total	6,205

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.

## CHICAGO PARK DISTRICT

### Notes to Basic Financial Statements

December 31, 2008

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 when due, pursuant to formal commitments, as well as statutory or contractual requirements. 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, 2008.

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 collective investment funds, pooled separate real estate accounts, and private equity partnerships are determined by the bank administrator.

**(c) *Funding Policy***

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

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**(d) Annual Pension Cost and Net Pension Obligation**

The District's annual pension cost and net pension obligation for fiscal year 2008 were as follows (amounts are in thousands):

Annual required contribution (ARC)	\$	19,237
Interest on net pension obligation		48
Adjustment to ARC		<u>(51)</u>
Annual pension cost		19,234
Contributions made		<u>8,998</u>
Increase in net pension obligation		(10,236)
Net pension obligation at January 1, 2008		<u>(603)</u>
Net pension obligation at December 31, 2008	\$	<u><u>(10,839)</u></u>

The three-year trend information for the District is as follows (amounts are in thousands):

	<u>Employer contribution</u>			<u>Net pension asset (obligation)</u>
	<u>Annual pension cost</u>	<u>Percentage contributed</u>		
Year ended December 31:				
2008	\$ 19,234	47%	\$	(10,839)
2007	17,567	55		(603)
2006	15,326	34		7,369

**(e) Funded Status and Funding Progress**

As of June 30, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$586.7 million, and the actuarial accrued liability (AAL) value of assets was \$795.4 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$208.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$111.7 million and the ratio of the UAAL to the covered payroll was 186.8 percent.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of Retirement Fund assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**CHICAGO PARK DISTRICT**

Notes to Basic Financial Statements

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**(f) 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 table below identifies the actuarial assumptions used in the June 30, 2008 valuation:

Actuarial Methods and Assumptions	
Actuarial-cost method	Projected unit credit
Amortization method	Level-dollar
Amortization period	30 years (open period)
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5%
Inflation rate	4.0%

**(9) 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 and, 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 2008, the District contributed \$1.0 million to the plan. Plan members receiving benefits contributed \$1.7 million, or approximately 63% of the total premiums, through their required contribution of \$375/\$700 per month for retiree-only coverage, \$750/\$1,200 for retiree and spouse coverage, and \$1,075/\$1,700 family coverage, for HMO/PPO respectively.

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**(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 2008 were as follows (amounts are in thousands):

Annual required contribution (ARC)	\$	3,930
Interest on net OPEB obligation		113
Adjustment to annual required contribution		<u>(158)</u>
Annual OPEB cost		3,885
Contributions made		<u>1,012</u>
Increase in net OPEB obligation		(2,873)
Net OPEB obligation at January 1, 2008		<u>(2,845)</u>
Net OPEB obligation at December 31, 2008	\$	<u><u>(5,718)</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past two fiscal years were as follows (amounts are in thousands):

	<u>Employer contribution</u>		
	<u>Annual OPEB cost</u>	<u>Percentage contributed</u>	<u>Net OPEB obligation</u>
Year ended December 31:			
2008*	\$ 3,885	26%	\$ 5,718
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 57.5 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

## CHICAGO PARK DISTRICT

### Notes to Basic Financial Statements

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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.

The schedule of funding progress, presented as RSI following the notes to the financial statements, present multiyear trend information about whether the actuarial values of the Healthcare Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### (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 Methods and Assumptions	
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 2008 and grading down to 5.5% in 2016 and beyond

#### (10) **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.

**CHICAGO PARK DISTRICT**

Notes to Basic Financial Statements

December 31, 2008

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, 2008, 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, 2008.

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 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>2008</u>	<u>2007</u>
Accrued self-insurance – beginning of year	\$ 30,251	24,348
Claims and other expenses incurred – during year	326	10,257
Claims paid – during year	<u>(5,670)</u>	<u>(4,354)</u>
Accrued self-insurance – end of year	<u>\$ 24,907</u>	<u>30,251</u>

**(11) Commitments and Contingencies**

**(a) Construction Commitments**

The District has various outstanding construction projects estimated at December 31, 2008 to be \$48.4 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.

## CHICAGO PARK DISTRICT

### Notes to Basic Financial Statements

December 31, 2008

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 Washington 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.

**(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.

**(12) *Subsequent Events***

On January 27, 2009, the District issued General Obligation Unlimited Tax Park Bonds, Series 2008E (Special Recreation Activity Alternate Revenue Source) in the amount of \$24,475,000 ("Series 2008E Bonds"). The proceeds of the Series 2008E Bonds were used to: (i) pay or reimburse costs of certain infrastructure improvements to existing recreational facilities throughout the District to increase accessibility to those facilities and recreational programs of the District and (ii) pay costs of issuance of the Series 2008E Bonds. [The improvements include (i) improvements for basic entry to facilities, such as ramps and wider doorways; (ii) modifications to bathrooms and comfort stations, including accessible stalls, modified fixtures and grab bars; (iii) enhanced access to facilities on upper and lower levels of field houses; and improvements to pathways, parking lots, play grounds, and other recreational surfaces.] The Series 2008E Bonds bear interest at rates ranging from 3.25% to 5.00% with a final maturity in 2029.

Recent market conditions have resulted in an unusually high degree of volatility and increased the risk and short-term liquidity associated with certain investments held by the Retirement Fund, which have adversely impacted the value of those investments subsequent to June 30, 2008, and after the date of these financial statements.

**CHICAGO PARK DISTRICT**

Required Supplementary Information

Schedule of Revenues and Expenditures – Budget and Actual

General Fund (Budgetary Basis) (Unaudited)

Year ended December 31, 2008

(Amounts are in thousands of dollars)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property tax	\$ 134,570	134,570	142,839	8,269
Personal property replacement tax	24,862	24,862	25,304	442
Interest on investments	2,350	2,350	794	(1,556)
Concession revenue	4,979	4,979	3,833	(1,146)
Parking fees*	1,669	1,669	1,460	(209)
Harbor fees	21,224	21,224	21,796	572
Golf fees	500	500	321	(179)
Park fees	12,786	12,786	11,319	(1,467)
Soldier field	22,641	22,641	20,245	(2,396)
Donations and grant income	—	—	1,085	1,085
Rentals	3,188	3,188	2,422	(766)
Miscellaneous income	670	670	932	262
Permits	3,723	3,723	4,747	1,024
Capital contributions	1,200	1,200	604	(596)
Transfer in*	5,000	5,000	5,256	256
Dedicated fund balance	10,000	10,000	6,385	(3,615)
<b>Total revenues</b>	<b>249,362</b>	<b>249,362</b>	<b>249,342</b>	<b>(20)</b>
Expenditures:				
Personnel services	144,298	144,298	142,888	1,410
Materials and supplies	6,754	6,754	5,470	1,284
Small tools and equipment	842	842	716	126
Contractual services	85,875	85,875	87,258	(1,383)
Program expense	5,194	5,194	4,159	1,035
Other expense	2,800	2,800	2,623	177
Transfer out	4,986	4,986	5,864	(878)
<b>Total expenditures</b>	<b>250,749</b>	<b>250,749</b>	<b>248,978</b>	<b>1,771</b>
Revenues over expenditures	\$ <b>(1,387)</b>	<b>(1,387)</b>	<b>364</b>	<b>1,751</b>

\* 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, 2008

(Amounts are in thousands of dollars)

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Investment income	\$ —	—	1,726	(1,726)
Transfer in	—	—	213	(213)
Total revenues	—	—	1,939	(1,939)
Expenditures:				
Contractual services	—	242	—	242
Other expense	—	21,975	21,877	98
Transfer out	5,000	5,000	5,000	—
Total expenditures	5,000	27,217	26,877	340
Revenues over expenditures	\$ (5,000)	(27,217)	(24,938)	(2,279)

See accompanying independent auditors' report.

**CHICAGO PARK DISTRICT**

Required Supplementary Information

Notes to Budgetary Comparison Schedules (Unaudited)

Year ended December 31, 2008

A reconciliation of the different basis of revenue and expenditure recognition for the year ended December 31, 2008 is as follows (amounts are in thousands):

	<u>General fund</u>	<u>Long-term income reserve fund</u>
Revenues, GAAP basis	\$ 243,597	1,726
Add:		
Reclassification of salary reimbursement	145	—
Reclassification of capital contributions	604	—
Transfer in	—	213
Transfer in (reclassified to Parking fees)	5,256	—
Dedicated fund balance	6,385	—
Less:		
Reclassification of property tax refunds	<u>(6,645)</u>	<u>—</u>
Revenues, budgetary basis	\$ <u>249,342</u>	<u>1,939</u>
Expenditures, GAAP basis	\$ 249,374	21,877
Add:		
Reclassification of salary reimbursement	145	—
Reclassification of capital contributions	604	—
Transfer out	5,864	5,000
Encumbered in 2008	—	—
Less:		
Reclassification of property tax refunds	<u>(6,645)</u>	<u>—</u>
Payments on PY Encumbrances	<u>(364)</u>	<u>—</u>
Expenditures, budgetary basis	\$ <u>248,978</u>	<u>26,877</u>

***Excess of Expenditures over Appropriations***

For the year ended December 31, 2008, expenditures exceeded appropriations in the General Fund's contractual services account class (the legal level of budgetary control). Workers compensation claims paid, which is part of the contractual services account class, came in higher than budgeted and are mandatory to be paid. The transfer out of the General Fund is the movement of Harbor Revenues to the Debt Service Fund to fund the Harbor Bond's debt payment. The Long-term Income Reserve Fund did not exceed appropriations in any of the account classes.

See accompanying independent auditors' report.

**CHICAGO PARK DISTRICT**  
 Required Supplementary Information  
 Schedule of Funding Progress (Unaudited)  
 June 30, 2008  
 (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, 2008	\$ 586,676	795,379	208,703	73.8%	\$ 111,698	186.8%
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

See accompanying independent auditors' report.

**CHICAGO PARK DISTRICT**  
 Required Supplementary Information  
 Schedule of Funding Progress (Unaudited)  
 June 30, 2008  
 (Amounts are in Thousands of Dollars)

**Schedule of Funding Progress – Healthcare Plan**

<b>Actuarial valuation date</b>	<b>Actuarial value of assets (a)</b>	<b>Actuarial accrued liability (AAL) – entry age (b)</b>	<b>Unfunded actuarial accrued liability (UAAL) (b-a)</b>	<b>AAL funding ratio (a/b)</b>	<b>Annual covered payroll (c)</b>	<b>UAAL as a percent of annual covered payroll ((b-a)/c)</b>
December 31, 2007	\$ —	47,200	47,200	0.0	82,100	57.5

Note: Beginning with fiscal year 2007, the District will accumulate three years of data for the OPEB.

See accompanying independent auditors' report.

## CHICAGO PARK DISTRICT

### Nonmajor Governmental Funds

#### Combining Fund Statements and Other Supplementary Information

December 31, 2008

**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.

***Northerly Island Fund*** – for the purpose of segregating net revenues generated from the Northerly Island concert venue, to fund future capital improvements at Northerly Island as well as support park operations at that site.

***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.

**CHICAGO PARK DISTRICT**

Nonmajor Governmental Funds

Combining Fund Statements and Other Supplementary Information

December 31, 2008

**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, 2008  
(Amounts are in thousands of dollars)

<b>Assets</b>	<b>Special Revenue</b>			
	<b>Aquarium and museums operating</b>	<b>Pension</b>	<b>Northerly Island</b>	<b>Special recreation tax</b>
Cash and cash equivalents (note 3)	\$ —	—	—	—
Investments (note 3)	357	105	2,917	—
Receivables:				
Property taxes, net	29,525	9,492	—	5,790
Personal property replacement tax	377	2	—	—
Accounts	—	—	—	—
Due from other funds (note 4)	—	—	—	8,284
Due from other governments	—	—	—	—
<b>Total assets</b>	<b>\$ 30,259</b>	<b>9,599</b>	<b>2,917</b>	<b>14,074</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 357	105	5	79
Accrued payroll	—	—	—	27
Due to other funds (note 4)	—	—	274	—
Due to other organizations	377	2	—	—
Retainage payable	—	—	—	1
Deposits	—	—	—	—
Deferred revenue:				
Property taxes	26,979	8,682	—	5,277
Unearned revenue:				
Other	—	—	—	—
<b>Total liabilities</b>	<b>27,713</b>	<b>8,789</b>	<b>279</b>	<b>5,384</b>
Fund balances:				
Fund balances reserved for:				
Debt service	—	—	—	—
Contributions for other organizations	2,546	810	—	—
Special recreational activities	—	—	—	8,690
Park replacement over Monroe Garage	—	—	—	—
Fund balances unreserved:				
Undesignated, special revenue fund	—	—	2,638	—
Undesignated, capital project fund	—	—	—	—
<b>Total fund balances</b>	<b>2,546</b>	<b>810</b>	<b>2,638</b>	<b>8,690</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,259</b>	<b>9,599</b>	<b>2,917</b>	<b>14,074</b>

See accompanying independent auditors' report.

			<u>Debt Service</u>	<u>Capital Project</u>	
<u>Public Building Commission operating</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>
—	7,845	—	—	—	7,845
12,526	36,152	37,421	18	1,913	91,409
11,242	—	—	3,767	—	59,816
—	—	—	—	—	379
—	11,774	—	—	—	11,774
—	—	—	—	—	8,284
—	—	—	10	—	10
<u>23,768</u>	<u>55,771</u>	<u>37,421</u>	<u>3,795</u>	<u>1,913</u>	<u>179,517</u>
2,862	9,683	—	—	—	13,091
—	1	—	—	—	28
—	8,197	—	—	—	8,471
—	—	—	—	—	379
—	374	—	—	—	375
—	50	—	—	—	50
10,259	—	—	3,442	—	54,639
—	26,120	—	—	—	26,120
<u>13,121</u>	<u>44,425</u>	<u>—</u>	<u>3,442</u>	<u>—</u>	<u>103,153</u>
—	—	—	353	—	353
—	—	—	—	—	3,356
—	—	—	—	—	8,690
—	—	35,000	—	—	35,000
10,647	11,346	2,421	—	—	27,052
—	—	—	—	1,913	1,913
<u>10,647</u>	<u>11,346</u>	<u>37,421</u>	<u>353</u>	<u>1,913</u>	<u>76,364</u>
<u>23,768</u>	<u>55,771</u>	<u>37,421</u>	<u>3,795</u>	<u>1,913</u>	<u>179,517</u>

**CHICAGO PARK DISTRICT**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year ended December 31, 2008  
(Amounts are in thousands of dollars)

	<b>Special Revenue</b>			
	<b>Aquarium and museums operating</b>	<b>Pension</b>	<b>Northerly Island</b>	<b>Special recreation tax</b>
Revenues:				
Property taxes	\$ 31,691	9,506	—	6,320
Personal property replacement tax	3,745	20	—	—
Investment income	—	—	37	—
Donations and grant income	—	—	—	—
Northerly Island	—	—	897	—
Total revenues	<u>35,436</u>	<u>9,526</u>	<u>934</u>	<u>6,320</u>
Expenditures:				
Current:				
Park operations and maintenance	—	3,281	—	—
Recreation programs	—	5,004	6	2,742
Special services	35,855	36	70	—
General and administrative	1,385	1,732	—	276
Capital outlay	—	—	—	469
Debt service:				
Principal	—	—	—	—
Interest	—	—	—	—
Total expenditures	<u>37,240</u>	<u>10,053</u>	<u>76</u>	<u>3,487</u>
Excess (deficiency) of revenues over expenditures	<u>(1,804)</u>	<u>(527)</u>	<u>858</u>	<u>2,833</u>
Other financing sources (uses):				
Transfers in (note 4)	—	—	2,188	—
Transfers out (note 4)	—	—	(408)	—
Total other financing sources and uses, net	<u>—</u>	<u>—</u>	<u>1,780</u>	<u>—</u>
Net change in fund balances	<u>(1,804)</u>	<u>(527)</u>	<u>2,638</u>	<u>2,833</u>
Fund balances – beginning of year	<u>4,350</u>	<u>1,337</u>	<u>—</u>	<u>5,857</u>
Fund balances – end of year	<u>\$ 2,546</u>	<u>810</u>	<u>2,638</u>	<u>8,690</u>

See accompanying independent auditors' report.

			<u>Debt Service</u>	<u>Capital Project</u>	
<u>Public Building Commission operating</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>
12,312	—	—	4,042	—	63,871
—	—	—	—	—	3,765
—	692	699	—	16	1,444
—	6,940	—	—	—	6,940
—	—	—	—	—	897
<u>12,312</u>	<u>7,632</u>	<u>699</u>	<u>4,042</u>	<u>16</u>	<u>76,917</u>
—	73	—	—	—	3,354
—	3,105	—	—	—	10,857
9,352	—	—	—	—	45,313
537	119	—	177	—	4,226
—	15,229	—	—	—	15,698
—	—	—	2,895	—	2,895
—	—	—	1,634	—	1,634
<u>9,889</u>	<u>18,526</u>	<u>—</u>	<u>4,706</u>	<u>—</u>	<u>83,977</u>
<u>2,423</u>	<u>(10,894)</u>	<u>699</u>	<u>(664)</u>	<u>16</u>	<u>(7,060)</u>
—	60	—	—	—	2,248
—	—	—	—	(81)	(489)
—	60	—	—	(81)	1,759
<u>2,423</u>	<u>(10,834)</u>	<u>699</u>	<u>(664)</u>	<u>(65)</u>	<u>(5,301)</u>
<u>8,224</u>	<u>22,180</u>	<u>36,722</u>	<u>1,017</u>	<u>1,978</u>	<u>81,665</u>
<u>10,647</u>	<u>11,346</u>	<u>37,421</u>	<u>353</u>	<u>1,913</u>	<u>76,364</u>

**CHICAGO PARK DISTRICT**

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

Nonmajor Special Revenue Funds

Year ended December 31, 2008

(Amounts are in thousands of dollars)

<b>FUND</b>	<u>Donations and grant income</u>	<u>Property taxes</u>	<u>Personal property replacement tax</u>
<b>Original Budgeted Revenues:</b>			
Aquarium and museums operating	\$ —	30,596	3,689
Pension	—	9,114	20
Northerly Island	—	—	—
Special recreation tax	—	6,000	—
Public Building Commission operating	—	11,800	—
Federal, State, and local grants	63,770	—	—
Reserve for park replacement	—	—	—
Total budgeted revenues	<u>63,770</u>	<u>57,510</u>	<u>3,709</u>
<b>Final Budgeted Revenues:</b>			
Aquarium and museums operating	—	30,596	3,689
Pension	—	9,114	20
Northerly Island	—	—	—
Special recreation tax	—	6,000	—
Public Building Commission operating	—	11,800	—
Federal, State, and local grants	63,770	—	—
Reserve for park replacement	—	—	—
Total budgeted revenues	<u>63,770</u>	<u>57,510</u>	<u>3,709</u>
<b>Actual Revenues:</b>			
Aquarium and museums operating	—	30,306	3,745
Pension	—	9,091	20
Northerly Island	—	—	—
Special recreation tax	—	6,320	—
Public Building Commission operating	—	11,775	—
Federal, State, and local grants	6,940	—	—
Reserve for park replacement	—	—	—
Total actual revenues	<u>6,940</u>	<u>57,492</u>	<u>3,765</u>
<b>Variance with Final Budget:</b>			
Aquarium and museums operating	—	290	(56)
Pension	—	23	—
Northerly Island	—	—	—
Special recreation tax	—	(320)	—
Public Building Commission operating	—	25	—
Federal, State, and local grants	56,830	—	—
Reserve for park replacement	—	—	—
Total variance of revenues	<u>\$ 56,830</u>	<u>18</u>	<u>(56)</u>

See accompanying independent auditors' report.

<u>Interest on investments</u>	<u>Northerly Island</u>	<u>Miscellaneous income</u>	<u>Total nonmajor governmental funds</u>
—	—	—	34,285
—	—	—	9,134
—	—	1,203	1,203
—	—	2,200	8,200
—	—	—	11,800
—	—	—	63,770
—	—	—	—
<u>—</u>	<u>—</u>	<u>3,403</u>	<u>127,189</u>
—	—	—	34,285
—	—	—	9,134
—	—	2,200	8,200
—	—	—	11,800
—	—	—	63,770
—	—	—	—
<u>—</u>	<u>—</u>	<u>2,200</u>	<u>127,189</u>
—	—	—	34,051
—	—	—	9,111
37	897	2,188	3,122
—	—	—	6,320
—	—	—	11,775
692	—	60	7,692
699	—	—	699
<u>1,428</u>	<u>897</u>	<u>2,248</u>	<u>72,770</u>
—	—	—	234
—	—	—	23
(37)	(897)	(2,188)	(3,122)
—	—	2,200	1,880
—	—	—	25
(692)	—	(60)	56,078
(699)	—	—	(699)
<u>(1,428)</u>	<u>(897)</u>	<u>(48)</u>	<u>54,419</u>

**CHICAGO PARK DISTRICT**

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

Nonmajor Special Revenue Funds

Year ended December 31, 2008

(Amounts are in thousands of dollars)

<b>FUND</b>	<b>Personnel services</b>	<b>Materials and supplies</b>	<b>Small tools and equipment</b>
<b>Original Budgeted Expenditures:</b>			
Aquarium and museums operating	\$ —	—	—
Pension	—	—	—
Northerly Island	—	—	—
Special recreation tax	3,060	171	49
Public Building Commission operating	—	—	—
Federal, State, and local grants	249	801	539
Reserve for park replacement	—	—	—
Total budgeted expenditures	<u>3,309</u>	<u>972</u>	<u>588</u>
<b>Final Budgeted Expenditures:</b>			
Aquarium and museums operating	—	—	—
Pension	—	—	—
Northerly Island	—	—	—
Special recreation tax	2,372	138	13
Public Building Commission operating	—	—	—
Federal, State, and local grants	249	801	539
Reserve for park replacement	—	—	—
Total budgeted expenditures	<u>2,621</u>	<u>939</u>	<u>552</u>
<b>Actual Expenditures:</b>			
Aquarium and museums operating	—	—	—
Pension	—	—	—
Northerly Island	—	—	—
Special recreation tax	2,498	138	13
Public Building Commission operating	—	—	—
Federal, State, and local grants	544	201	—
Reserve for park replacement	—	—	—
Total actual expenditures	<u>3,042</u>	<u>339</u>	<u>13</u>
<b>Variance with Final Budget:</b>			
Aquarium and museums operating	—	—	—
Pension	—	—	—
Northerly Island	—	—	—
Special recreation tax	(126)	—	—
Public Building Commission operating	—	—	—
Federal, State, and local grants	(295)	600	539
Reserve for park replacement	—	—	—
Total variance of expenditures	<u>\$ (421)</u>	<u>600</u>	<u>539</u>

See accompanying independent auditors' report.

<u>Contractual services</u>	<u>Program expense</u>	<u>Other expense</u>	<u>Total nonmajor governmental funds</u>
—	—	34,287	34,287
—	—	9,837	9,837
—	—	1,203	1,203
2,506	214	—	6,000
11,650	—	—	11,650
3,126	285	58,770	63,770
—	—	7,000	7,000
<u>17,282</u>	<u>499</u>	<u>111,097</u>	<u>133,747</u>
—	—	34,287	34,287
—	—	9,837	9,837
988	—	12	1,000
122	83	6,639	9,367
11,650	—	—	11,650
3,126	285	58,770	63,770
—	—	7,000	7,000
<u>15,886</u>	<u>368</u>	<u>116,545</u>	<u>136,911</u>
—	—	35,855	35,855
—	—	9,639	9,639
76	—	408	484
122	83	633	3,487
9,352	—	—	9,352
2,485	67	15,229	18,526
—	—	—	—
<u>12,035</u>	<u>150</u>	<u>61,764</u>	<u>77,343</u>
—	—	(1,568)	(1,568)
—	—	198	198
912	—	(396)	516
—	—	6,006	5,880
2,298	—	—	2,298
641	218	43,541	45,244
—	—	7,000	7,000
<u>3,851</u>	<u>218</u>	<u>54,781</u>	<u>59,568</u>

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**Part III**  
**STATISTICAL SECTION**

# CHICAGO PARK DISTRICT

Statistical Section

December 31, 2008

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. 101 – 107

### **REVENUE CAPACITY**

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. 108 – 113

### **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. 114 – 117

### **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. 118 – 119

### **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. 120 – 126

**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 Seven Years  
(accrual basis of accounting)  
(Amounts are in Thousands of Dollars)

	2002	2003	2004	Fiscal Year 2005	2006	2007	2008
<b>Governmental Activities</b>							
Invested in capital assets net of related debt	\$ 209,425	345,031	448,054	478,267	467,240	489,943	559,393
Restricted	93,815	205,042	218,808	135,757	211,194	219,987	213,841
Unrestricted (Deficit)	52,419	40,827	14,348	135,236	355,759	353,161	283,170
<b>Total Governmental Activities</b>	<b>355,659</b>	<b>590,900</b>	<b>681,210</b>	<b>749,260</b>	<b>1,034,193</b>	<b>1,063,091</b>	<b>1,056,404</b>
<b>Business-type Activities</b>							
Invested in capital assets net of related debt	26,055	—	—	—	—	—	—
Restricted	9,508	—	—	—	—	—	—
Unrestricted	4,059	—	—	—	—	—	—
<b>Total Business-type Activities</b>	<b>39,622</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Primary Government</b>							
Invested in capital assets net of related debt	235,480	345,031	448,054	478,267	467,240	489,943	559,393
Restricted	103,323	205,042	218,808	135,757	211,194	219,987	213,841
Unrestricted	56,478	40,827	14,348	135,236	355,759	353,161	283,170
<b>Total Primary Government</b>	<b>\$ 395,281</b>	<b>590,900</b>	<b>681,210</b>	<b>749,260</b>	<b>1,034,193</b>	<b>1,063,091</b>	<b>1,056,404</b>

Data Source

Audited Financial Statements

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Expenses</b>							
<b>Governmental Activities</b>							
Park operations and maintenance	\$ 134,081	96,007	104,942	108,824	136,586	142,493	158,906
Recreation programs	130,764	133,573	111,287	101,768	106,256	88,925	94,509
Special services	47,720	66,711	75,766	75,746	72,597	66,611	72,661
General and administrative	38,218	55,252	33,441	41,390	46,925	64,925	62,377
Interest in long-term debt	31,895	54,201	51,511	52,114	50,561	44,848	40,378
<b>Total Governmental Activities Expenses</b>	<b>382,678</b>	<b>405,744</b>	<b>376,947</b>	<b>379,842</b>	<b>412,925</b>	<b>407,802</b>	<b>428,831</b>
<b>Business-type Activities</b>							
Parking	13,713	—	—	—	—	—	—
Harbor	11,545	4,691	—	—	—	—	—
<b>Total Business-type Activities Expenses</b>	<b>25,258</b>	<b>4,691</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Primary Government Expenses</b>	<b>\$ 407,936</b>	<b>410,435</b>	<b>376,947</b>	<b>379,842</b>	<b>412,925</b>	<b>407,802</b>	<b>428,831</b>
<b>Program Revenues</b>							
<b>Governmental Activities</b>							
<b>Charges for Services</b>							
Park operations and maintenance	\$ 2,992	4,250	4,654	5,075	3,308	3,270	2,743
Recreation programs	11,001	8,885	9,630	10,077	10,629	11,256	11,317
Special programs	21,662	37,440	72,471	74,604	77,132	60,700	62,148
General and administrative	—	—	—	—	—	—	—
Interest in Long-term Debt	—	—	—	—	—	—	—
Operating Grants and Contributions	3,266	4,016	4,642	4,781	3,205	2,851	2,378
Capital Grants and Contributions	5,046	26,902	27,867	6,745	52,031	26,061	18,435
<b>Total Governmental Activities Program Revenues</b>	<b>43,967</b>	<b>81,493</b>	<b>119,264</b>	<b>101,282</b>	<b>146,305</b>	<b>104,138</b>	<b>97,021</b>
<b>Business-type Activities</b>							
<b>Charges for Services</b>							
Parking	14,068	12,999	—	—	—	—	—
Harbor	15,845	—	—	—	—	—	—
Operating Grants and Contributions	—	—	—	—	—	—	—
Capital Grants and Contributions	—	—	—	—	—	—	—
<b>Total Business-type Activities Program Revenues</b>	<b>29,913</b>	<b>12,999</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 73,880</b>	<b>94,492</b>	<b>119,264</b>	<b>101,282</b>	<b>146,305</b>	<b>104,138</b>	<b>97,021</b>
<b>Net (Expense) Revenue</b>							
Governmental Activities	\$ (338,711)	(324,251)	(257,683)	(278,560)	(266,620)	(303,664)	(331,810)
Business-type Activities	4,655	8,308	—	—	—	—	—
<b>Total Primary Government Net (Expense) Revenue</b>	<b>\$ (334,056)</b>	<b>(315,943)</b>	<b>(257,683)</b>	<b>(278,560)</b>	<b>(266,620)</b>	<b>(303,664)</b>	<b>(331,810)</b>

(Continued)

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Assets</b>							
<b>Governmental Activities</b>							
Taxes							
Property taxes	\$ 247,354	247,354	252,291	266,049	268,516	254,510	266,982
Personal property replacement taxes	26,878	26,878	29,190	40,480	42,482	51,591	47,991
Grants and contributions not restricted to specific programs	232,760	232,760	62,906	32,949	3,082	2,040	1,086
Unrestricted investment earnings	2,200	2,200	3,018	5,139	12,348	21,869	8,277
Miscellaneous	2,141	2,141	588	1,993	1,544	2,552	787
Transfers	48,159	48,159	588	1,993	—	—	—
Special Items	—	—	—	—	223,581	—	—
<b>Total Governmental Activities</b>	<u>559,492</u>	<u>559,492</u>	<u>348,581</u>	<u>348,603</u>	<u>551,553</u>	<u>332,562</u>	<u>325,123</u>
<b>Business-type Activities</b>							
Investment Earnings	229	229	—	—	—	—	—
Transfers	(48,159)	(48,159)	—	—	—	—	—
<b>Total Business-type Activities</b>	<u>(47,930)</u>	<u>(47,930)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Total Primary Government</b>	<u>511,562</u>	<u>511,562</u>	<u>348,581</u>	<u>348,603</u>	<u>551,553</u>	<u>332,562</u>	<u>325,123</u>
<b>Change in Net Assets</b>							
Governmental Activities	220,781	235,241	90,898	70,043	284,933	28,898	(6,687)
Business-type Activities	<u>(43,275)</u>	<u>(39,622)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Total Primary Government Change in Net Assets</b>	<u>\$ 177,506</u>	<u>195,619</u>	<u>90,898</u>	<u>70,043</u>	<u>284,933</u>	<u>28,898</u>	<u>(6,687)</u>

Data Source

Audited Financial Statements

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

	2002	2003	2004	Fiscal Year 2005	2006	2007	2008
<b>General Fund</b>							
<b>Reserved</b>							
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	—	—
<b>Unreserved</b>							
Designated	671	2,005	—	—	—	10,000	—
Undesignated	(70,407)	(65,679)	(87,570)	18,881	6,488	14,175	18,154
<b>Total General Fund</b>	<b>\$ (57,726)</b>	<b>(48,656)</b>	<b>3,002</b>	<b>28,342</b>	<b>9,917</b>	<b>24,539</b>	<b>18,154</b>
<b>All Other Governmental Funds</b>							
<b>Reserved</b>							
Debt service funds	\$ 59,991	68,907	72,379	75,457	66,632	59,403	55,636
Capital project funds	99,211	93,912	66,076	87,805	—	—	—
Encumbrances	—	—	—	—	12,788	513	—
Contributions for other organizations	—	—	—	—	3,747	5,687	3,356
Special recreational activities	—	—	—	—	4,130	5,344	8,690
Park replacement over Monroe Garage	—	—	—	—	35,000	35,000	35,000
Working cash	77,238	77,245	—	—	—	—	—
<b>Unreserved, reported in</b>							
Special Revenue Funds	6,923	7,087	3,382	5,907	133,824	154,451	124,439
Debt Service Funds	—	—	—	—	—	—	—
Capital Project Funds	—	—	—	—	202,688	172,433	133,798
<b>Total All Other Governmental Funds</b>	<b>\$ 243,363</b>	<b>247,151</b>	<b>141,837</b>	<b>169,169</b>	<b>458,809</b>	<b>432,831</b>	<b>360,919</b>

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 Seven Years  
 (modified accrual basis of accounting)  
 (Amounts are in Thousands of Dollars)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>							
Property Tax	\$ 194,117	263,772	210,708	264,240	239,371	253,681	268,090
Personal property replacement tax	28,805	26,878	29,190	40,480	42,482	51,591	47,991
Investment Income	4,756	2,200	3,018	5,139	12,348	21,869	8,277
Parking fees	1,048	16,418	20,103	19,830	19,400	1,732	1,460
Harbor fees	—	2,894	17,189	17,972	19,447	21,432	21,796
Other privatized fees	—	—	1,495	1,772	1,690	1,312	2
Concessions	2,173	1,816	1,991	2,328	2,456	2,505	3,833
Rental of Soldier Field	15,269	12,766	19,120	20,122	21,816	21,092	20,245
Rental of other property	1,876	2,084	2,369	2,486	2,808	2,770	2,422
Golf course fees	3,171	3,545	3,757	3,512	500	500	321
Recreational activities	11,001	8,885	9,630	10,077	10,629	11,256	11,317
Other user charges	1,116	2,166	2,285	2,589	3,155	3,459	4,747
Donations and grant income	8,312	30,918	31,143	12,392	25,252	17,239	8,025
Northerly Island	—	—	—	—	—	—	897
Miscellaneous	987	2,142	588	1,993	1,545	2,552	787
<b>Total Revenues</b>	<b>272,631</b>	<b>376,484</b>	<b>352,586</b>	<b>404,932</b>	<b>402,899</b>	<b>412,990</b>	<b>400,210</b>
<b>Expenditures</b>							
<b>Current:</b>							
Park operations and maintenance	44,231	47,133	64,891	74,852	79,322	94,110	101,989
Recreation programs	132,458	136,074	113,332	95,927	99,435	84,522	88,136
Special services	47,735	59,862	60,055	68,788	65,633	59,667	65,739
General and administrative	38,376	30,159	32,151	35,212	42,728	53,597	58,329
Capital Outlay	83,423	73,077	87,433	25,479	58,682	44,118	93,319
<b>Debt Service:</b>							
Principal	20,680	24,145	34,795	43,500	41,740	43,360	43,820
Extinguishment of debt	—	—	—	—	75,951	—	—
Interest	43,194	46,835	51,397	48,918	52,231	44,613	42,397
Cost of issuance and other	7,278	2,027	2,420	1,392	2,166	—	1,258
<b>Total Expenditures</b>	<b>417,375</b>	<b>419,312</b>	<b>446,474</b>	<b>394,068</b>	<b>517,888</b>	<b>423,987</b>	<b>494,987</b>
<b>Excess of Revenues over (under)</b>							
Expenditures	(144,744)	(42,828)	(93,888)	10,864	(114,989)	(10,997)	(94,777)

(Continued)

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Other financing Sources (Uses)</b>							
Proceeds from bond refunding	78,410	93,585	125,895	44,180	144,855	—	112,390
Proceeds from bond issuance	—	34,625	36,930	40,000	35,000	—	16,115
Premium (discount) on long-term debt	3,017	9,345	10,331	3,457	8,768	—	6,907
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)	—	(118,932)
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	15,602
Transfers out	(16,649)	(6,176)	(95,906)	(13,265)	(363,106)	(34,267)	(15,602)
<b>Total other financing sources (uses)</b>	<u>21,371</u>	<u>55,685</u>	<u>40,231</u>	<u>41,807</u>	<u>38,071</u>	<u>—</u>	<u>16,480</u>
Special Item: Sale of Garages	—	—	—	—	347,775	—	—
<b>Net Change in Fund Balances</b>	<u>\$ (123,373)</u>	<u>12,857</u>	<u>(53,657)</u>	<u>52,671</u>	<u>270,857</u>	<u>(10,997)</u>	<u>(78,297)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	16.70%	19.16%	22.76%	25.05%	35.28%	22.49%	20.61%

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
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
2008	47,991

(1) As noted in the District's audited financial statements from 1999 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								
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	18,521,873	2,006,898	12,157,149	688,868	33,374,788	2.7076	69,517,264	0.379		329,770,733	21.080
2007 (8)	N/A (9)	N/A (9)	N/A (9)	N/A (9)	33,623,465	2.8439	73,651,157	0.355		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) 2008 information not available at time of publication.
- (9) 2007 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	
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	
2007	0.183	0.013	0.058	0.018	0.042	0.012	0.021	0.008	

Data Source

Office of the Clerk of Cook County

DISTRICT STATUTORY PROPERTY TAX RATE LIMITATIONS BY FUND

<u>Fund</u>	<u>Limit</u>
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	
0.653	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
0.355	1.044	0.091	2.583	0.159	0.263	0.053	0.446	4.994

**CHICAGO PARK DISTRICT**

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO (1)

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation
Sears Tower	\$ 514,662	1	0.70 %	\$ 301,946	1	0.89 %
AON Center (2)	374,456	2	0.51	219,911	2	0.65
AT&T Corporate Center	297,653	3	0.40	159,555	6	0.47
Prudential Plaza	293,604	4	0.40	164,167	5	0.48
Chase Tower (3)	250,261	5	0.34	185,929	4	0.55
Water Tower Place	231,069	6	0.31	—		0.00
Citicorp Plaza	216,217	7	0.29	130,727	8	0.39
Leo Burnett Building	211,813	8	0.29	—		—
UBS Tower	208,906	9	0.28	—		—
Three First National Plaza	205,913	10	—	130,962	7	0.39
Chicago Mercantile Exchange	—		—	202,462	3	0.60
Hyatt Regency Hotel	—		—	116,617	9	0.34
900 North Michigan	—		—	111,904	10	0.33
	<u>\$ 2,804,554</u>		<u>3.53 %</u>	<u>\$ 1,724,180</u>		<u>5.08 %</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) 2008 information not available at time of publication.

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

(3) 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
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	225,182	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	6,114	249,041	103.59
2005	2006	09/01/06	259,448	3.5	9,081	250,367	253,082	97.55	4,085	257,167	102.72
2006	2007	12/03/07	260,266	3.5	9,109	251,157	232,526	89.34	28,526	261,052	103.94
2007	2008	11/03/08	258,271	3.5	9,039	249,232	248,778	96.32	—	248,778	99.82

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			
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		
2008	481,455	16,280	271,040	—	54,045	—	822,820	325,085	497,735	0.68	0.17		

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, 2008

(Amounts are in Thousands of Dollars)

Equalized Assessed Valuation (2007) (1)		\$ <u><u>73,651,158</u></u>
<b>General Obligation Bonds Outstanding</b>		
Park Improvement Bonds		\$ 359,635
Aquarium and Museum Bonds (pre-1994) (2)		23,640
New Aquarium and Museum Bonds (1994 and thereafter) (2)		80,301
Working Cash Fund Bonds		<u>17,879</u>
Subtotal		<u>481,455</u>
General Obligation (PPRT Alternate Revenue) (3)		271,040
General Obligation (Harbor Alternate Revenue) (3)		<u>54,045</u>
Subtotal		<u>325,085</u>
<b>Total General Obligation and Alternate General Obligation Bonds</b>		<b>\$ <u><u>806,540</u></u></b>
<b>Bonded Debt Limit</b>		
2.30% of Equalized Assessed Valuation		\$ 1,693,977
General Obligation Bonds Outstanding (4)		<u>(481,455)</u>
Unexercised Bonded Debt Limit		<u><u>\$ 1,212,522</u></u>
<b>Non-Referendum bonded Debt Limit</b>		
1.00% of Equalized Assessed Valuation		\$ 736,512
Park Improvement Bonds Outstanding		<u>(359,635)</u>
Unexercised Non-Referendum Bonding Authority		<u><u>\$ 376,877</u></u>
<b>Tax Supported Debt (3)</b>		
Outstanding General Obligation Bonds (4)		\$ 481,455
Leases supporting principal of Public Building Commission Bonds		<u>16,280</u>
<b>Total Direct Debt</b>		<b>\$ <u><u>497,735</u></u></b>

Notes:

- (1) Figure includes both Cook County and the relevant portion of DuPage County, Illinois.
- (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, 2008  
(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	\$ 497,735	100.00%	\$ 497,735
City of Chicago	6,019,659	100.00%	6,019,659
Chicago Board of Education	4,623,057	100.00%	4,623,057
Chicago School Finance Authority	66,645	100.00%	66,645
Community College District No. 508	—	100.00%	—
Cook County	2,897,975	45.58%	1,320,897
Forrest Preserve District of Cook County	115,105	45.58%	52,465
Metropolitan Water Reclamation District	1,379,237	47.22%	651,276
	<u>15,101,678</u>		<u>12,733,999</u>
	<u>\$ 15,599,413</u>		<u>\$ 13,231,734</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, 2008

(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)
2008	\$ 39,644,665	42,142,942	2,498,277
2009	39,714,567	42,142,942	2,428,375
2010	39,615,867	42,142,942	2,527,075
2011	36,915,780	42,142,942	5,227,162
2012	35,511,305	42,142,942	6,631,637
2013	34,799,792	42,142,942	7,343,150
2014	32,274,572	42,142,942	9,868,370
2015	31,306,372	42,142,942	10,836,570
2016	29,905,960	42,142,942	12,236,982
2017	28,618,297	42,142,942	13,524,645
2018	28,119,735	42,142,942	14,023,207
2019	28,010,472	42,142,942	14,132,470
2020	24,302,375	42,142,942	17,840,567
2021	20,355,037	42,142,942	21,787,905
2022	18,601,925	42,142,942	23,541,017
2023	18,027,925	42,142,942	24,115,017
2024	18,019,675	42,142,942	24,123,267
2025	18,018,675	42,142,942	24,124,267
2026	18,021,500	42,142,942	24,121,442
2027	18,020,350	42,142,942	24,122,592
2028	11,551,975	42,142,942	30,590,967
2029	7,232,825	42,142,942	34,910,117
2030	4,852,825	42,142,942	37,290,117
2031	3,133,350	42,142,942	39,009,592

(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>
2008	2,896,016	\$ N/A (4)	N/A (4)	6.4%
2007	2,896,016	126,596,443,424	43,714	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

#### 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	2008			1999		
	Employees	Rank	% of Total District Population	Employees	Rank	% of Total District Population
J. P. Morgan Chase (1)	8,865	1	0.31 %	7,237	2	0.26 %
United Airlines	6,403	2	0.22	8,843	1	0.32
Jewel Food Stores, Inc.	5,977	3	0.21	3,142	10	0.11
Northern Trust	5,084	4	0.18	5,306	3	0.19
Accenture LLP (2)	4,532	5	0.16	4,713	4	0.17
American Airlines	3,582	6	0.12			
SBC/AT&T (3)	3,459	7	0.12	4,420	5	0.16
Ford Motor Company	3,325	8	0.11			
CVS Corporation	3,161	9	0.11			
Bonded Maintenance Company	2,955	10	0.10			
Arthur Andersen, LLP				3,965	6	0.14
Commonwealth Edison Company				3,620	7	0.13
Dominick's				3,245	8	0.12
Harris Bank				3,142	9	0.11
	<u>47,343</u>		<u>1.63 %</u>	<u>47,633</u>		<u>1.71 %</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, 2008.

## CHICAGO PARK DISTRICT

### FULL-TIME EQUIVALENT EMPLOYEES

Last Three Years

<u>Area</u>	<u>2006</u>	<u>2007</u>	<u>2008*</u>
General Government			
Administration	648	646	616
Beaches and Pools	376	301	303
Landscape	-	-	246
Security	-	-	366
Lakefront	549	559	-
North	540	552	489
Central	483	483	428
South	<u>521</u>	<u>539</u>	<u>489</u>
Total Full-Time Equivalent Employees	<u>3,117</u>	<u>3,080</u>	<u>2,937</u>

#### Data Source

Comptroller's Office

\* In 2008, Lakefront was deleted as a category and reallocated to the North, Central, and South Regions. Also Landscape and Security was removed from the Regions into its own category.

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

**CHICAGO PARK DISTRICT**

**OPERATING INDICATORS**

Last Three Years

Function/Program	2006	2007	2008
Total Number of Work Orders	24,714	25,122	23,474
Total Work Order Completed	22,426	24,443	22,362
Percentage completed	91%	97%	95%
Total Work Orders Completed by Type			
ADA Improvements Park (1)	6	-	-
Brickwork	114	177	170
Carpentry	4,253	3,874	3,736
Cement and Asphalt Repair	67	317	377
Door Repair (2)	12	-	-
Emergency Repairs (3)	1,516	-	-
Equipment Repairs	888	432	317
Equipment Requests	719	591	552
Erecting	204	836	815
General Cleaning	183	229	114
Inside Electric	2,675	2,959	2,535
Iron Work	955	1,249	1,185
Mechanical	799	801	742
Moving / Hauling	522	1,232	1,165
Outside Electric	1,636	2,176	2,007
Painting	1,633	1,125	988
Park Repair / Maintenance	1,988	1,680	-
Program / Event Information	6	-	-
Plastering / Painting	101	52	57
Playground Repair	3,978	4,982	5,083
Plumbing Repair	159	268	267
Roofing Repair	12	-	-
Special Event-Related	-	1,463	2,252
Cultural Programming			
Total number of Movies in the Park	118	186	178
Total number of Concerts in the Park	15	29	19
Performances at Theatre on the Lake	45	45	40
Number of Theatre Companies	9	9	9

(Continued)

**CHICAGO PARK DISTRICT**

**OPERATING INDICATORS**

Last Three Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Park Level Programming			
Total Registration	255,368	284,063	300,663
By Age Group			
Adult	36,342	41,481	49,136
All Ages	24,078	21,376	20,824
Family	940	-	-
Preschool	39,953	50,218	52,786
Pre-Teen	1,533	1,637	1,641
Senior	13,859	15,311	19,433
Teen	23,192	25,758	26,852
Young Adult	212	236	144
Youth	115,259	128,046	129,847
Registration By Type of Programming for Youth			
Cultural Enrichment	8,510	8,510	8,311
Health & Physical Activities	56,150	68,298	69,647
Outdoor & Environmental Education	397	544	699
Social Interaction	45,554	45,189	45,290
Special Events	3,215	3,839	4,429
Special Interests	1,085	1,286	1,167
Therapeutic Recreation	348	380	304
Number of Programs by Type of Programming for Youth			
Cultural Enrichment	999	1,027	990
Health & Physical Activities	4,919	5,390	5,150
Outdoor & Environmental Education	43	45	52
Social Interaction	1,512	1,401	1,394
Special Events	265	287	270
Special Interests	133	117	108
Therapeutic Recreation	37	34	33

Data Source

Various Park District Departments

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

- 1.) no longer track data on work order system; all through capital
- 2.) combined into carpentry
- 3.) combined into individual trade discipline

**CHICAGO PARK DISTRICT**  
**CAPITAL ASSET STATISTICS**  
 Last Three Years

<u>Major Facilities</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Number of:			
Outdoor facilities:			
Assembly Areas	77	77	77
Baseball fields (Jr.)	355	355	355
Baseball fields (Sr.)	179	179	179
Basketball backboards	903	903	903
Batting cages	2	2	2
Beaches	31	31	31
Carousels	2	2	2
Dog friendly areas	11	11	12
Fitness courses	7	7	7
Fields (combination soccer/football)	209	209	209
Golf:			
9 hole courses	5	5	5
18 hole course	1	1	1
Driving Ranges	3	3	3
Miniature 18 hole course	2	2	2
Putting green	2	2	2
Handball/racquetball courts	13	13	13
Harbors			
Boat slips	3,434	3,434	3,434
Mooring cans	1,222	1,222	1,222
Star docks	432	432	432
Horseshoe courts	128	128	128
Ice skating rinks (refrigerated)	10	10	10
Interactive water play areas	32	32	32
Playgrounds	358	349	358
Stand-alone playgrounds	154	164	154
Pools	52	52	52
Roller hockey courts	3	3	3
Sandboxes	228	228	228
Skate parks	5	7	8
Skating areas (non-ice)	19	19	19

(Continued)

**CHICAGO PARK DISTRICT**  
**CAPITAL ASSET STATISTICS**  
 Last Three Years

<u>Major Facilities</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Soccer fields (artificial surface)	5	7	3
Soccer fields	44	44	44
Softball fields	254	254	254
Spray pools	184	184	185
T-ball fields	9	9	9
Tennis courts	618	618	618
Tracks (running)	34	34	27
Volleyball courts (sand 168)	372	372	372
Water slides	4	4	4
Indoor facilities:			
Auditorial/assembly halls	95	94	94
Clubrooms	916	913	913
Cultural centers	15	15	15
Field houses	266	263	264
Fitness centers	41	41	60
Gymnasiums	197	197	197
Gymnastics centers	4	4	4
Ice skating rink	1	1	1
Kitchens	177	177	177
Natatoriums	34	34	34
Handball/racquetball courts	41	41	41
Stages	57	57	57
Parking facilities	5	5	5
Parking spaces	709	709	709
Museums/Aquarium	10	10	10
Zoos	2	2	2
Professional sport stadium	1	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, 2008

#### Definitions of Park Classifications

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*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 recreational areas including playground apparatus. The primary service population for a regional park lives within  $\frac{3}{4}$  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  $\frac{1}{2}$  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  $\frac{1}{2}$  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  $\frac{1}{4}$  mile.

*Mini-parks:* A park less than  $\frac{1}{2}$  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  $\frac{1}{10}$  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 Three Years

Parks by Classification	2006	2007	2008
Magnet parks:			
number	5	5	5
acres	2,776.98	2,784.33	2,784.33
Citywide parks:			
number	13	13	13
acres	1,967.92	1,967.92	1,967.92
Regional parks:			
number	48	48	48
acres	1,254.50	1,254.50	1,254.82
Community parks:			
number	127	127	128
acres	1,050.69	1,050.69	1,073.74
Neighborhood parks:			
number	163	164	165
acres	359.01	361.34	366.98
Mini-parks:			
number	142	142	142
acres	34.54	34.70	34.70
Passive parks:			
number	47	47	47
acres	84.04	84.04	82.52
Unimproved parks:			
number	24	24	22
acres	52.16	52.16	51.65
<b>Total parks:</b>			
<b>number</b>	<u>569</u>	<u>570</u>	<u>570</u>
<b>acres (1)</b>	<u>7,579.84</u>	<u>7,589.68</u>	<u>7,616.66</u>
Miles of lakefront:	26	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