

CHICAGO PARK DISTRICT

CHICAGO, ILLINOIS

Comprehensive Annual Financial Report

For the year ended December 31, 2012



Prepared by the
Chief Financial Officer
and the Office of the Comptroller

Rahm Emanuel, Mayor, City of Chicago
Bryan Traubert, President of the Board of Commissioners
Michael P. Kelly, General Superintendent and Chief Executive Officer
Steve Lux, Chief Financial Officer
Cecilia Prado, CPA, Comptroller



chicago park district

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Board of Commissioners
Bryan Traubert
President

Benjamin R. Armstrong
Vice President

Erika R. Allen
M. Laird Koldyke
Avis LaVelle
Juan Salgado
Rouhy J. Shalabi

**General Superintendent
& CEO**
Michael P. Kelly

City of Chicago
Rahm Emanuel
Mayor

**CHICAGO
PARK
DISTRICT**
**come out
and play**

Dear Colleagues and Friends

As our nation begins to make a comeback from one of the most difficult economic times in its history, more families than ever before are turning to parks as a resource for affordable recreation. As a result, it is more important than ever, that the Chicago Park District make investments to ensure that every neighborhood is supported with quality, recreational services that address their distinct interests and needs. Despite our challenges, we've celebrated numerous accomplishments and continue to serve as a leader for public park systems across the globe.

This fiscal year, the Chicago Park District acquired more than 190 additional acres of parkland and expanded 11 existing parks across the city. We began construction on Maggie Daley Park, which upon completion will boast the 2nd largest green roof in the world. This 20 acre project is designed to incorporate habitat and ecology along with recreational opportunities. In addition to capital investments, we've also taken steps to ensure that our daily operations are environmentally responsible. Among our efforts, are an aggressive recycling program and the purchase of electricity derived from green sources. These and other measures, including maintaining solid financial ratings have consistently earned the Chicago Park District the confidence of rating agencies throughout the years.

The 2012 Comprehensive Annual Financial Report presents a healthy financial picture, a result of sound financial and managerial discipline. Although we've had to make tough choices, we are guided by our commitment to the families we serve, preserving our environment and using technology to keep Chicago parks moving forward.

As always, the Chicago Park District continues to offer thousands of programs annually including a menu of sports, cultural and environmental programs. Each summer, we provide day camp opportunities for more than 30,000 children. In addition to our youth population, we also offer programs specifically designed for toddlers, teens and seniors. We recently announced efforts to keep Chicago parks busy with positive, engaging activities for the entire family. The Chicago Park District's *Night Out in the Parks* series features more than 750 performances and events at parks across the city. In addition to our annual attractions like Theater on the Lake, Movies in the Park, families can enjoy performances by the Chicago Shakespeare Theater, Midnight Circus, Redmoon Theater and countless other world-class events.

During the past year, strong fiscal management along with conservative budgeting principles helped the Chicago Park District achieve positive operating results for the 2012 fiscal year. We made a number of tough choices in order to maintain our solid financial standing, including implementing sacrifices through mandatory shutdown days.

The Chicago Park District ended the year with The General Fund revenues exceeding expenses without increasing the property tax levy for the seventh consecutive year. At the end of the 2012 fiscal year we reported strong cash reserves and an increase in the fund balance of our General Fund. We will continue to make prudent investments in our infrastructure, revenue generating assets and technology to maintain our strong financial position.

As we look to the future, the Chicago Park District will explore other ways to operate more efficiently and boost revenue to support our parks. We will seek the support of elected officials, corporations and park advisory councils who understand the importance of parks and quality recreation to the overall health of our city. By working together, we can continue to make decisions that will positively impact Chicago families and communities today and into the future.

Sincerely,



Michael P. Kelly
General Superintendent & CEO
Chicago Park District



Bryan Traubert
Board President
Chicago Park District



**CHICAGO PARK DISTRICT
2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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I. INTRODUCTORY SECTION





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**General Superintendent
& CEO**
Michael P. Kelly

City of Chicago
Rahm Emanuel
Mayor



August 5, 2013

To the Honorable Mayor Rahm Emanuel,
General Superintendent & CEO Michael P. Kelly,
Members of the Board of Commissioners,
and Citizens of the City of Chicago:

The Comprehensive Annual Financial Report (CAFR) of the Chicago Park District (District) for the year ended December 31, 2012 is hereby submitted. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position as well as the financial condition of the Chicago Park District.

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, 2012.

A further requirement of the District, as per ordinance known as the "Code of the Chicago Park District" (Code), is the necessity to prepare annual financial statements, 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 statements shall be accompanied by a report prepared by independent certified public accountants, which have been appointed by the Board of Commissioners (Board). The role of the auditors is to audit the basic financial statements to determine if they are free of material misstatements and to assess the accounting principles used. Based on their findings, they express an opinion on the fairness of the statements and disclose any material weaknesses and significant deficiencies noted in their audit. Upon completion, the CAFR 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 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). McGladrey LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended December 31, 2012.



CHICAGO PARK DISTRICT

Letter of Transmittal

December 31, 2012

The audit was conducted as a subcontractor arrangement between McGladrey LLP and a Chicago-based minority and women-owned certified public accounting firms. 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). The financial statements should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditors' report.

CHICAGO PARK DISTRICT PROFILE

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 8,325 acres of green space on which rest 586 parks, 241 field houses, zoo and 26 miles of pristine lakefront with running and bike trails as well as 29 beaches, making it the largest municipal park manager in the nation. Included on District property are 11 museums, 2 world-class conservatories, Soldier Field (the home of the Chicago Bears), 10 harbors, 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.

Governance – The Mayor of the City of Chicago appoints the District's seven-member Board, which is the governing body of the District. The Board has three standing committees under which business is conducted: Administration, Programs and Recreation, and Capital Improvements. The Office of the Secretary serves as the Board's official record keeper, prepares the Board minutes, and moderates the meetings.

Structure – The reporting structure of the Chicago Park District begins with the Board of Commissioners, General Superintendent/CEO, and six Chiefs who manage the District's departments. Individual departments and the three regions (North, South, and Central) are each headed by a Director/Region Manager who oversees central administrative and park/regional staff.



CHICAGO PARK DISTRICT

Letter of Transmittal

December 31, 2012

Budget Process – 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 no 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 appropriations. 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 submitted to the Board for approval. Additional information on the budgetary process can be found in note 2 of the basic financial statements.

LOCAL ECONOMY

Chicago continues to enjoy one of the most diverse economies in the nation, comprised of mature and emerging industries, including business and financial services, manufacturing, aviation, transportation and warehousing, biotech and life sciences, education and healthcare. Long-standing components of the local economy, such as derivatives trading, remain strong - Chicago futures and options exchanges collectively conduct 50% of the exchange-based derivatives trading in the U.S. - while new sectors continuously emerge - the “Windy City” is now home to 20 wind energy companies.

Chicago’s large and diverse economy contributes to a gross regional product of more than \$500 billion. Total trade reached \$188 billion in 2012, up from \$154 billion in 2008. With 4.3 million employees and over 260,000 businesses, the Chicago metropolitan area is home to more than 400 major corporate headquarters, including 29 Fortune 500 headquarters. Chicago has long been a center for international business and is currently home to over 1,500 foreign-based companies and receives more than \$40 billion in direct foreign investment. Chicago-based companies, in turn, have a strong presence abroad, with over 4,100 locations in 170 countries.

Business expansion and investment in Chicago continue to grow. Throughout 2012, Chicago placed in the top three cities across the country for monthly employment growth and unemployment declines, due in part to 33,667 new and retained jobs. Companies such as Motorola Mobility relocated headquarters to the city, bringing over \$300 million and 2,000 jobs. Mayor Emanuel announced more than 12,000 new jobs in 2012 in fields such as consumer products, energy, professional and financial services, healthcare, manufacturing, technology, transportation and logistics. More than 600 new or expanding facilities were also announced, commenced, or completed in the Chicago metropolitan area in 2012, representing a total of 35 million square feet and \$10.5 billion in economic development activity.



CHICAGO PARK DISTRICT

Letter of Transmittal

December 31, 2012

In addition, Chicago continues to be a destination for both business and leisure travelers. Tourism, business and convention travel to Chicago reached near-record levels in 2012, with 46.2 million visitors to the City, an increase of 6% over 2011. The Park District offers many of the cultural and recreational attractions for these travelers from the parks, museums, lakefront and more. This activity continues to be a significant part of the local economy, helping to strengthen small businesses and provide jobs.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Strategic Plan

The Chicago Park District initiated an extensive self-assessment process involving field staff, managers, executive staff, and Commissioners to assess our mission, re-define our vision, identify our market and determine what investments were needed to best serve our customers. Taken together, our mission, values and strategic plan help guide our everyday activities.

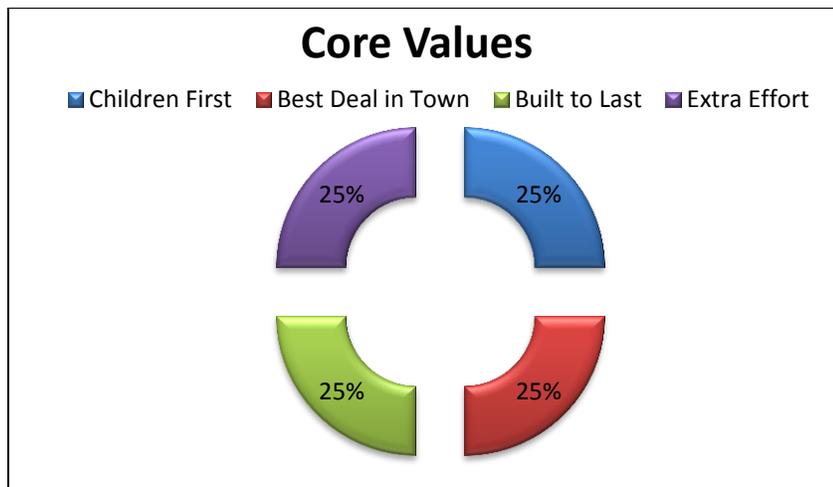
Mission

The mission of the Chicago Park District is to:

- Enhance the quality of life in Chicago by being the leading provider of recreation and leisure opportunities
- Provide safe, inviting and beautifully maintained parks and facilities
- Create a customer-focused and responsive park system that prioritizes the needs of children and families

Core Values

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



CHICAGO PARK DISTRICT

Letter of Transmittal

December 31, 2012

➤ **Children First**

Our most important customers are children and our most important task is to bring children and families into our parks and give them great reasons to stay and play for a lifetime. We work tirelessly to make the Park District the first choice of parents and children for the best programs, events, camps, and daily leisure activities. We target key segments of Chicago's youth population and develop opportunities that align with their preferences and priorities. We develop new and exciting choices for classes and programs and make it easy to enroll in them. We give every child a reason and an opportunity to play in the parks. This is an investment in Chicago's children today for the return of a lifetime.

In 2012, the Park District enrolled a record number of children in summer programs. More than 50,000 youth participated in programs that ranged in variety from day camp and sports leagues to urban camping and dance instruction. Compared to 2011, this represented almost a twenty percent increase in enrollment.

➤ **Best Deal in Town**

We prioritize quality in our programs and accountability in our fiscal management to provide excellent and affordable recreation that invites everyone to come out and play. To provide the best value in recreation, we work diligently to balance expenses with revenues. Thanks to prudent fiscal management over the last few years, we remain on solid financial ground. To maintain long-term stability, we continue to find innovative and appropriate ways to bring in new revenue while making thoughtful investments and carefully managing costs. Our goal is to maintain the high quality of our programs and events while making them as affordable as possible.

Our day camp and sports leagues remain the most affordable in the Chicago area.

➤ **Built to Last**

We use our capital to renew our aging infrastructure and leverage partnerships that produce new parks and facilities that are forward-thinking and world class. We have inherited a world class park system that has served generations of Chicagoans. We are stewards of treasures that take the form of landscapes, buildings, sculptures and parks. We must also maintain and expand our holdings to meet the current and future recreation needs of our customers. To balance these challenges, we strategically invest in our limited capital resources and leverage partnerships and alternative sources of funds to do more with less. In doing so, we honor our inheritance and build for the next generation.

In 2012, six of the oldest and most inefficient heating, ventilation and air conditioning (HVAC) systems in Park District field houses were upgraded and newly integrated with a web-based system to control and monitor building temperatures. Also in 2012, Soldier Field became the first existing NFL stadium in the country to achieve LEED certification. This is the Park District's 10th facility to achieve certification.

CHICAGO PARK DISTRICT

Letter of Transmittal

December 31, 2012

➤ Extra Effort

We support innovation and welcome new ideas. We believe that professionalism, communication, technology, and team work serve as the foundation for great customer service and a productive workplace. We do everything possible to make the Park District better tomorrow than it is today. We implement new ideas and new technology that reduces costs and make program delivery more effective. We invest in our employees and provide the training and tools they need to get the job done. We open new lines of communication between our customers and each other. We work as a team as we build toward a new future together.

In 2012, the Park District implemented a new registration and data management program - ActiveNet. This new system allows us to collect program registration data, analyze enrollment trends and patterns, make adjustments in our marketing and program content, understand demand, and set and track targets for customer registration.

The Chicago Park District, along with sister City Agencies, launched the "Chicago Lives Healthy" program in the late fall of 2012. This program features a customized suite of programs and strategies designed to engage and motivate all plan members to take a proactive look at their own health and engage in improving choices that lead to a healthy lifestyle. This participation is expected to benefit the District by keeping insurance rates at a static level. This program launched with unprecedented success, 86.6% of employees signed up.

Also, in 2012, the Chicago Park District was granted accreditation for standards of excellence in quality and efficiency by the national Commission for Accreditation of Park and Recreation Agencies (CAPRA). CAPRA standards maintain a high level of excellence in regards to an agency's efficiency and effectiveness of their plans, policies, and procedures. Accreditation is a way for tax payers, policy makers, staff and the general public to know that their services are being met and delivered, according to CAPRA standards.

Other Major Initiatives

The Park District is planning to issue general obligation bonds. The proceeds of series 2013 bonds are expected to provide for acquisition and construction of major capital facilities. In addition, proceeds of series 2013 bonds are expected to redeem all or portions of certain maturities of the District's outstanding bonds for savings.

The District is evaluating the impact the pension fund liability will have on financial resources.

Major capital Improvements planned for 2013 include:

Bloomington Park and Trail will provide new open space and future access to the elevated multi-use trail. The 2.65 mile trail is expected to contribute to public health by encouraging walking and bicycling. The elevated park and trail is expected to be opened to the public in fall 2014.

Maggie Daley Park is bordered by Columbus Drive, Randolph Street, Monroe Street and Lake Shore Drive. The park will include multisensory landscaping, rock-climbing sculptures, an ice skating ribbon, play garden and multiple event spaces – such as open lawn areas, café space and picnic groves. The entire park is expected to be opened to the public in 2015.



CHICAGO PARK DISTRICT

Letter of Transmittal

December 31, 2012

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, 2011. This was the sixth consecutive year that the District has achieved this prestigious honor. 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, 2013. This is the fifth consecutive year the District has achieved this award. 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, Michael P. Kelly, and members of the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the Chicago Park District's finances.

Respectfully submitted,

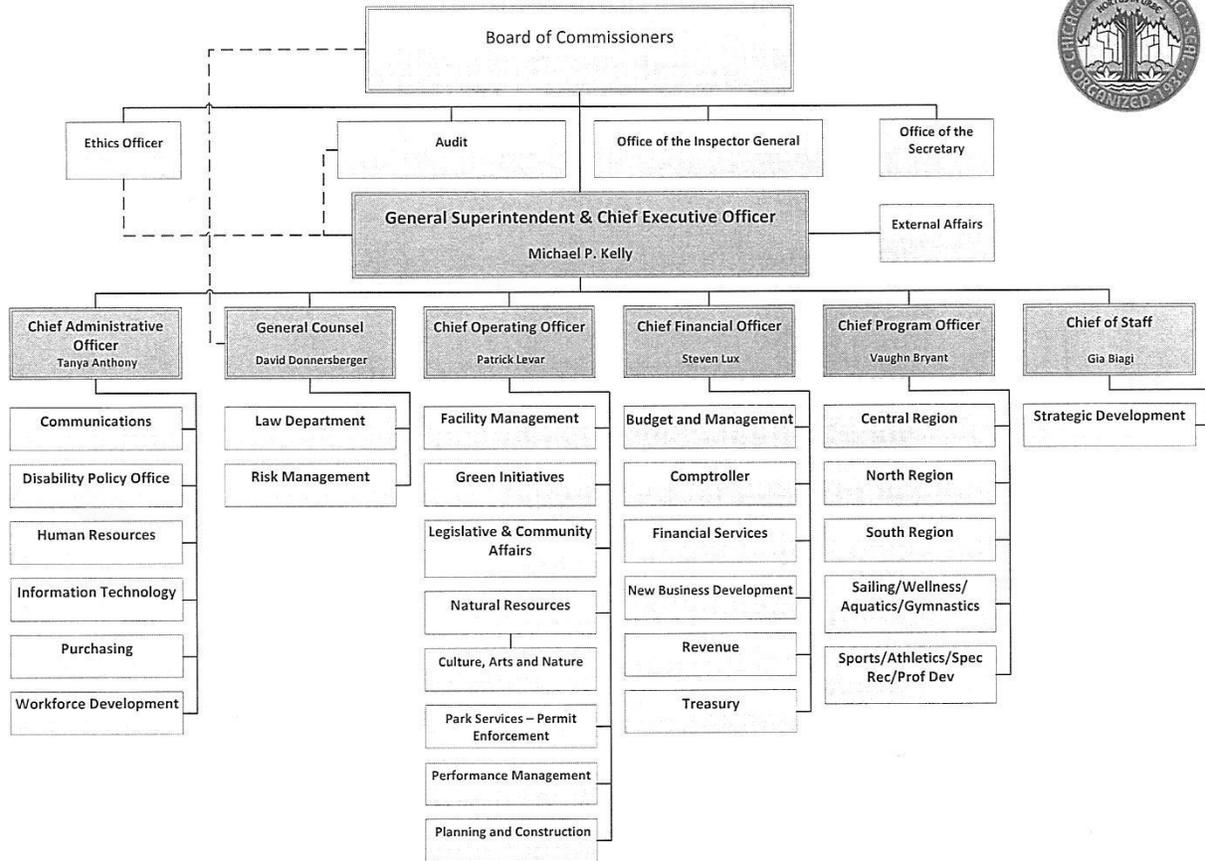


Steve Lux
Chief Financial Officer



Cecilia Prado, CPA
Comptroller

CHICAGO PARK DISTRICT ORGANIZATIONAL CHART



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, 2011

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.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

CHICAGO PARK DISTRICT CHICAGO, ILLINOIS PRINCIPAL OFFICIALS

Mayor of the City of Chicago
Rahm Emanuel

Board of Commissioners
Bryan Traubert, President

Members

Benjamin R. Armstrong, Vice President
Erika R. Allen, Commissioner
M. Laird Koldyke, Commissioner
Avis LaVelle, Commissioner
Juan Salgado, Commissioner
Rouhy J. Shalabi, Commissioner

Officers

Michael P. Kelly, General Superintendent/Chief Executive Officer
Steve Lux, Chief Financial Officer
David Donnersberger, General Counsel
Vaughn Bryant, Chief Program Officer
Tanya S. Anthony, Chief Administrative Officer
Patrick J. Levar, Chief Operating Officer
Gia Biagi, Chief of Staff

Key Financial Directors

Cecilia Prado, CPA, Comptroller
Cynthia Evangelisti, Acting Treasurer
Juliet Azimi, Director of Budget and Management



BOARD OF COMMISSIONERS' PROFILES

Bryan S. Traubert is a board certified ophthalmologist, civic leader, health expert, and wellness advocate. As President of the Pritzker Traubert Family Foundation (PTFF), which is dedicated to enhancing public education and quality of life in Chicago, Dr. Traubert has initiated programs to improve the fitness of young people. In 2007, to aid in the effort against childhood obesity, Dr. Traubert founded ChicagoRun, an innovative running and fitness program that "puts kids on the fast track to health."

Benjamin R. Armstrong is Vice President of Basketball at Wasserman Media Group. He was selected by the Chicago Bulls in the first round of the 1989 NBA Draft. He was an integral part of the NBA's Chicago Bulls dynasty of the 1990s. After retiring in 2000, he was hired by the Chicago Bulls front office where he worked as Special Assistant to the Executive Vice President of Basketball Operations. In 2005, Armstrong left and became an NBA analyst for ESPN and a regular contributor to ESPN.com. He is a certified NBA Player Agent with over 16 years of NBA experience.

Erika Allen is Chicago and National Projects Director for Growing Power and is headquartered in Chicago, IL. Blending her agricultural background with years of experience working in urban communities with art education and social service, Commissioner Allen integrates creative and therapeutic techniques with food security and community development to establish nine urban agriculture and food system projects in Chicago, IL. Commissioner Allen has provided technical assistance and planning support for thousands of new and limited resource farmers and local food pioneers to strengthen farm businesses and actively works to create healthy and diverse food options in inner-urban city and rural communities.

M. Laird Koldyke is a co-founder and Managing Partner of Winona Capital Management, LLC, a Chicago-based private investment firm. Mr. Koldyke focuses on acquisitions and growth financings of consumer based businesses. Mr. Koldyke is a graduate of Northwestern University (BA 1983) and The Kellogg Graduate School of Management (MM 1989).

Avis LaVelle is the president of A. LaVelle Consulting Services LLC. She was also the Press Secretary for Chicago Mayor Richard M. Daley and the 1992 Clinton-Gore Presidential Campaign as well as an Assistant Secretary of Public Affairs at the U.S. Department of Health and Human Services. Commissioner LaVelle is the League President for Hyde Park-Kenwood Legends baseball as well as serves on the board for After School Matters Foundation and the Resource Committee for the Metropolitan Planning Council.

Juan Salgado, M.U.P., has been the President and CEO of Instituto del Progreso Latino since 2001. He has led Instituto through a period of national award winning recognition and historic organizational growth. His qualities have earned him a 2005 fellowship in the distinguished Leadership Greater Chicago program for emerging leaders of business, government and nonprofit corporations; a 2007 Aspen Institute Ideas Festival fellowship; a three-year term as an advisor to the President of Mexico through the Institute for Mexicans Abroad; and a 2010 Mexican American Legal Defense and Education Fund's Excellence in Community Service Award.

Rouhy J. Shalabi Commissioner Shalabi is the principal in the law firm of Rouhy J. Shalabi and Associates, a general practice law firm that deals with civil and criminal litigation, real estate and business transactions, personal injury, social security, and family law. Commissioner Shalabi is the first Arab-Muslim appointed by Mayor Richard M. Daley to the Board of Commissioners of the Chicago Commission on Human Relations.





II. FINANCIAL SECTION



Independent Auditor's Report

The Honorable Bryan Traubert, Board President
Members of the Board of Commissioners
Chicago Park District

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 (Retirement Fund), which represents 82 percent, and 31 percent, respectively, of the assets, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors, whose report 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditor, 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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information and schedules of funding progress on pages 18 – 33 and 81 – 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining fund statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements and schedules (pages 90 – 95) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

McGladrey LLP

Chicago, Illinois
August 5, 2013

CHICAGO PARK DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2012

INTRODUCTION

As management of the Chicago Park District, Chicago, Illinois (the District), we offer readers of this Comprehensive Annual Financial Report (CAFR) a narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here, in conjunction with the information that we have furnished in our letter of transmittal, financial statements, and notes to the basic financial statements contained within this report.

FINANCIAL HIGHLIGHTS

- The total assets of the District were \$2.48 billion and exceeded liabilities at December 31, 2012 by \$1.15 billion (net position). Of this amount, \$5 million represents unrestricted net position in governmental activities which may be used to meet current obligations of the District.
- The District's total net position decreased by approximately \$19 million from 2011 primarily due to additional recreation programming and the final amortization of the contributions made to the aquarium and museums.
- Capital assets or land, buildings and equipment ended the year with a balance of \$1.8 billion, net of accumulated depreciation. This is an increase of nearly \$86 million over 2011. Total capital outlay for 2012 was \$109.2 million in comparison to the \$132.6 million spent on capital projects in 2011, and the District received approximately \$31 million in land contributions.
- At December 31, 2012, the District's governmental funds reported combined fund balances of \$320.4 million, a decrease of \$73.0 million in comparison with the prior year. Of this amount, \$33.2 million or approximately 10.37% is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$194.9 million, or approximately 77% of total general fund expenditures. Of this amount, \$98.1 million relate to the Long-Term Income Reserve Fund (\$96 million) and the Northerly Island Fund (\$2.1 million), which were previously reported separately as special revenue funds. These funds no longer meet the definition of special revenue fund per GASB 54 and starting in 2011 and going forward are reported under the General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report (CAFR) consists of Management's Discussion and Analysis and a series of financial statements and accompanying notes, that when presented in conjunction presents the operations and financial condition of the District as a whole. This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements.

This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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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 statement of net position and the statement of activities provide information about the activities of the District as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the flow of economic resources measurement focus and the accrual basis of accounting. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid. The government-wide financial statements include two statements:

The *statement of net position* presents financial information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. 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 position changed during the most recent fiscal year. All changes in net position 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 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 operations 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. 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.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented 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 twelve (12) 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: the General Fund, the Bond Debt Service Fund, the Park Improvements Fund, the Garage Revenue Capital Improvements Fund, and the Federal, State and Local Grants Fund. Data from the other seven 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.

The basic governmental fund financial statements can be found immediately following the government-wide statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported 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 District maintains one fiduciary fund, the Pension Trust Retirement Fund, which is used to report resources held in trust for retirees.

The basic fiduciary fund financial statements can be found immediately following the governmental fund financial statements.

Notes to the Basic 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 basic financial statements. Immediately following the budgetary information, this report presents required supplementary

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information concerning the District's progress in funding its obligation to provide pension and OPEB benefits to its employees and beneficiaries covered by the *Park Employees' and Retirement Board Employees' Annuity and Benefit Fund*.

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 can be found immediately following the required supplementary information.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

The following is a summary of assets, liabilities, and net position (amounts are in millions) as of December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	<u>Percentage Increase (Decrease)</u>
Current and other assets	\$ 679	820	(141)	(17.2) %
Capital assets	1,805	1,719	86	5.0
Total assets	<u>2,484</u>	<u>2,539</u>	<u>(55)</u>	<u>(2.2)</u>
Long-term obligations	1,033	1,061	(28)	(2.6)
Other liabilities	306	314	(8)	(2.5)
Total liabilities	<u>1,339</u>	<u>1,375</u>	<u>(36)</u>	<u>(2.6)</u>
Net position:				
Net investment in capital assets	952	670	282	42.1
Restricted	188	208	(20)	(9.6)
Unrestricted	5	286	(281)	(98.3)
Total net position \$	<u>1,145</u>	<u>1,164</u>	<u>(19)</u>	<u>(1.6) %</u>

Current and other assets decreased 17.2%, or \$141 million. This is mostly due to a decrease in cash and investments in the amount of \$83.8 million primarily used to pay down long-term liabilities and acquire capital assets, as well as the final amortization of the prepaid contribution to the aquarium and museums (\$58 million).

Capital assets increased 5.0% or \$86 million, as a result of the increased capital outlays to complete five (5) new Artificial Turf Fields ("Take the Field Initiative"), our HVAC/Energy Efficiency Program, Greenbaum Park Development, land contributions from the City of Chicago and others, and various other projects.

Long-term obligations decreased 2.6%, or \$28 million, mostly as a result of decreases in General Obligation Bonds and PBC capital lease debt of \$48.6 and \$4 million, respectively. This decrease was offset by an increase of \$20.8 million in the District's net pension obligation.

Other liabilities decreased 2.5% or \$8 million, due to a \$3 million decrease in accrued expenses, \$3.3 million paid to other organizations and recognition of \$9 million in Soldier Field deferred



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contributions. These decreases were offset by an increase of \$2.5 million in accrued interest and \$3.6 million in unearned revenue from grants.

Net position. As previously stated, net position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$1,145 million at December 31, 2012.

The greatest portion of the District's net position (83.1% or \$952 million), reflects its investment in capital assets, less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide a variety of services, and accordingly these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (16.4% or \$188 million) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of \$5 million (0.5%) is unrestricted. These funds are available for current obligations and free from legal constraints, debt covenants, and/or enabling legislation. Included in unrestricted net position are funds derived from the sale of the parking garages in late 2006, general fund and various grant revenues, and proceeds received from the Northerly Island venue.

Governmental Activities. The total change in net position from governmental activities decreased by approximately 1.6%, or \$19 million from 2011.

Revenues from all governmental activities in 2012 were \$471 million. This reflects a decrease of \$2 million from 2011.

- **Property Taxes and tax increment financing** decreased by \$32.6 million or 11.5% primarily as a result of higher property tax collections in the prior year due to timing differences. There was no change in the District's tax levies from 2011.
- **Charges for services** had a slight increase of \$1 million or 1.0%. Although the District achieved higher revenues than expected from charges for services (such as permits and Soldier Field), these increases were offset with one-time revenue in 2011 when the District hosted the Taste of Chicago Food Festival.
- **Capital grants and contributions** increased \$23 million or 62.2% due mainly to land contributions from the City of Chicago and others.

Expenses for governmental activities in 2012 were \$490 million. This reflects an increase of \$64 million from 2011. This increase is primarily attributable to the costs associated with additional recreation programs and the final amortization of the contribution to the aquarium and museums.

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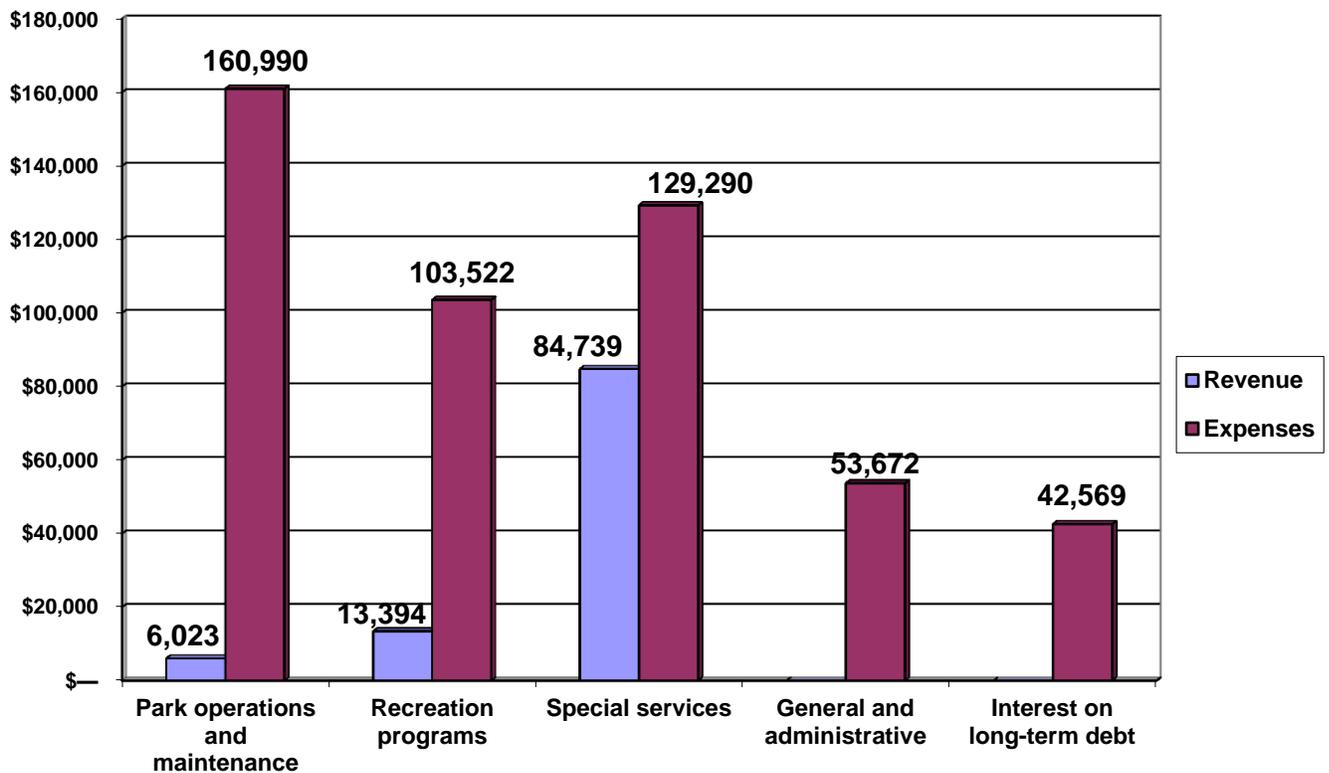
The following is a summary of changes in net position (amounts are in millions) for the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	<u>Percentage Increase (Decrease)</u>
Revenues:				
Program revenues:				
Charges for services	\$ 104	103	1	1.0 %
Operating grants and contributions	8	4	4	100.0
Capital grants and contributions	60	37	23	62.2
Total program revenues	<u>172</u>	<u>144</u>	<u>28</u>	<u>19.4</u>
General revenues:				
Property tax	244	270	(26)	(9.6)
Tax increment financing	6	13	(7)	(53.8)
Personal property replacement tax	40	41	(1)	(2.4)
Capital contributions	1	1	—	—
Investment income	1	1	—	—
Miscellaneous income	7	3	4	133.3
Total general revenues	<u>299</u>	<u>329</u>	<u>(30)</u>	<u>(9.1)</u>
Total revenues	<u>471</u>	<u>473</u>	<u>(2)</u>	<u>(0.4)</u>
Expenses:				
Park operations and maintenance	161	162	(1)	(0.6)
Recreation programs	104	91	13	14.3
Special services	129	80	49	61.3
General and administrative	54	51	3	5.9
Interest on long-term debt	42	42	—	—
Total expenses	<u>490</u>	<u>426</u>	<u>64</u>	<u>15.0</u>
Change in net position	(19)	47	(66)	(140.4)
Net position, beginning of year	<u>1,164</u>	<u>1,117</u>	<u>47</u>	<u>4.2</u>
Net position, end of year	<u>\$ 1,145</u>	<u>1,164</u>	<u>(19)</u>	<u>(1.6) %</u>

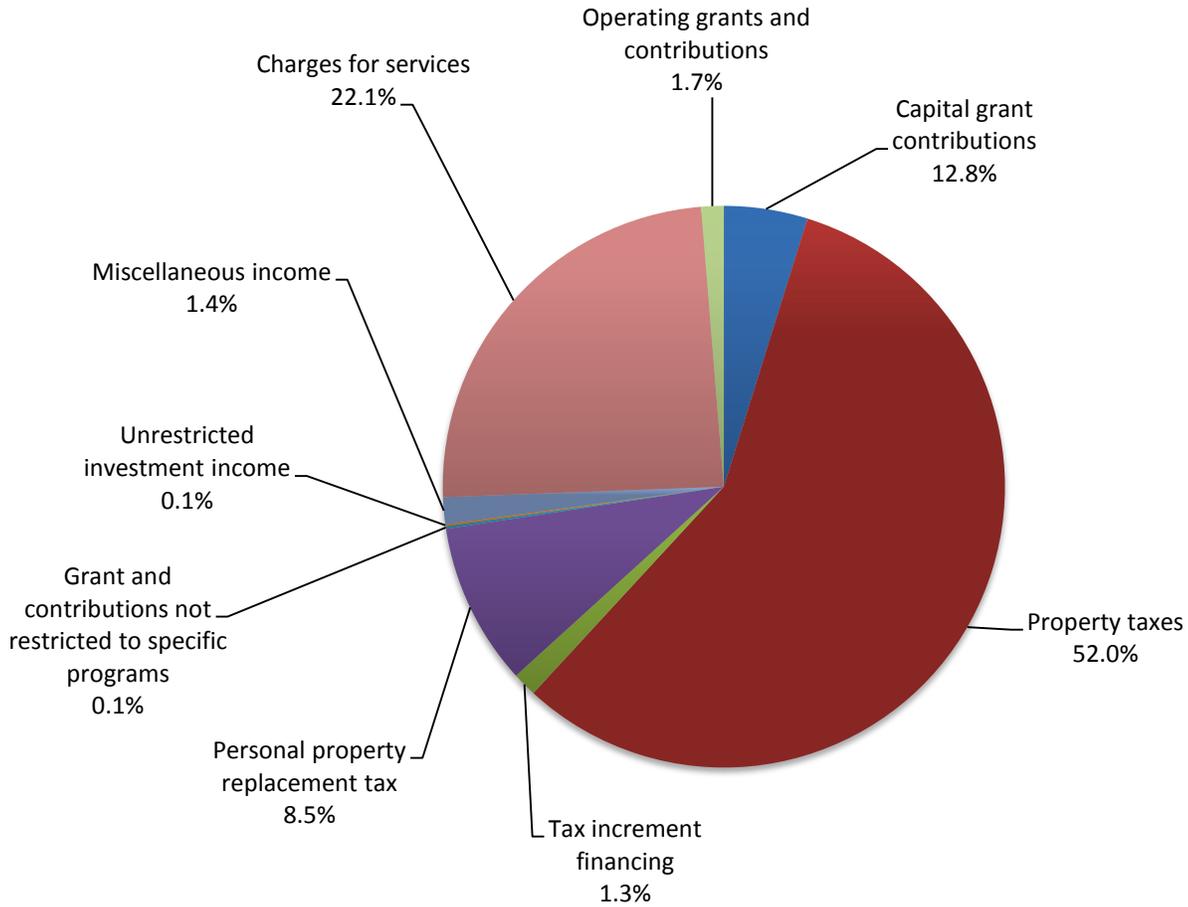
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The various functions and program revenue and expenses are depicted in two different charts. The first chart below illustrates charges for services and expenses. It does not include general revenues such as property taxes, personal property replacement taxes, contributions, and investment earnings. General revenues for the District amount to approximately 63% of total governmental revenues as depicted in the second chart.

Expense and Program Revenue – Governmental Activities



Revenues by Source- Governmental Activities



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FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. 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 the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board of Commissioners.

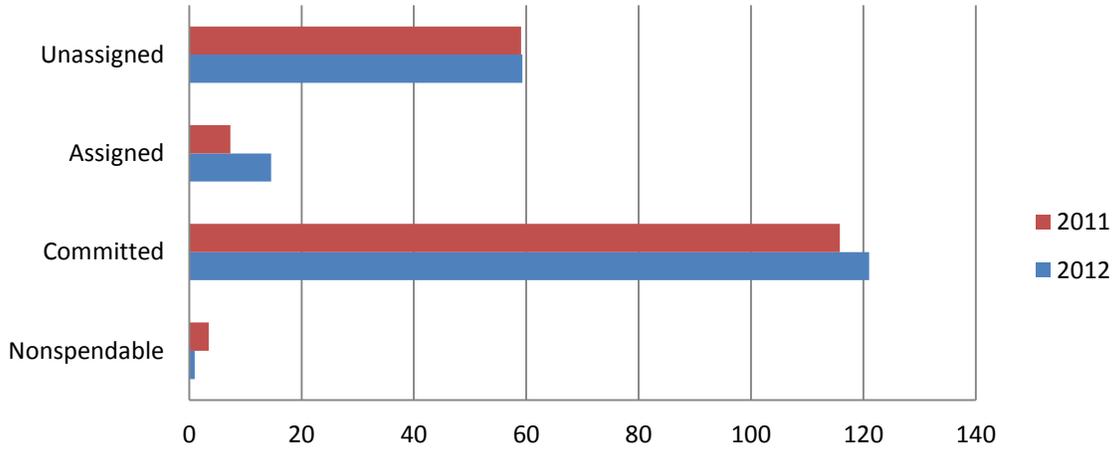
The District's governmental funds reported combined ending fund balances of \$320.4 million, a decrease of \$73.0 million from last year of \$393.4 million. Approximately 10.4% of this amount (\$33.2 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the balance is not in a spendable form (\$1.0 million *nonspendable*), restricted for particular purposes (\$93.5 million *restricted*), committed for particular purposes (\$133.3 million *committed*), or assigned for particular purposes (\$59.4 million *assigned*).

The General Fund is the primary operating fund of the District and reported an ending fund balance of \$195.9 million. This includes a \$96.0 million balance from the Long-Term Income Reserve fund which was merged into the General Fund as a result of GASB 54 implementation. The Long-Term Income Reserve Fund was a special revenue fund created at the end of 2006 with a transfer-in from the proceeds of the sale of the Parking Garages. A fund balance reserve policy was set up for this fund on January 28, 2009, which established a minimum balance in the fund of \$85 million. Up until December 31, 2010, the Long-Term Income Reserve Fund was separately reported as a major special revenue fund.

The General Fund *unassigned fund balance* was \$59.3 million at December 31, 2012. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 23.4% of total general fund expenditures, while total fund balance represents approximately 77.4% of that same amount.

The fund balance of the District's general fund increased by \$10.3 million during the current fiscal year. The increase was the result of achieving higher revenues than expected, coupled with lower expenditures. Revenues were greater than expected from property taxes, PPRT, Soldier Field and permits. Expenditures were lower than expected, predominately as a result of savings achieved in personnel services.

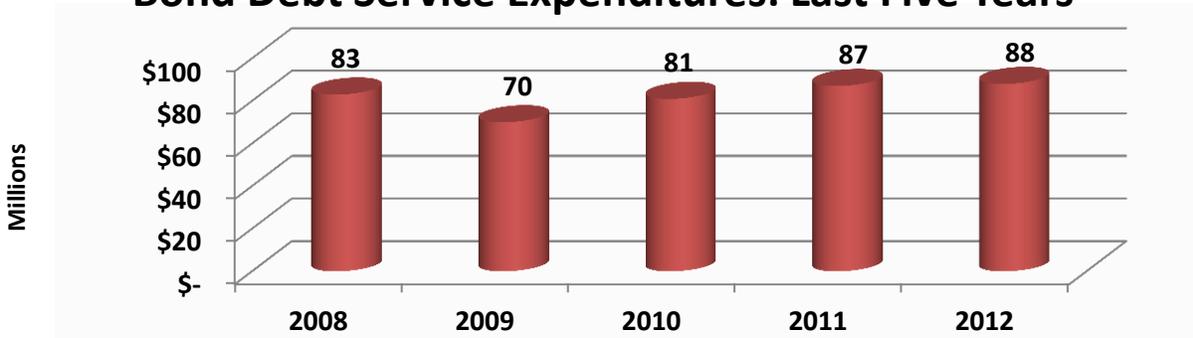
General Fund: Components of Fund Balance



The Federal, State, and Local Grants Fund is used for the purpose of accounting for programs and projects with revenues received from the federal government, state government, the City of Chicago, as well as private donors. Expenditures in this fund may be operational or capital in nature. They are differentiated by separate funds in the District's general ledger. The fund has a deficit balance of \$25.7 million for 2012, with an increase in fund balance from 2011 of \$.1 million. The fund deficit may be explained by the reimbursable nature of the Chicago Park District's grant program. In many cases, capital expenditures are incurred several years before reimbursements are received from the respective agencies.

The Bond Debt Service Fund has a total fund balance of \$67.6 million, all of which is restricted for the payment of debt service. The chart below illustrates the bond debt service expenditures incurred by the District from 2005 through 2012.

Bond Debt Service Expenditures: Last Five Years

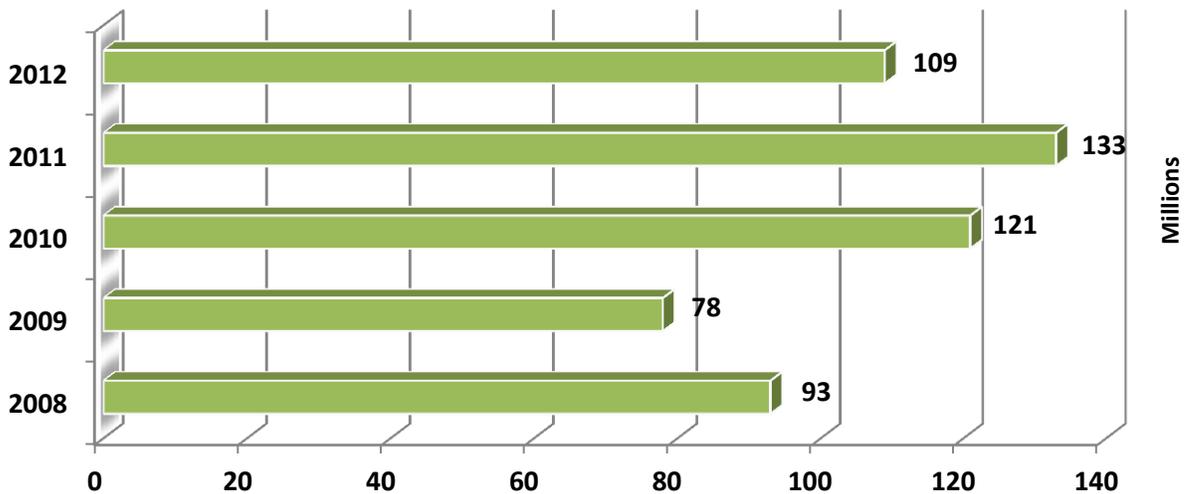


Note: These amounts do not reflect Aquarium and Museum or PBC Debt Service.

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The Park Improvements Fund has a total fund balance of \$12.3 million, all of which is committed for park construction and renovations. It is the nature of capital project funds that revenues and/or bond proceeds do not necessarily appear in the same period as expenditures. Construction is often a multi-year process once the funding is appropriated and received. Generally, funding comes in the form of bond issuances, grants, donations, etc. In 2011, the fund received \$93.4 million in general obligation bond project-related money. The capital outlay total for 2012 is made up of expenditures in the Park Improvement Fund; Federal, State, and Local Grants Fund; the Garage Revenue Capital Improvements Fund; Reserve for Park Replacement Fund and the Special Recreation Activity Fund.

Capital Outlay Expenditures: Last Five Years



The Garage Revenue Capital Improvement Fund is a capital projects 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 \$15.3 million, down from \$19.5 million last year. Capital related expenditures during the year in this fund totaled \$4.2 million, down \$3.9 million from the \$8.1 million spent in 2011.



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CAPITAL ASSETS

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, 2012 was \$1,805 million (net of accumulated depreciation), up \$86 million over last year.

- **Construction in progress** includes three new Chicago River Boat Houses, Maggie Daley Park redevelopment, Big Park in Little Village new park development, a new field house at Ping Tom Park, and restoration of the Garfield Park Conservatory.
- **New 31st Street Harbor and Park Development** opened in spring 2012. This nearly \$100 million new harbor has 1,000 boat slips ranging from 35 to 70 feet each. The project also includes a new green roof onsite parking garage, a new fully-accessible playground and park expansion, a new underpass to separate vehicular traffic from the bicycle and pedestrian users of the Lakefront Trail, and a new public fishing pier and boat launch.
- **Artificial Turf Fields – Take the Field Initiative** includes new artificial turf athletic fields, security lighting, landscaping, and site amenities. New fields were completed in 2012 at Altgeld Park, Davis Square Park, Haas Park, Harrison Park, and Mandrake Park. Approximately \$3 million of Park District funding was capitalized in 2012 towards this program. An additional \$3.2 million was funded through outside grants and donations.
- **HVAC Energy Management Program** is an effort to make buildings more energy efficient, reduce operating costs, and provide a space that is thermally comfortable. In 2012, six of the oldest and most inefficient HVAC systems in Park District field houses were upgraded and newly integrated with a web based system to control and monitor building temperatures. Approximately \$1.9 million of Park District funding and \$2.3 of outside grants were capitalized in 2012.
- **Greenbaum Park Development** created an expanded and renovated park for residents of the Humboldt Park Community Area. The new 1.65 acre park provides a playground, artificial turf field, and park site amenities (including lighting, paving, seating, and landscaping). Approximately \$200,000 of Park District funding and \$1.4 million of grant funding was capitalized in 2012.
- **Slam Dunk Basketball Program** renovated over 100 outdoor basketball courts district-wide to encourage team building and an active lifestyle. An estimated 150,000 teenagers now have a renovated court within a half mile of their home. Over \$2 million of Park District funding was capitalized in 2012.
- **Land contributions** were received from the City of Chicago and others, for future park land and open space throughout the city.

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

	2012	2011	Increase (Decrease)	Percentage Increase (Decrease)
Land	\$ 223	186	37	19.9 %
Works of art and historical collections	9	9	-	0.0
Construction in process	93	161	(68)	-42.2
Infrastructure	418	417	1	0.2
Site Improvements	292	250	42	16.8
Harbor and Improvements	232	129	103	79.8
Stadium and Improvements	643	643	-	0.0
Building and Improvements	505	488	17	3.5
Equipment	40	39	1	2.6
Golf and Golf Course Improvements	10	10	-	0.0
Intangible Property	9	6	3	50.0
Accumulated Depreciation	(669)	(619)	(50)	8.1
	<u>\$ 1,805</u>	<u>1,719</u>	<u>86</u>	<u>5.0 %</u>

Additional information on capital assets can be found in note 6.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board passed the annual appropriation ordinance for 2012 at the December 14, 2011 board meeting. The budget appropriations for the General Fund are included in the annual appropriation ordinance. The ordinance also addresses funding from other sources as well as detailing how each fund should be expended.

The District's 2012 General Fund original budget appropriation was approximately \$259.2 million. This was an increase of approximately \$6.7 million from the prior year. During the year, a budget transfer ordinance, passed by the Board, authorized the transfer of \$4.3 million from the General Fund Personnel Services account class to the General Fund Contractual Services account class. This transfer did not increase the total amount appropriated.

The following is an explanation for the significant variances in the final budget to actual for the General Fund.

Revenues

- **Property tax revenue** was greater than budgeted by \$7.1 million. This is attributed to a timing difference due to the billing and collection of the second installment of prior years' property taxes.

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- **Tax increment financing** revenue was \$5.9 million. Due to the uncertainty regarding the amount, timing and designated use, tax increment financing revenue was not included in the budget.
- **Harbor fees** were \$4.3 million less than budgeted. During 2012, the District opened the new 31st Street Harbor, adding 1,000 boat slips to the existing harbor system. Occupancy rates in this harbor were significantly lower than expected.
- **Permits** revenue was \$6.1 million greater than budgeted due to additional new permit revenue from large scale events. Some of these events included the Lollapalooza Festival, which generated approximately \$2.5 million, and Nike, which generated approximately \$.5 million for their use of the Lincoln Park south field house.
- **Soldier Field revenue** was \$4.6 million greater than budgeted. This was a result of a change in financial reporting to gross amounts which began after the 2012 budget was approved as well as continued growth in activity. As mentioned above, a budget transfer ordinance, passed by the Board, authorized the transfer of \$4.3 million from the General Fund Personnel Services account class to the General Fund Contractual Services account class. This allowed the District to report budgeted revenues and expenses for Soldier Field at the gross level without changing the bottom-line budget.
- **Transfers In** into the General Fund were budgeted at \$15.5 million. As a result of overall revenues exceeding the budget and overall expenditures being below budget, no transfers took place during the year.

Expenditures

Expenditures were \$6.8 million less than appropriations in the final budget primarily due contractual service being underutilized by one department. Savings achieved in the electricity and natural gas utility accounts were offset by cost over runs in the water/sewer account predominately caused by a multi-rate increase that took effect during the year.

DEBT ADMINISTRATION

There are various State of Illinois (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 \$1,284 million or 74% below the \$1,728 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 \$359 million in capacity under this limit. At the end of 2012, the District had a total of \$871 million in outstanding long-term debt, which is 5.0% lower than the year prior. The District's general obligation bond rating was AA+ by Standard & Poor's, AAA by Fitch Ratings and Aa2 by Moody's.

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Long-Term Debt - Current debt service principal paid during 2012 was approximately \$46.1 million. A comparative schedule of long-term debt (amounts are in millions) is as follows:

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	<u>Percentage Increase (Decrease)</u>
General Obligation bonds \$	871	917	(46)	(5.0) %
Capital Lease PBC	0	4	(4)	(100.0)
Contractor LT Financing	2	1	1	100.0
\$	<u>873</u>	<u>922</u>	<u>(49)</u>	<u>(5.3) %</u>

Additional information on debt administration can be found in notes 7, 8, and 9 to basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

On December 12, 2012, the Board approved the District's 2013 annual appropriation ordinance and budget recommendations for the fiscal year ending December 31, 2013. The summary of budgeted operating revenues and expenditures for 2013 totals \$410.9 million; an increase of approximately \$3.4 million or 0.8% from 2012. Much of the increase is attributed to an increase in personnel costs, rising healthcare costs, utility costs for water/sewer charges, and an increase in expenditures due to the District's overall expansion. The 2013 budget was achieved without raising overall taxes for the eighth straight year.

The 2013 budget reflects the careful consideration of each park and the communities it serves. The District's 2013 budget features a responsible, balanced budget that increases programming at neighborhood parks, invests in children and families, and reduces a longtime structural deficit without an increase in taxes and fees for Chicago residents.

The following economic factors affect the District and were considered in developing the 2013 budget:

- The Bureau of Labor Statistics reported an unemployment rate of 7.9%, and number of unemployed persons at 12.3 million in October 2012.
- The local economy is expected to mirror national economic trends. The State of Illinois unemployment rate is at 8.8% and the City of Chicago's unemployment rate is at 9.4%, both of which are showing improvement.
- According to the Federal Reserve Beige Book for October 2012, economic activity in the Seventh District-Chicago continued to expand in late August and early September, but at a slow pace.
- As indicated in independent analyses released by the State Budget Crisis Task Force in 2012, the financial collapse of 2008 exposed deep-set financial challenges for state and local governments that will persist long after the economy rebounds, as governments contend with eroding revenues, federal budget cuts and underfunded pensions. In Illinois specifically, the pension situation with some of the lowest funded ratios of public pensions in the nation has contributed to the state and local governments ongoing financial crisis.



CHICAGO PARK DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2012

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, 6th Floor
Chicago, Illinois 60611
(312) 742-4341

Or visit the Chicago Park District Web site at: <http://www.chicagoparkdistrict.com> for a complete copy of this report and other financial information.



CHICAGO PARK DISTRICT
Statement of Net Position
December 31, 2012
(Amounts are in thousands of dollars)

	<u>Governmental activities</u>
Assets:	
Cash and cash equivalents (note 3)	\$ 8,807
Cash with fiscal agent	2,776
Investments (note 3)	346,954
Receivables:	
Property taxes, net	258,232
Personal property replacement tax	6,088
Accounts	47,346
Prepaid assets	1,037
Other current assets	331
Receivable-noncurrent	2,224
Unamortized cost of debt issuance (note 1)	4,420
Capital assets (note 6):	
Not being depreciated	325,347
Being depreciated, net	<u>1,479,917</u>
Total assets	<u>2,483,479</u>
Liabilities:	
Accounts payable and accrued expenses	58,626
Accrued payroll	3,532
Accrued interest	20,869
Due to other organizations	460
Retainage payable	4,400
Deposits	704
Unearned revenue:	
Grants	22,748
Program fees	1,599
Deferred revenue - Soldier Field (note 1)	192,516
Long-term obligations (note 7):	
Due within one year	68,869
Due in more than one year	<u>964,473</u>
Total liabilities	<u>1,338,796</u>
Net position:	
Net investment in capital assets	951,526
Restricted for:	
Debt service	90,910
Capital projects	29,459
Other purposes:	
Special recreation activities	16,742
PBC Operating	11,947
Contributions for other organizations	38,610
Unrestricted	<u>5,489</u>
Total net position	<u>\$ 1,144,683</u>

See accompanying notes to basic financial statements.

CHICAGO PARK DISTRICT
Statement of Activities
Year Ended December 31, 2012
(Amounts are in thousands of dollars)

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position Governmental activities
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Governmental activities:					
Park operations and maintenance	\$ 160,990	6,023	—	60,433	(94,534)
Recreation programs	103,522	13,394	—	—	(90,128)
Special services	129,290	84,739	7,761	—	(36,790)
General and administrative	53,672	—	—	—	(53,672)
Interest on long-term debt	42,569	—	—	—	(42,569)
Total governmental activities	\$ 490,043	104,156	7,761	60,433	(317,693)
General revenues:					
Property taxes					244,486
Tax increment financing					5,970
Personal property replacement tax					40,052
Grants and contributions not restricted to specific programs					675
Unrestricted investment income					428
Miscellaneous income					6,648
Total general revenues					298,259
Change in net position					(19,434)
Net position – beginning of year					1,164,117
Net position – end of year					\$ 1,144,683

See accompanying notes to basic financial statements.

CHICAGO PARK DISTRICT
 Balance Sheet
 Governmental Funds
 December 31, 2012
 (Amounts are in thousands of dollars)

	General	Federal, state, and local grants	Bond debt service
Assets:			
Cash and cash equivalents (note 3)	\$ 1,099	7,708	—
Cash and investments in escrow	—	2,776	—
Investments (note 3)	124,961	40,295	58,285
Receivables:			
Property taxes, net	156,364	—	52,494
Personal property replacement tax	2,407	—	3,220
Accounts	5,459	41,686	—
Due from other funds (note 4)	74,990	665	—
Prepaid assets	1,037	—	—
Other assets	330	—	—
Receivables-noncurrent	2,224	—	—
Total assets	<u>\$ 368,871</u>	<u>93,130</u>	<u>113,999</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 17,811	11,929	—
Accrued payroll	3,348	15	—
Due to other funds (note 4)	15,509	41,577	1,964
Due to other organizations	—	—	—
Retainage payable	—	1,092	—
Deposits	704	—	—
Deferred revenue:			
Property taxes	131,008	—	44,440
Grants	—	41,469	—
Other	2,978	—	—
Unearned revenue:			
Program fees	1,599	—	—
Grants	—	22,748	—
Total liabilities	<u>172,957</u>	<u>118,830</u>	<u>46,404</u>
Fund balances:			
Nonspendable:			
Prepaid assets	1,037	—	—
Restricted for:			
Special recreation activities	—	—	—
Contributions for other organizations	—	—	—
Debt service	—	—	67,595
Special services	—	—	—
Committed to:			
Working capital	95,976	—	—
Economic stabilization	20,000	—	—
PPRT stabilization	5,000	—	—
Park construction and renovations	—	—	—
Assigned to:			
Park operations and maintenance and budget stabilization	12,000	—	—
Park construction and renovations	—	—	—
Northerly Island	2,138	—	—
Legal judgments exceeding appropriations	500	—	—
Unassigned	59,263	(25,700)	—
Total fund balances	<u>195,914</u>	<u>(25,700)</u>	<u>67,595</u>
Total liabilities and fund balances	<u>\$ 368,871</u>	<u>93,130</u>	<u>113,999</u>

See accompanying notes to basic financial statements.

Park improvements	Garage revenue capital improvements	Other governmental funds	Total governmental funds
—	—	—	8,807
—	—	—	2,776
65,322	18,127	39,964	346,954
—	—	49,374	258,232
—	—	461	6,088
200	1	—	47,346
3,019	559	11,266	90,499
—	—	—	1,037
1	—	—	331
—	—	—	2,224
<u>68,542</u>	<u>18,687</u>	<u>101,065</u>	<u>764,294</u>
25,252	1,152	2,482	58,626
62	—	107	3,532
29,176	995	1,278	90,499
—	—	460	460
1,789	1,283	236	4,400
—	—	—	704
—	—	41,432	216,880
—	—	—	41,469
—	—	—	2,978
—	—	—	1,599
—	—	—	22,748
<u>56,279</u>	<u>3,430</u>	<u>45,995</u>	<u>443,895</u>
—	—	—	1,037
—	—	11,753	11,753
—	—	6,824	6,824
—	—	—	67,595
—	—	7,363	7,363
—	—	—	95,976
—	—	—	20,000
—	—	—	5,000
12,263	—	—	12,263
—	—	—	12,000
—	15,257	29,459	44,716
—	—	—	2,138
—	—	—	500
—	—	(329)	33,234
<u>12,263</u>	<u>15,257</u>	<u>55,070</u>	<u>320,399</u>
<u>68,542</u>	<u>18,687</u>	<u>101,065</u>	<u>764,294</u>

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CHICAGO PARK DISTRICT
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2012
 (Amounts are in thousands of dollars)

Total fund balances – governmental funds	\$ 320,399
Amounts reported for governmental activities in the statement of net position are different because:	
Bond costs of issuance are capitalized at the District-wide level and amortized over the life of the related bonds	4,420
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,805,264
Capital payments received for Soldier Field are not earned and, therefore, are unearned in the government-wide statement of net position	(192,516)
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the governmental funds:	
Property taxes	216,880
Grants	41,469
Parking fees	2,978
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. All liabilities – both current and long-term – are reported in the statement of net position (note 7)	(1,033,342)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(20,869)
Net position of governmental activities	\$ 1,144,683

See accompanying notes to basic financial statements.

CHICAGO PARK DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2012
(Amounts are in thousands of dollars)

	<u>General</u>	<u>Federal, state, and local grants</u>	<u>Bond debt service</u>
Revenues:			
Property taxes	\$ 154,387	—	52,982
Tax increment financing	5,970	—	—
Personal property replacement tax	16,040	—	20,989
Investment income	210	32	11
Parking fees	3,516	—	—
Harbor fees	13,925	—	9,348
Concessions	4,760	—	—
Rental of Soldier Field	29,824	—	—
Rental of other property	860	—	—
Golf course fees	5,163	—	—
Recreational activities (net of \$1,021 in discounts)	13,387	—	—
Other user charges	12,641	—	—
Donations and grant income	675	26,979	—
Northerly Island	1,007	—	—
Miscellaneous	1,175	—	—
Total revenues	<u>263,540</u>	<u>27,011</u>	<u>83,330</u>
Expenditures:			
Current:			
Park operations and maintenance	92,714	765	—
Recreation programs	79,462	4,250	—
Special services	36,177	—	—
General and administrative	44,829	57	—
Capital outlay	—	26,432	—
Debt service:			
Principal	104	—	46,090
Interest	—	—	41,920
Total expenditures	<u>253,286</u>	<u>31,504</u>	<u>88,010</u>
Excess (deficiency) of revenues over expenditures	<u>10,254</u>	<u>(4,493)</u>	<u>(4,680)</u>
Other financing sources (uses):			
Insurance recovery	—	4,155	—
Contractor financing issuance	—	479	—
Transfers in (note 5)	—	—	24
Transfers out (note 5)	—	—	—
Total other financing sources and (uses), net	<u>—</u>	<u>4,634</u>	<u>24</u>
Net change in fund balances	10,254	141	(4,656)
Fund balances – beginning of year	<u>185,660</u>	<u>(25,841)</u>	<u>72,251</u>
Fund balances – end of year	<u>\$ 195,914</u>	<u>(25,700)</u>	<u>67,595</u>

See accompanying notes to basic financial statements.

<u>Park improvements</u>	<u>Garage revenue capital improvements</u>	<u>Other governmental funds</u>	<u>Total governmental funds</u>
—	—	53,951	261,320
—	—	—	5,970
—	—	3,023	40,052
114	27	34	428
—	—	—	3,516
—	—	—	23,273
—	—	—	4,760
—	—	—	29,824
—	—	—	860
—	—	—	5,163
—	—	7	13,394
550	—	—	13,191
—	—	—	27,654
—	—	—	1,007
431	—	—	1,606
<u>1,095</u>	<u>27</u>	<u>57,015</u>	<u>432,018</u>
—	46	3,644	97,169
—	—	9,208	92,920
—	—	35,404	71,581
—	—	1,860	46,746
73,778	4,225	4,813	109,248
—	—	3,800	49,994
—	—	106	42,026
<u>73,778</u>	<u>4,271</u>	<u>58,835</u>	<u>509,684</u>
<u>(72,683)</u>	<u>(4,244)</u>	<u>(1,820)</u>	<u>(77,666)</u>
—	—	—	4,155
—	—	—	479
—	—	—	24
<u>(22)</u>	<u>—</u>	<u>(2)</u>	<u>(24)</u>
<u>(22)</u>	<u>—</u>	<u>(2)</u>	<u>4,634</u>
<u>(72,705)</u>	<u>(4,244)</u>	<u>(1,822)</u>	<u>(73,032)</u>
<u>84,968</u>	<u>19,501</u>	<u>56,892</u>	<u>393,431</u>
<u>12,263</u>	<u>15,257</u>	<u>55,070</u>	<u>320,399</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, 2012
 (Amounts are in thousands of dollars)

Net change in fund balances – total governmental funds	\$	(73,032)
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, exceeding the capitalization threshold, (\$101,989) exceeded depreciation (\$49,513)		52,476
The proceeds derived from the contractor long-term financing agreement is an other financing source in the governmental funds, but in the statement of net position, the contract is reported a long-term liability		(479)
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 position		49,994
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		(16,834)
Deferred contributions (revenue) associated with Soldier Field's new facility are not shown in the governmental funds, but in the statement of net position, they are unearned and amortized over the life of the lease of the stadium		9,168
Some of the District's miscellaneous revenue was deferred at year-end, but on the governmental activities, they are recognized as earned and, therefore, not deferred		887
Some of the District's grant revenue was deferred at year-end, but on the governmental activities, they are recognized as earned and, therefore, not deferred		7,338
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 Take the Field contributed capital and land transfers at fair value.		33,877
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 including:		
Net increase in accrued interest		(2,494)
Amortization of prepaid contribution		(57,591)
Amortization of bond issuance costs		(580)
Amortization of bond premiums		4,803
Amortization of deferred loss on refunding		(2,272)
Increase in property tax claim payable		(2,110)
Decrease in compensated absences		337
Decrease in claims and judgments		1,373
Increase in net pension obligation		(20,792)
Increase in net OPEB obligation		(2,484)
Increase in workers' compensation		(1,019)
Change in net position of governmental activities	\$	<u>(19,434)</u>

See accompanying notes to basic financial statements.

CHICAGO PARK DISTRICT
Statement of Fiduciary Net Position
December 31, 2012
(Amounts are in thousands of dollars)

	Pension Trust Retirement Fund
Assets:	
Short-term investments	\$ 9,311
Receivables:	
Employer contributions	16
Employee contributions	283
Workers' compensation offset of duty disability benefits	156
Due from broker for securities sold	142
Accrued investment income	575
Miscellaneous receivables	61
Total receivables	1,233
Investments, at fair value:	
Bonds	65,824
Common and preferred stock	55,139
Collective investment funds	95,984
Mutual funds	14,576
Pooled separate real estate accounts	10,868
Private equity partnerships	155,691
Total investments	398,082
Invested securities lending collateral	40,244
Furniture and fixtures – net	51
Prepaid annuity benefits	3,785
Other prepaid expenses	43
Total assets	452,749
Liabilities:	
Accounts payable	398
Deferred rent	107
Accrued benefits payable	267
Securities lending collateral	40,244
Due to broker for securities purchased	935
Total liabilities	41,951
Net position:	
Net position held in trust for pension benefits	\$ 410,798

See accompanying notes to basic financial statements.

CHICAGO PARK DISTRICT
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2012
(Amounts are in thousands of dollars)

	Pension Trust Retirement Fund
Additions:	
Contributions:	
Employer contributions	\$ 10,868
Employee contributions	10,405
Total contributions	21,273
Investment income:	
Net appreciation in fair value of investments	78
Interest	3,379
Dividends	1,525
Partnership income	1,440
Total investment income	6,422
Less investment expense	2,626
Net investment income	3,796
Securities lending activities:	
Securities lending income	118
Borrower rebates	2
Bank fees	(55)
Total security lending activities	65
Total additions	25,134
Deductions:	
Benefits:	
Annuity payments	62,868
Disability and death benefits	646
Total benefits	63,514
Refund of contributions	1,988
Administrative and general expense	1,644
Total deductions	67,146
Net decrease in net position	(42,012)
Net position held in trust for pension benefits – beginning of year	452,810
Net position held in trust for pension benefits – end of year	\$ 410,798

See accompanying notes to basic financial statements.

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 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 the seven commissioners of the District for a four-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).

During fiscal year 2012, the District adopted the following GASB Statements:

- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The requirements of this Statement improve financial reporting by establishing recognition, measurement, and disclosure requirements for Service Concession Arrangements for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. There was no impact to the current year financial statements.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. There was minimal impact to the current year financial statements.

Other accounting standards that the District is currently reviewing for applicability include:

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34* will be effective for the District with its year ended December 31, 2013. This statement modifies certain requirements for inclusion of component units in the financial reporting entity.
- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the District with its year ended December 31, 2013. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- GASB Statement No. 66, *Technical Corrections-2012- An Amendment of GASB Statements No. 10 and No. 62*, will be effective for the District with its year ended December 31, 2013. The objective of this Statement is to improve accounting and financial reporting for a government financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- GASB Statement No. 67, *Financial Reporting for Pension Plans- an Amendment of GASB Statement No. 25*, will be effective for the District with its year ended December 31, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions- an Amendment of GASB Statement No. 27*, will be effective for the District with its year ended December 31, 2015. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.
- GASB Statement No.69, *Government Combinations and Disposals of Government Operations*, will be effective for the District within its year ended December 31, 2014. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.
- GASB statement No. 70, *Accounting and Financial Reporting for Nonexchange financial Guarantees*, will be effective for the District year ended December 31, 2014. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. It also requires a government that issues an obligation guarantee in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. It also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor.

Management has not determined the total impact these Statements may have on its financial statements; however GASB 65, 67 and 68 are expected to have a material impact when implemented.

To facilitate the understanding of data included in the basic financial statements, summarized below are the more significant accounting policies.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Reporting Entity

The financial reporting entity of the District includes the legally separate Park Employees' & Retirement Board Employees' Annuity and Benefit Fund, which is a fiduciary-type component unit.

Although City of Chicago 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 the City.

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 Peggy Notebaert Nature Museum
The Field Museum of Natural History	Adler Planetarium and Astronomy Museum
The Art Institute of Chicago	DuSable Museum of African American History
John G. Shedd Aquarium	National Museum of Mexican Art
Chicago History Museum	Museum of Contemporary Art
Institute of Puerto Rican Arts and Culture	

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 applicable 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 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.

Description of Government-Wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide statement of net position 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 non-exchange transactions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of activities demonstrates the degree to which direct expense(s) of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. 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.

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 2012 levy is recognized as revenue for the year ended December 31, 2012. Revenue from grants, contributions, entitlements, personal property replacement taxes (shared revenue received from the State), and similar items is recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified 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, pensions, other post-employment benefits (OPEB), property tax claims 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 not 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 expenditures associated with liability insurance, workers’ compensation, and unemployment claims.

Federal, State, and Local Grants - This fund accounts for programs and projects with revenues received from the federal government, state government, the City of Chicago, as well as private donors.

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.

Additionally, the District reports the following fiduciary fund type:

Pension Trust – This fund accounts for the activities of the 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, 2012. Pursuant to Public Act 097-0973, the Pension Code was amended to change the ending fiscal year from June 30th to December 31st. As a result, the Retirement Fund’s fiscal year beginning with January 1, 2013 will end December 31, 2013 in agreement with the District’s year end. Separate financial information of the Retirement Fund can be obtained at 55 East Monroe Street, Suite 2720, Chicago, Illinois 60603.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 investments.
- 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.
- 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. Illinois Funds operates as a 2a7- like pool.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Current Assets

Other current assets at the fund and government-wide levels represent certain payments made to vendors applicable to future accounting periods. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Prepaid Contributions to Aquarium and Museums

Prepaid contributions represent bond proceeds that were provided to the Aquarium and Museums by the District for capital expenditures. The contributions are considered a non-exchange transaction and are being amortized over the life of the bonds. The final amortization occurred in 2012.

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 (due from other funds) in lender funds and interfund payables (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.

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 costs 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.

In FY2010, the District implemented GASB Statement No. 51 (GASB 51), *Accounting and Financial Reporting for Intangible Assets*, reporting internally developed and purchased software with a capitalization threshold of \$50,000 or more. In addition, the District has a collection of artwork and historical treasures and similar items 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capitalization thresholds and the estimated useful lives are as follows:

<u>Capital asset category</u>	<u>Capitalization threshold (not rounded)</u>	<u>Estimated useful life (in years)</u>
Infrastructure:		
Public System	\$ 50,000	15 – 50
Site improvements	50,000	20
Buildings	100,000	3 – 50
Buildings improvements	100,000	10 – 60
Equipment and machinery	100,000	3 – 50
Seawalls	25,000	4 – 8
Harbor and Harbor Improvements	100,000	60
Stadium and Stadium Improvements	50,000	40 – 60
Golf Course and golf course improvements	100,000	50
Intangible property	50,000	40 – 60
	50,000	10 – 50

Due to Other Organizations

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

Soldier Field Unearned Revenue

Monies contributed to the District for the benefit of the stadium renovations is deferred and amortized over the life of the stadium lease.

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 refunding's are deferred and amortized over the life of the bonds using the sum of the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Debt retirements are recorded as debt service expenditures. 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.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balances

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Within the financial statements, fund balance is reported as follows:

Nonspendable – This classification consists of resources not in spendable form or that are legally or contractually required to remain intact.

Restricted – This classification consists of resources that can be spent only for the specific purpose stipulated by external parties (i.e. grantors, creditors, or other governments) or enabling legislation.

Committed – This classification includes amounts that can be used only for the specific purpose determined by a formal action of the District's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the District that can, by adoption of an appropriation ordinance prior to the beginning of the ensuing fiscal year, commit fund balance. Per chapter XII, Section C of the District's Code, the Board of Commissioners has sole authority to approve all contracts greater than \$100,000 and therefore, all of these funds will be considered committed. Funds used for the expenditure of Intergovernmental Agreements (IGAs) are also included in this category. Once approved, the limitation is in place until a similar action is taken to remove or revise the limitation.

Assigned - This classification includes amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board, by ordinance, has authorized the General Superintendent (CEO) to assign resources. Assignments are generally in line with the approved budget. Unlike commitments, assignments generally only exist temporarily. An additional action does not normally have to be taken to remove an assignment.

Unassigned – This classification consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned within the General Fund, and deficit fund balances of other governmental funds. It is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

In the governmental funds, it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

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

Net Investment in Capital Assets – 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.

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

Unrestricted – This consists of the net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Property Taxes

The District’s property tax becomes a lien on real property on January 1 of the year levied. Cook and DuPage County Assessors (Assessor) are responsible for the assessment of all taxable real property within Cook and DuPage counties. The District’s property taxes are levied each calendar year on all taxable real property located in the District’s boundaries based on assessments as of January 1. The District must file its tax levy ordinance by the 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 2012, 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 2012, 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 2011 levy that were not recognized as revenue in fiscal year 2011 (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 \$11.5 million at December 31, 2012.

Property tax claims payable, included within long term obligations, represents an estimate of potential claims related to property tax assessment appeals and is recorded at the government-wide level.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pledged Revenues

The District has pledged future personal property replacement taxes (PPRT), harbor revenues and special recreation taxes to repay \$228.4 million, \$176.4 million and \$22.3 million, respectively, in general obligation alternate revenue source (ARS) bonds. Total principal and interest remaining on the bonds is payable through January 1, 2029 (PPRT bonds), January 1, 2040 (Harbor bonds) and November 15, 2029 (Special recreation Tax bonds). These pledges will remain until all bonds have been retired. The amount of the pledge remaining as of December 31, 2012 and a comparison of the pledged revenues collected to the related principal and interest expenditure for fiscal year 2012 are as follows (amounts in millions):

<u>Debt Type</u>	<u>Pledge Remaining</u>	<u>Estimated % of Revenue Pledged</u>	<u>Principal and Interest Retired</u>
PPRT ARS Bond	\$ 328.3	52 %	\$ 21.1
Harbor ARS Bond	317.2	40	4.9
Special Recreation Tax ARS Bond	33.6	33	2.0

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 position 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.

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.

Claims and Judgments

Claims and judgments are included in the government-wide financial statements. Uninsured claim expenses 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.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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. Account classes include: personnel service, materials and supplies, small tools and equipment, contractual services, program expense, and other expense.

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. Any transfers necessary to adjust the budget and implement park programs can be made by the District's department heads, 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 restricted, committed or assigned 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 certain exceptions defined below.

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 restrictions, commitments, or assignments of fund balance and 2) for the budget, the District classifies as revenues both long-term debt proceeds and transfers-in, whereas GAAP classifies these as other financing sources.

Excess of Expenditures over Appropriations

For the year ended December 31, 2012, the Pension Fund had an excess of expenditures over appropriations at the legal level of budgetary control of \$.3 million.

NOTE 3. CASH DEPOSITS AND INVESTMENTS

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, 2012 is as follows (amounts are in thousands):

	Governmental Activities
Petty Cash	\$ 10
Cash	41,185
Illinois Funds (local government investment pool)	269,967
Money Market Funds (2a7 pools)	40,358
Certificates of Deposit	<u>7,017</u>
	<u>\$ 358,537</u>

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

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the District's deposits may not be returned. The District's investment policy requires that deposits that exceed the amount insured by FDIC insurance protection be collateralized, at the rate of 110% of such deposits. As of December 31, 2012, 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.

NOTE 3. CASH DEPOSITS AND INVESTMENTS (continued)

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

As of December 31, 2012, the District had the following fixed income investments which are rated by both Moody's and Standard and Poor's (amounts are in thousands):

<u>Investment Type</u>	<u>Fair value</u>	<u>Credit ratings</u>	
		<u>S&P</u>	<u>Moody's</u>
Illinois Funds	\$ 269,967	AAA	N/A
Money Market Funds	40,358	AAA	Aaa

Custodial Credit Risk - Investments. 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 for the District require investment securities be held by an authorized custodial bank pursuant to a written custodial agreement.

NOTE 3. CASH DEPOSITS AND INVESTMENTS (continued)

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 collective investment funds, pooled separate real estate accounts and private equity partnerships. Investments that represent 5.0% or more of the Retirement Fund’s net position (except those issued or guaranteed by the U.S. government) are separately identified.

A summary of cash and investments as of June 30, 2012 is as follows (amounts are in thousands):

	Fiduciary activities
Investments at fair value as determined by quoted price:	
Short-term investments	\$ 9,311
Bonds	65,824
Common and preferred stock	55,139
Mutual funds	14,576
	144,850
Investments at fair value:	
Collective investment fund:	
NTGI QM Collective Daily S&P 500	21,684
NTGI QM Collective Daily US Marketcap Equity	26,692
NTGI QM Collective Daily All Country World Index	47,608
Pooled separate real estate accounts	10,868
Private equity partnerships (1):	
Entrust Diversified Select Equity Fund	23,794
K2 Long Short Fund	22,692
Other	109,205
	\$ 407,393

(1) The Retirement Fund committed to purchase a \$75 million interest in private partnerships. At June 30, 2012, \$13.9 million remained on this commitment.

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

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.

The Retirement Fund does not maintain a policy relative to interest rate risk. The Board of Trustees recognized that its investments are subject to short-term volatility. However, their goal is to maximize total return within prudent risk parameters.

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 3. CASH DEPOSITS AND INVESTMENTS (continued)

At June 30, 2012, the following table shows the investments in debt securities by investment type and maturity (amounts are in thousands):

Security type	Total	Maturity Not	Maturity in Years			
		Determined	Less than 1	1 to 5	6 to 10	More than 10
Asset-backed	\$ 212	-	-	-	-	212
Commercial mortgage-backed	3,497	-	-	-	-	3,497
Corporate bonds	18,558	-	112	8,411	6,913	3,122
Government agencies	4,065	-	538	2,740	692	95
Government bonds	13,310	-	80	3,993	3,900	5,337
Government mortgage-backed	26,009	1	-	279	3,331	22,398
Non-government backed CMOs	173	-	-	-	-	173
Short-term investment funds	9,311	-	9,311	-	-	-
	<u>\$ 75,135</u>	<u>1</u>	<u>10,041</u>	<u>15,423</u>	<u>14,836</u>	<u>34,834</u>

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

Credit Risk. Credit risk is the risk that the Retirement Fund will not recover its investments due to the inability of the counterparty to fulfill its obligation. 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.

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 3. CASH DEPOSITS AND INVESTMENTS (continued)

The following table presents, net of short-term investments, the Retirement Fund's ratings as of June 30, 2012 (amounts are in thousands):

S&P credit rating	Market Value	Asset-backed securities	Comm'l mortgage-backed	Corporate Bonds	Government agencies	Government bonds	Government mortgage backed	Non-Government backed CMOs
AAA	\$ 1,587	212	1,375	-	-	-	-	-
AA	5,791	-	100	1,548	3,970	-	-	173
A	8,673	-	1,013	7,660	-	-	-	-
BBB	6,691	-	703	5,893	95	-	-	-
BB	2,683	-	-	2,683	-	-	-	-
B	593	-	-	546	-	47	-	-
NR	534	-	306	228	-	-	-	-
US gov't agency NR	39,272	-	-	-	-	13,263	26,009	-
	<u>\$ 65,824</u>	<u>212</u>	<u>3,497</u>	<u>18,558</u>	<u>4,065</u>	<u>13,310</u>	<u>26,009</u>	<u>173</u>

Short-term funds (US gov't agency) are not rated.



CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 3. CASH DEPOSITS AND INVESTMENTS (continued)

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, The Northern Trust Co., 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. Cash collateral is invested in the lending agent's short-term investment pool, which at year end has a weighted average maturity of 108 days. As of June 30, 2012, the Retirement Fund had loaned to borrowers, securities with a market value of \$39.8 million. As of June 30, 2012, the fair value of the collateral received by the Retirement Fund was \$40.2 million, and the collateral invested by the Retirement Fund was \$40.2 million.

At June 30, 2012, the Retirement Fund has no credit risk exposure to the borrowers because the amounts the Retirement Fund owes the borrowers exceed the amounts the borrowers owe the Retirement Fund.

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Interfund borrowings are reflected as "Due from/to Other Funds" on the accompanying governmental fund financial statements. The following balances at December 31, 2012 represent amounts due to/from other funds (amounts are in thousands):

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Federal, State, and Local Grants	\$ 41,577
General	Park Improvements	29,176
Non-Major Governmental	General	11,266
Park Improvements	General	3,019
General	Bond Debt Service	1,964
General	Non-Major Governmental	1,278
General	Garage Revenue Capital Improvements	995
Federal, State, and Local Grants	General	665
Garage Revenue Capital Improvements	General	559
		<u>\$ 90,499</u>

The outstanding balances between funds result mainly from the time lag between the dates the expenditures occur in the "borrowing" fund, and when re-payment is made back to the "disbursing" fund.



CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 5. TRANSFERS TO/FROM OTHER FUNDS

Interfund transfers for the year ended December 31, 2012 were as follows (amounts are in thousands):

<u>Transfers In Fund</u>	<u>Transfers Out Fund</u>	<u>Amount</u>	<u>Description/Purpose</u>
Bond Debt Service	Park Improvements	\$ 22	Close cost-of issuance bank accounts and transfer balances.
Bond Debt Service	Nonmajor Governmental	2	To close the Aquarium and Museum Capital Fund.

Transfers are used to move revenues from the fund that statute or budget is 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.

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows (amounts are in thousands):

Governmental Activities	January 1	Additions	Deletions	December 31
Capital assets not being depreciated:				
Land and land improvements	\$ 185,563	37,000		222,563
Works of art and historical collections	9,300	11		9,311
Construction in progress	161,101	44,203	111,831	93,473
Total capital assets not being depreciated	355,964	81,214	111,831	325,347
Capital assets being depreciated:				
Infrastructure	417,018	379		417,397
Site improvements	250,154	41,853		292,007
Harbor and harbor improvements	128,919	103,422		232,341
Stadium and stadium improvements	642,883	-		642,883
Buildings and building improvements	487,935	16,857		504,792
Equipment	39,019	1,087		40,106
Golf course and golf course improvements	9,780	382		10,162
Intangible property	6,694	2,503		9,197
Total capital assets being depreciated	1,982,402	166,483	-	2,148,885
Less accumulated depreciation:				
Infrastructure	185,795	6,474		192,269
Site improvements	71,150	12,482		83,632
Harbor and harbor improvements	65,907	5,436		71,343
Stadium and stadium improvements	108,092	12,858		120,950
Buildings and building improvements	149,870	9,498		159,368
Equipment	31,740	1,691		33,431
Golf course and golf course improvements	4,729	403		5,132
Intangible property	2,172	671		2,843
Total accumulated depreciation	619,455	49,513	-	668,968
Total capital assets being depreciated, net	1,362,947	116,970	-	1,479,917
Governmental activity capital assets, net \$	1,718,911	198,184	111,831	1,805,264

Depreciation expense of \$49.5 million was charged to the Park Operations and Maintenance function of the District.



CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 7. LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2012 were as follows (amounts are in thousands):

<u>Governmental activities</u>	<u>Balance January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31</u>	<u>Amounts due within one year</u>
General obligation bonds:					
Capital improvement	\$ 917,295	—	46,090	871,205	45,975
Unamortized premiums	40,073	—	4,803	35,270	—
Deferred amount on refunding	(13,581)	—	(2,272)	(11,309)	—
Total general obligation bonds	943,787	—	48,621	895,166	45,975
Contractor LT Financing	1,282	479	104	1,657	119
Capital lease debt PBC	3,800	—	3,800	—	—
Compensated absences	8,760	6,425	6,762	8,423	7,777
Claims and judgments	6,530	5,382	6,755	5,157	574
Net pension obligation	48,854	31,660	10,868	69,646	—
Net OPEB obligation	14,082	3,223	739	16,566	—
Property tax claim payable	20,010	13,147	11,037	22,120	11,056
Workers' compensation	13,588	4,250	3,231	14,607	3,368
Total governmental activities	<u>\$ 1,060,693</u>	<u>64,566</u>	<u>91,917</u>	<u>1,033,342</u>	<u>68,869</u>

Contractor Long-Term Financing represents vendor provided financing for capital purchases at various Chicago Park District golf courses. Compensated absences, net pension obligation, claims and judgments and net other postemployment benefit obligation generally are liquidated from the General Fund.



CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 8. 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 of The District and have pledged 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:			
2013	\$ 45,975	41,549	87,524
2014	44,230	39,485	83,715
2015	44,750	37,422	82,172
2016	43,930	35,323	79,253
2017	42,795	33,191	75,986
2018-2022	209,015	135,549	334,564
2023-2027	200,220	84,002	284,222
2028-2032	133,205	41,403	174,608
2033-2037	77,600	16,736	94,336
2038-2040	29,485	2,385	31,870
Total	<u>\$ 871,205</u>	<u>467,045</u>	<u>1,328,250</u>

NOTE 9. 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 of \$14.2 million and accumulated depreciation of \$4.4 million at December 31, 2012. At December 31, 2012, all lease obligations have been paid.

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 10. OPERATING LEASES

Lessee-Metropolitan Pier and Exposition Authority

The District leases land, with a zero cost basis, to the Metropolitan Pier and Exposition Authority (MPEA) under the terms of a non-cancelable operating lease agreement that requires the MPEA to make minimum lease payments to the District. In June 2012, the agreement was amended to renew the lease and extend the terms through 2042. Rental income under the operating lease was \$690 thousand for the year ended December 31, 2012.

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

Year ending December 31:	<u>Amount</u>
2013	\$ 731
2014	775
2015	822
2016	871
2017	923
2018-2022	5,517
2023-2027	7,384
2028-2032	8,916
2033-2037	11,388
2038-2042	14,644
Total	<u>\$ 51,971</u>

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 10. OPERATING LEASES (continued)

Lessee-Chicago Bears Football Club, Inc./ Chicago Bears Stadium LLC

The District also leases Soldier Field Stadium that has a historical cost of \$642.9 million and accumulated depreciation of \$120.9 million to the Chicago Bears Football Club, Inc. and Chicago Bears Stadium LLC (together, the Club). Depreciation expense for the year ended December 31, 2012 was \$12.9 million. Under the terms of a non-cancelable operating lease agreement the Club is required to make minimum lease payments to the District through 2033 which include an annual facility fee and an annual parking allotment fee. Rental income under the operating lease was \$6.09 million for the year ended December 31, 2012.

On each fifth (5th) anniversary of January 1, 2008, the amount of the facility fee and the parking allotment fee will be increased in a similar manner by fifty percent (50%) of the cumulative increase in the Consumer Price Index (CPI), if any, occurring from the date of the last increase in the facility fee and the parking allotment fee, respectively.

The following is a schedule of future minimum lease payments receivable (not adjusted for CPI) under the operating lease (amounts are in thousands):

	Amount
Year ending December 31:	
2013	\$ 6,303
2014	6,303
2015	6,303
2016	6,303
2017	6,303
2018-2022	31,515
2023-2027	31,515
2028-2032	31,515
2033	6,303
Total	\$ 132,363

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 10. OPERATING LEASES (continued)

Lessee-Lincoln Park Society

In 1998, the Chicago Park District, the Chicago Historical Society, and the Lincoln Park Society entered into an agreement to build and operate a parking facility at 1740 North Stockton Drive. The parking facility has a historical cost and accumulated depreciation of \$331.3 million and \$126.8 million, respectively. Depreciation expense for the year ended December 31, 2012 was \$5.9 million. Under the Agreement, the Park District would receive an annual permit payment used to replace income from parking meters replaced by the new parking facility. The following is a schedule of lease payments receivable under the operating lease (amounts are in thousands):

	Amount
Year ending December 31:	
2013	\$ 50
2014	50
2015	50
2016	50
2017	50
2018-2022	1,766
2023-2027	2,500
2028-2032	2,640
2033-2037	2,975
2038	805
Total	\$ 10,936

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 10. OPERATING LEASES (continued)

Lessee-Retirement Fund

The Retirement Fund has entered into an operating lease for office space through April 30, 2013, which was amended and extended through April 30, 2026. The lease provides that the lessee pay monthly base rent subject to annual increases, plus an escalation rent computed on costs incurred by the lessor. Upon executing the amendment, the Retirement Fund received rent abatements in the amount of \$115,587 which are being amortized over the life of the lease. The unamortized portion, deferred rent, amounted to \$106,951 at June 30, 2012. The total rental expense was \$117,317 for the year ended June 30, 2012.

Following is a schedule of minimum future rental for each of the next five years and in the aggregate under the non-cancelable operating lease at June 30, 2012:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 67,276
2014	84,214
2015	86,543
2016	88,871
2017	91,200
2018-2022	490,926
2023-2026	415,637
	<u>\$ 1,324,667</u>

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 11. EMPLOYEE RETIREMENT SYSTEM

Plan Description

The Park Employees' & Retirement Board Employees' Annuity and Benefit Fund (Retirement Fund) is the administrator of a single employer defined benefit plan established by the State of Illinois to provide annuities and benefits for substantially all employees of the Chicago Park District. 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. The Retirement Fund provides retirement, disability, and death benefits to Retirement Fund members and beneficiaries.

Plan membership at June 30, 2012 (most recent available) consists of the following:

Retirees and beneficiaries currently receiving benefits	2,921
Terminated employees entitled to benefits, but not yet receiving them	153
Current employees	<u>2,977</u>
Total	<u><u>6,051</u></u>

Pension legislation (Public Act 96-0889) was approved during 2010 and establishes two distinct classes of membership with different retirement eligibility conditions and benefit provisions. For convenience, the Retirement Fund uses a tier concept to distinguish these groups, generally:

Tier 1 – Participants that became members before January 1, 2011.

Tier 2 – Participants that first became members on or after January 1, 2011.

Tier 1 employees attaining the age of 50 with at least ten years of creditable service are entitled to receive a service retirement pension. The retirement pension is based upon the average of the four highest consecutive years of salary within the last ten years of service. If the employee retires prior to the attainment of age 60, the rate associated with the service is reduced by one-quarter percent 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 may receive a retirement benefit.

Tier 2 employees attaining the age of 62 with at least ten years or more of creditable service are entitled to receive a discounted service retirement pension. Employees attaining the age of 67 or more, with at least 10 years of service are entitled to receive a non-discounted annuity benefit. The annuity is discounted one-half percent for each full month the employee is under age 67. The retirement pension is based upon the average of the eight highest consecutive years of salary within the last 10 years of service prior to retirement. Pensionable salary is limited to \$108,882 in 2012.

The Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information for the plan. This report may be obtained by writing to the Pension Board at:

Park Employees' Annuity and Benefit Fund
55 East Monroe, Suite 2720
Chicago, Illinois 60603

NOTE 11. EMPLOYEE RETIREMENT SYSTEM (continued)

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.

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, for which market quotations are not readily available, are valued at their fair values as determined by the bank administrator under the direction of the Board of Trustees, with the assistance of a valuation service.

Administrative expenses are paid from employer contributions.

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, accumulated employee contributions are refundable 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 to the Retirement Fund 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. The District has no legal obligation to fund pension costs above that allowed by state statute.

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 11. EMPLOYEE RETIREMENT SYSTEM (continued)

Annual Pension Cost and Net Pension Obligation

The District's annual pension cost and net pension obligation for fiscal year 2012 were as follows (amounts are in thousands):

Annual required contribution (ARC)	\$	30,813
Interest on net pension obligation		3,908
Adjustment to ARC		<u>(3,061)</u>
Annual pension cost		31,660
Contributions made		<u>10,868</u>
Increase in net pension obligation		20,792
Net pension obligation at January 1, 2012		<u>48,854</u>
Net pension obligation at December 31, 2012	\$	<u><u>69,646</u></u>

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

	Employer contribution			Net pension obligation
	Annual pension cost	Percentage contributed		
Year ended December 31:				
2012	\$ 31,660	34%	\$	69,646
2011	28,679	39%		48,854
2010	25,648	43%		31,156

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was \$971.8 million, and the actuarial value of assets was \$421.4 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$550.4 million, and a funded ratio of 43.4%. The covered payroll (annual payroll of active employees covered by the plan) was \$58.2 million, and the ratio of the UAAL to the covered payroll was 472.6%.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the basic financial statements, presents 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.



NOTE 11. EMPLOYEE RETIREMENT SYSTEM (continued)

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, 2012 valuation:

Actuarial Methods and Assumptions	
Actuarial-cost method	Entry Age Normal
Amortization method	Level dollar
Amortization period	30 years (closed period)
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	2.75%
Inflation rate	2.75%

NOTE 12. POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description

The 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 eligibility 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.

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 2012, the District contributed \$.7 million to the plan. Plan members receiving benefits contributed \$2.1 million, or approximately 74% of the total premiums, through their required contribution of \$451/\$752 per month for retiree-only coverage, \$902/\$1,358 for retiree and spouse coverage, and \$1,298/\$1,885 for family coverage, for HMO/PPO respectively. Note that individuals that retired after December 31, 2007 and elect to participate in the PPO plan pay higher per month rates of \$875 for retiree only coverage, \$1,515 for retiree plus spouse coverage, and \$2,132 for family coverage.

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 12. POSTEMPLOYMENT HEALTHCARE PLAN (continued)

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 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 2012 were as follows (amounts are in thousands):

Annual required contribution (ARC)	\$	3,458
Interest on net OPEB obligation		563
Adjustment to annual required contribution		<u>(798)</u>
Annual OPEB cost		3,223
Contributions made		<u>739</u>
Increase in net OPEB obligation		2,484
Net OPEB obligation at January 1, 2012		<u>14,082</u>
Net OPEB obligation at December 31, 2012	\$	<u><u>16,566</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 following three years are as follows (amounts are in thousands):

	Employer contribution			Net OPEB obligation
	Annual OPEB cost	Percentage contributed		
Year ended December 31:				
2012	\$ 3,223	23%	\$	16,566
2011	3,248	28%		14,082
2010	3,846	21%		11,747



NOTE 12. POSTEMPLOYMENT HEALTHCARE PLAN (continued)

Funded Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the funded status of the Plan was as follows (amounts are in thousands):

Actuarial accrued liability (AAL)	\$39,976
Actuarial value of plan assets	\$0
Unfunded actuarial liability (UAAL)	\$39,976
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (annual payroll of active employees covered by the plan)	\$123,762
UAAL as a percentage of covered payroll	32.3%

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

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial values of the Healthcare Plan assets are increasing or decreasing over time relative to the AAL for benefits.

NOTE 12. POSTEMPLOYMENT HEALTHCARE PLAN (continued)

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 the AAL and the actuarial value of assets, consistent with the long-term perspective of the calculations. The table below identifies the actuarial assumptions used in the January 1, 2011 valuation:

Actuarial-cost method	Projected unit credit
Amortization method	Level-dollar
Amortization period	30 years (open period)
Asset valuation method	Actuarial value equals market value
Actuarial assumptions:	
Discount Rate	4% per year
Inflation rate	*
Healthcare cost trend rate	7.5% for 2012 and grading down to 5.5% in 2016 and beyond

* There is no explicit inflation rate as valuation is not based on projected payroll.

NOTE 13. RISK MANAGEMENT AND CLAIMS LIABILITIES

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

The District is also self-insured for general liability and automotive liability losses up to a limit of \$1.5 million per claim at which point stop-loss insurance becomes effective. The District is self-insured for statutory workers' compensation claims and obligations. An amount has been recorded at December 31, 2012, for the estimated potential claim liability based upon an actuary's estimate. Management believes, based on prior experience, the estimated liability for claims is adequate to satisfy all claims filed or to be filed for incidents, which occurred through December 31, 2012.

CHICAGO PARK DISTRICT
Notes to Basic Financial Statements
December 31, 2012

NOTE 13. RISK MANAGEMENT AND CLAIMS LIABILITIES (Continued)

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

	<u>2012</u>	<u>2011</u>
Accrued self-insurance – beginning of year	\$ 20,118	22,293
Claims and other expenses incurred – during year	9,632	3,838
Claims paid – during year	<u>(9,986)</u>	<u>(6,013)</u>
Accrued self-insurance – end of year	<u>\$ 19,764</u>	<u>20,118</u>

NOTE 14. FUND BALANCE

The Board of Commissioners adopted a fund balance policy to establish and maintain general fund balances. The policy is as follows:

Working Capital. These funds are to be used for short term cash management and to alleviate the need to issue short term debt or other external financing in lieu of property tax collections. The Board of Commissioners must approve any amounts which will not be repaid prior to the end of the year.

Economic Stabilization. A range of 8% to 16% of the preceding fiscal year's general fund expenditures are to be designated as Economic Stabilization funds. These monies are to be expended in cases of revenue shortages caused by economic downturns or the occurrence of natural disasters or other major events. Funds may also be held in this category in order to maintain or improve debt or credit ratings. The Board of Commissioners must give prior approval of any amounts to be expended from the Economic Stabilization funds. A repayment plan which projects to restore the balance to the minimum level, must also be submitted and approved prior to expenditure. After expenditures have occurred, the General Superintendent or his designees shall provide a summary report to the Board as soon as practical on the usage of these funds.

Budget Stabilization. Any amounts which will be used to balance a subsequent year's budget will be categorized as Budget Stabilization funds. The amounts may vary from fiscal year to fiscal year or depending on the District's budgetary condition, may not be designated at all. The funds may be assigned by the General Superintendent/CEO or his designee, up to the amount of available unassigned fund balance at the end of the prior fiscal year. The budget stabilization amount cannot, in any fiscal year, exceed the amount of the expected budgetary shortfall.

Long-Term Liability. On December 12, 2012 the Board approved the District's 2013 Annual Appropriation Ordinance and Budget Recommendations. Included in the Ordinance was a fund balance assignment of \$25 million for Long-Term Liability. This portion of fund balance shall become effective January 1, 2013 and be reclassified from unassigned fund balance.

NOTE 15. LITIGATION AND COMMITMENTS

Construction Commitments

The District has various outstanding construction projects estimated at December 31, 2012 to be \$55.8 million.

Contractor Long-Term Financing Arrangement

The District signed a new management contract for its golf courses in 2009. Provisions in this contract require the contractor to provide the District with \$1.5 million in advanced funding for capital purchases and \$.25 million each year thereafter. A liability was set up to recognize the financing agreement, and the District will amortize the advance over the 20-year life of the contract.

As of December 31, 2012, the total capital funding was \$1.9 million, and in 2012 the total amortization amount was \$.1 million.

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.

Federal, State and Locally Assisted Grant Programs

The District participates in a number of Federal and State-assisted grant programs. In addition, the City of Chicago provides funding for various capital projects through its Tax Increment Financing program, which the District accounts for as grants. Many of 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 Management to be material.

NOTE 16. DEFICIT FUND BALANCE

As of December 31, 2012, the Federal, State, and Local Grants Fund had a deficit fund balance of approximately \$25.7 million. This deficit is created by the revenues which are received after the financial statement date (and the period of availability for revenue recognition under the modified accrual basis of accounting) and the repayment of disbursements to the General Fund, which originally funded the grant expenditures.

NOTE 17. SUBSEQUENT EVENTS

On August 1, 2013, Standard and Poor's Ratings Services reaffirmed the District's rating of AA+ with stable outlook. The District's ratings were downgraded by Moody's Investors Service on July 24, 2013, from Aa2 with stable outlook to A1 with a negative outlook and by Fitch Ratings on August 2, 2013 from AAA with stable outlook to AA with a negative outlook.



CHICAGO PARK DISTRICT
 Required Supplementary Information
 Schedule of Revenues and Expenditures – Budget and Actual
 General Operating Fund (Budgetary Basis) (Unaudited)
 Year ended December 31, 2012
 (Amounts are in thousands of dollars)

	Budgeted amounts		Actual	Variance with final budget
	Original	Final		
Revenues:				
Property taxes	\$ 147,284	147,284	154,387	7,103
Tax increment financing	—	—	5,970	5,970
Personal property replacement tax	15,481	15,481	16,040	559
Interest on investments	200	200	210	10
Concession revenue	4,754	4,754	4,760	6
Parking fees	2,932	2,932	3,516	584
Harbor fees	18,210	18,210	13,925	(4,285)
Golf fees	5,063	5,063	5,163	100
Park fees	14,179	14,179	13,387	(792)
Soldier Field	25,267	25,267	29,824	4,557
Donations and grant income	—	—	675	675
Rentals	2,590	2,590	860	(1,730)
Miscellaneous income	889	889	1,175	286
Permits	6,582	6,582	12,641	6,059
Northerly Island	900	900	1,007	107
Capital contributions	1,550	1,550	1,292	(258)
Transfer in	13,347	15,475	—	(15,475)
Total revenues	<u>259,228</u>	<u>261,356</u>	<u>264,832</u>	<u>3,476</u>
Expenditures:				
Personnel services	153,310	148,819	148,313	506
Materials and supplies	5,853	5,849	5,146	703
Small tools and equipment	485	485	446	39
Contractual services	96,979	101,571	96,296	5,275
Program expense	911	814	650	164
Other expense	1,690	3,818	3,727	91
Transfer out	—	—	—	—
Total expenditures	<u>259,228</u>	<u>261,356</u>	<u>254,578</u>	<u>6,778</u>
Revenues over expenditures \$	<u>—</u>	<u>—</u>	<u>10,254</u>	<u>10,254</u>

See accompanying independent auditors' report.

CHICAGO PARK DISTRICT
Required Supplementary Information
Schedule of Revenues and Expenditures – Budget and Actual
Federal, State, and Local Grants Fund (Budgetary Basis) (Unaudited)
Year ended December 31, 2012
(Amounts are in thousands of dollars)

	Budgeted amounts		Actual	Variance with final budget
	Original	Final		
Revenues:				
Interest on investments	\$ —	—	32	32
Concession revenue	—	—	—	—
Park fees	—	—	—	—
Donations and grant income	5,000	53,657	31,134	(22,523)
Rentals	—	—	—	—
Miscellaneous income	—	—	—	—
Permits	—	—	—	—
Capital contributions	—	—	—	—
Transfer in	—	—	—	—
Total revenues	<u>5,000</u>	<u>53,657</u>	<u>31,166</u>	<u>(22,491)</u>
Expenditures:				
Personnel services	1,202	2,218	866	1,352
Materials and supplies	1,512	825	349	476
Small tools and equipment	—	139	84	55
Contractual services	2,285	5,454	2,716	2,738
Program expense	1	2,082	1,163	919
Other expense	—	125,098	35,204	89,894
Transfer out	—	—	—	—
Total expenditures	<u>5,000</u>	<u>135,816</u>	<u>40,382</u>	<u>95,434</u>
Revenues over expenditure \$	<u>—</u>	<u>(82,159)</u>	<u>(9,216)</u>	<u>72,943</u>

See accompanying independent auditors' report.

CHICAGO PARK DISTRICT

Required Supplementary Information

Notes to Budgetary Comparison Schedules (Unaudited)

December 31, 2012

A reconciliation of the different basis of revenue and expenditure recognition for the year ended December 31, 2012 is as follows (amounts are in thousands of dollars):

	<u>General</u>	<u>Federal, State and local grants</u>
Revenues, GAAP basis	\$ 263,540	27,011
Add:		
Reclassification of Capital Contributions	1,292	—
Transfers in	—	—
Insurance Recovery	—	4,155
Revenues, budgetary basis	\$ <u>264,832</u>	<u>31,166</u>
Expenditures, GAAP basis	\$ 253,286	31,504
Add:		
Reclassification of Capital Contributions	1,292	—
Transfers Out	—	—
Encumbered in 2012	—	17,451
Less:		
Payments on PY Encumbrances	—	(8,573)
Expenditures, budgetary basis	\$ <u>254,578</u>	<u>40,382</u>

*See notes to budgetary comparison schedule - included in Notes to Basic Financial Statements (Note 1)

See accompanying independent auditors' report.

CHICAGO PARK DISTRICT
 Required Supplementary Information
 Schedule of Funding Progress (Unaudited)
 December 31, 2012
 (Amounts are in Thousands of Dollars)

Schedule of Funding Progress – Pension Plan

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) – proj. unit of credit (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)
December 31, 2012	\$ 421,448	971,807	550,359	43.4%	\$ 58,232 *	472.6% **
June 30, 2011	489,371	843,944	354,573	58.0%	107,687	329.3%
June 30, 2010	518,583	833,026	314,443	62.3%	107,361	292.9%

*Annual covered payroll represents payroll for the six month period ending December 31, 2012.

**Adjusted for annualized covered payroll.



CHICAGO PARK DISTRICT
 Required Supplementary Information
 Schedule of Funding Progress (Unaudited)
 December 31, 2012
 (Amounts are in Thousands of Dollars)

Schedule of Funding Progress – Healthcare Plan

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) – proj. unit of credit (b)	Unfunded actuarial accrued liability (UAAL) (b-a)	AAL funding ratio (a/b)	Annual covered payroll (c)	UAAL as a percentage of annual covered payroll ((b-a)/c)
January 1, 2011	\$ —	39,976	39,976	0.0	123,762	32.3
January 1, 2009	\$ —	45,800	45,800	0.0	122,353	37.4
January 1, 2009	\$ —	45,800	45,800	0.0	122,353	37.4





CHICAGO PARK DISTRICT
Nonmajor Governmental Funds
Combining Fund Statements and Schedules
December 31, 2012

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

The Aquarium and Museums Fund accounts 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

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

Special Recreation Tax Fund

The Special Recreation Tax Fund includes revenues and expenditures as related to increasing the accessibility of facilities in accordance with Americans with Disabilities Act (ADA), providing special recreational programming at various locations and supporting personnel-related costs to the operations of said programs. Financing is provided by the property tax levy.

Public Building Commission Operating Fund

The Public Building Commission Operating Fund is established for the purpose of operations and maintenance expenditures incurred by the District for upkeep of leased Public Building Commission of Chicago facilities. Financing is provided by the property tax levy.

CHICAGO PARK DISTRICT
Nonmajor Governmental Funds
Combining Fund Statements and Schedules
December 31, 2012

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

The Public Building Commission Debt Service Fund is established to pay the annual rental amounts due per the terms of leases between the District and the Public Building Commission of Chicago. These rents will be paid for facilities that will be operated by the District. Annual property tax levies are used for the payment of principal and interest for lease payments to the PBC.

Capital Project Fund

Capital Project funds are used to account for the acquisition, construction and improvement of major capital facilities and other miscellaneous capital project revenues from various sources as designated by the Board.

Aquarium and Museums Capital Fund

The Aquarium and Museums Capital Fund provides for the payment of expenses related to 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.

Reserve for Park Replacement Fund

The Reserve for Park Replacement Fund is a special revenue fund created to reserve monies for the 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.

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CHICAGO PARK DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012
(Amounts are in thousands of dollars)

	Special revenue	
Assets	Aquarium and museums operating	Pension
Investments (note 3)	\$ —	120
Receivables:		
Property taxes, net	27,456	10,420
Personal property replacement tax	459	2
Due from other funds (note 4)	672	30
Total assets	\$ 28,587	10,572
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued expenses	\$ 89	—
Accrued payroll	—	—
Due to other funds (note 4)	—	—
Due to other organizations	458	2
Retainage payable	—	—
Deferred revenue:		
Property taxes	23,013	8,773
Total liabilities	23,560	8,775
Fund balances:		
Restricted for:		
Special recreation activities	—	—
Contributions to other organizations	5,027	1,797
Special service	—	—
Assigned to park construction and renovations	—	—
Unassigned	—	—
Total fund balances	5,027	1,797
Total liabilities and fund balances	\$ 28,587	10,572

See accompanying independent auditors' report.

<u>Special recreation tax</u>	<u>Public building commission operating</u>	<u>Capital projects Reserve for park replacement</u>	<u>Debt service Public building commission debt service</u>	<u>Total nonmajor governmental funds</u>
1,511	6,489	31,844	—	39,964
5,955	5,458	—	85	49,374
—	—	—	—	461
10,564	—	—	—	11,266
<u>18,030</u>	<u>11,947</u>	<u>31,844</u>	<u>85</u>	<u>101,065</u>
182	—	2,211	—	2,482
107	—	—	—	107
919	—	18	341	1,278
—	—	—	—	460
80	—	156	—	236
<u>4,989</u>	<u>4,584</u>	<u>—</u>	<u>73</u>	<u>41,432</u>
<u>6,277</u>	<u>4,584</u>	<u>2,385</u>	<u>414</u>	<u>45,995</u>
11,753	—	—	—	11,753
—	—	—	—	6,824
—	7,363	—	—	7,363
—	—	29,459	—	29,459
—	—	—	(329)	(329)
<u>11,753</u>	<u>7,363</u>	<u>29,459</u>	<u>(329)</u>	<u>55,070</u>
<u>18,030</u>	<u>11,947</u>	<u>31,844</u>	<u>85</u>	<u>101,065</u>

CHICAGO PARK DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended December 31, 2012
(Amounts are in thousands of dollars)

	Special revenue		
	Aquarium and museums operating	Pension	Special recreation tax
Revenues:			
Property taxes	\$ 27,875	11,258	6,059
Personal property replacement tax	3,007	16	—
Investment income	—	—	—
Recreational activities	—	—	7
Total revenues	<u>30,882</u>	<u>11,274</u>	<u>6,066</u>
Expenditures:			
Current:			
Park operations and maintenance	—	3,643	1
Recreation programs	—	5,537	3,671
Special services	29,843	61	—
General and administrative	—	1,505	355
Capital outlay	—	—	169
Debt service:			
Principal	—	—	—
Interest	—	—	—
Cost of issuance and other	—	—	—
Total expenditures	<u>29,843</u>	<u>10,746</u>	<u>4,196</u>
Excess (deficiency) of revenues over expenditures	<u>1,039</u>	<u>528</u>	<u>1,870</u>
Other financing (uses):			
Transfers in (note 5)	—	—	—
Transfers out (note 5)	—	—	—
Total other financing uses, net	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	1,039	528	1,870
Fund balances – beginning of year	<u>3,988</u>	<u>1,269</u>	<u>9,883</u>
Fund balances – end of year	<u>\$ 5,027</u>	<u>1,797</u>	<u>11,753</u>

See accompanying independent auditors' report.

<u>Public Building Commission operating</u>	<u>Capital project Reserve for park replacement</u>	<u>Aquarium and museums capital</u>	<u>Debt service Public Building Commission debt service</u>	<u>Total nonmajor governmental funds</u>
5,430	—	—	3,329	53,951
—	—	—	—	3,023
—	34	—	—	34
—	—	—	—	7
<u>5,430</u>	<u>34</u>	<u>—</u>	<u>3,329</u>	<u>57,015</u>
—	—	—	—	3,644
—	—	—	—	9,208
5,500	—	—	—	35,404
—	—	—	—	1,860
—	4,644	—	—	4,813
—	—	—	3,800	3,800
—	—	—	106	106
—	—	—	—	—
<u>5,500</u>	<u>4,644</u>	<u>—</u>	<u>3,906</u>	<u>58,835</u>
<u>(70)</u>	<u>(4,610)</u>	<u>—</u>	<u>(577)</u>	<u>(1,820)</u>
—	—	—	—	—
—	—	(2)	—	(2)
—	—	(2)	—	(2)
(70)	(4,610)	(2)	(577)	(1,822)
<u>7,433</u>	<u>34,069</u>	<u>2</u>	<u>248</u>	<u>56,892</u>
<u>7,363</u>	<u>29,459</u>	<u>—</u>	<u>(329)</u>	<u>55,070</u>

CHICAGO PARK DISTRICT
Schedules of Revenues and Expenditures-Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
Year ended December 31, 2012
(Amounts are in thousands of dollars)

	<u>Aquarium and museums operating</u>			<u>Pension</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:						
Property taxes	\$ 27,664	27,875	211	10,419	11,258	839
Personal property replacement tax	2,966	3,007	41	16	16	—
Investment income	—	—	—	—	—	—
Miscellaneous income	—	—	—	—	—	—
Total revenues	<u>30,630</u>	<u>30,882</u>	<u>252</u>	<u>10,435</u>	<u>11,274</u>	<u>839</u>
Expenditures:						
Personnel services	—	—	—	—	—	—
Materials and supplies	—	—	—	—	—	—
Small tools and equipment	—	—	—	—	—	—
Contractual services	—	—	—	—	—	—
Program expense	—	—	—	—	—	—
Other expense	30,630	29,843	787	10,435	10,745	(310)
Total expenditures:	<u>30,630</u>	<u>29,843</u>	<u>787</u>	<u>10,435</u>	<u>10,745</u>	<u>(310)</u>

Special recreation tax			Public building commissions operating		
Budget	Actual	Variance	Budget	Actual	Variance
4,036	6,059	2,023	5,500	5,430	(70)
—	—	—	—	—	—
—	—	—	—	—	—
1,300	7	(1,293)	—	—	—
<u>5,336</u>	<u>6,066</u>	<u>730</u>	<u>5,500</u>	<u>5,430</u>	<u>(70)</u>
4,936	3,818	1,118	—	—	—
92	68	24	—	—	—
6	1	5	—	—	—
555	502	53	—	—	—
921	24	897	—	—	—
—	—	—	5,500	5,500	—
<u>6,510</u>	<u>4,413</u>	<u>2,097</u>	<u>5,500</u>	<u>5,500</u>	<u>—</u>





III. STATISTICAL SECTION

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.

Contents:

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.

Revenue Capacity

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

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.

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.

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.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant year.*

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CHICAGO PARK DISTRICT
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Amounts are in thousands of dollars)

	Fiscal Year			
	2012	2011	2010	2009
Governmental activities:				
Invested in capital assets, net of related debt	\$ 951,526	669,663	613,762	578,136
Restricted	187,668	208,331	209,052	199,836
Unrestricted	5,489	286,123	294,511	299,657
Total governmental activities	<u>1,144,683</u>	<u>1,164,117</u>	<u>1,117,325</u>	<u>1,077,629</u>

Data source:
 Audited financial statements

Fiscal year					
2008	2007	2006	2005	2004	2003
559,393	489,943	467,240	478,267	448,054	345,031
213,842	219,987	211,194	135,757	218,808	205,042
283,170	353,161	355,759	135,236	14,348	40,827
1,056,405	1,063,091	1,034,193	749,260	681,210	590,900

CHICAGO PARK DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Amounts are in thousands of dollars)

	Fiscal Year			
	2012	2011	2010	2009
Expenses:				
Governmental activities:				
Park operations and maintenance	\$ 160,990	162,848	149,599	158,395
Recreation programs	103,522	91,399	91,130	89,688
Special services	129,290	79,902	74,552	70,960
General and administrative	53,672	50,167	52,730	51,467
Interest on long-term debt	42,569	41,835	38,856	38,303
Total governmental activities expenses	<u>490,043</u>	<u>426,151</u>	<u>406,867</u>	<u>408,813</u>
Business-type activities:				
Parking	—	—	—	—
Harbor	—	—	—	—
Total business-type activities expenses	—	—	—	—
Total primary government expenses	<u>\$ 490,043</u>	<u>426,151</u>	<u>406,867</u>	<u>408,813</u>
Program revenues:				
Governmental activities:				
Charges for services:				
Park operations and maintenance	\$ 6,023	7,203	7,205	6,988
Recreation programs	13,394	22,023	13,008	12,444
Special programs	84,739	74,077	69,721	66,892
General and administrative	—	—	—	—
Interest in long-term debt	—	—	—	—
Operating grants and contributions	7,761	3,928	1,132	3,224
Capital grants and contributions	60,433	37,209	25,100	29,304
Total governmental activities program revenues	<u>172,350</u>	<u>144,440</u>	<u>116,166</u>	<u>118,852</u>
Business-type activities:				
Charges for services:				
Parking	—	—	—	—
Harbor	—	—	—	—
Operating grants and contributions	—	—	—	—
Capital grants and contributions	—	—	—	—
Total business-type activities program revenues	—	—	—	—
Total primary government program revenues	<u>\$ 172,350</u>	<u>144,440</u>	<u>116,166</u>	<u>118,852</u>
Net (expense) revenue:				
Governmental activities	\$ (317,693)	(281,711)	(290,701)	(289,961)
Business-type activities	—	—	—	—
Total primary government net (expense) revenue	<u>\$ (317,693)</u>	<u>(281,711)</u>	<u>(290,701)</u>	<u>(289,961)</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 244,486	283,091	269,729	265,638
Tax Increment financing	5,970	—	—	—
Personal property replacement taxes	40,052	41,340	44,349	42,150
Grants and contributions not restricted to specific programs	675	490	11,384	—
Unrestricted investment earnings	428	379	459	1,548
Miscellaneous	6,648	3,203	4,476	1,167
Transfers	—	—	—	—
Special items	—	—	—	—
Total governmental activities	<u>298,259</u>	<u>328,503</u>	<u>330,397</u>	<u>310,503</u>
Business-type activities				
Investment earnings	—	—	—	—
Transfers	—	—	—	—
Total business-type activities	—	—	—	—
Total primary government	<u>\$ 298,259</u>	<u>328,503</u>	<u>330,397</u>	<u>310,503</u>
Change in net position:				
Governmental activities	\$ (19,434)	46,792	39,696	20,542
Business-type activities	—	—	—	—
Total primary government change in net position	<u>\$ (19,434)</u>	<u>46,792</u>	<u>39,696</u>	<u>20,542</u>

Data source:
Audited financial statements

Fiscal Year					
2008	2007	2006	2005	2004	2003
158,906	142,493	136,586	108,824	104,942	96,007
94,509	88,925	106,256	101,768	111,287	133,573
72,661	66,611	72,597	75,746	75,766	66,711
62,377	64,925	46,925	41,390	33,441	55,252
40,378	44,848	50,561	52,114	51,511	54,201
428,831	407,802	412,925	379,842	376,947	405,744
—	—	—	—	—	—
—	—	—	—	—	4,691
—	—	—	—	—	4,691
428,831	407,802	412,925	379,842	376,947	410,435
2,743	3,270	3,308	5,075	4,654	4,250
11,317	11,256	10,629	10,077	9,630	8,885
62,148	60,700	77,132	74,604	72,471	37,440
—	—	—	—	—	—
—	—	—	—	—	—
2,378	2,851	3,205	4,781	4,642	4,016
18,435	26,061	52,031	6,745	27,867	26,902
97,021	104,138	146,305	101,282	119,264	81,493
—	—	—	—	—	12,999
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	12,999
97,021	104,138	146,305	101,282	119,264	94,492
(331,810)	(303,664)	(266,620)	(278,560)	(257,683)	(324,251)
—	—	—	—	—	8,308
(331,810)	(303,664)	(266,620)	(278,560)	(257,683)	(315,943)
266,982	254,510	268,516	266,049	252,291	247,354
47,991	51,591	42,482	40,480	29,190	26,878
1,086	2,040	3,082	32,949	62,906	232,760
8,277	21,869	12,348	5,139	3,018	2,200
787	2,552	1,544	1,993	588	2,141
—	—	—	1,993	588	48,159
—	—	223,581	—	—	—
325,123	332,562	551,553	348,603	348,581	559,492
—	—	—	—	—	229
—	—	—	—	—	(48,159)
—	—	—	—	—	(47,930)
325,123	332,562	551,553	348,603	348,581	511,562
(6,687)	28,898	284,933	70,043	90,898	235,241
—	—	—	—	—	(39,622)
(6,687)	28,898	284,933	70,043	90,898	195,619

CHICAGO PARK DISTRICT
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Amounts are in thousands of dollars)

	Fiscal Year		
	2012	2011	2010
General fund:			
Reserved:			
Contributions for other organizations	\$ —	—	—
Encumbrances	—	—	—
Prepaid assets	—	—	—
Working cash	—	—	—
Special recreational activities	—	—	—
Capital improvement	—	—	—
Unreserved:			
Designated	—	—	—
Undesignated	—	—	47,617
Nonspendable: (1)			
Prepaid assets	1,037	1,422	—
Long-term assets	—	2,056	—
Restricted for: (1)			
Grants and donations	—	—	—
Special recreation activities	—	—	—
Contributions for other organizations	—	—	—
Committed to: (1)			
Working capital	95,976	95,833	—
Economic stabilization	20,000	20,000	—
PPRT stabilization	5,000	—	—
Park construction and renovations	—	—	—
Assigned to: (1)			
Budget stabilization	12,000	3,000	—
Park construction and renovations	—	—	—
Northerly Island	2,138	4,256	—
Legal judgments exceeding appropriations	500	—	—
Debt service	—	—	—
Unassigned (1)	59,263	59,093	—
Total general fund	\$ 195,914	185,660	47,617
All other governmental funds			
Reserved:			
Debt service funds	\$ —	—	70,589
Capital project funds	—	—	—
Encumbrances	—	—	—
Contributions for other organizations	—	—	6,057
Special recreational activities	—	—	10,207
Park replacement over Monroe Garage	—	—	34,349
Working cash	—	—	—
Unreserved			
Special revenue funds	—	—	88,101
Debt service funds	—	—	—
Capital project funds	—	—	179,421
Restricted for: (1)			
Special recreation activities	11,753	9,883	—
Contributions for other organizations	6,824	5,257	—
Debt service	67,595	—	—
Special services	7,363	—	—
Committed to: (1)			
Park construction and renovations	12,263	68,418	—
Assigned to: (1)			
Park construction and renovations	44,716	77,803	—
Debt service	—	72,251	—
Unassigned (1)	(26,029)	(25,841)	—
Total all other governmental funds	\$ 124,485	207,771	388,724
Total governmental funds	\$ 320,399	393,431	436,341

Data source:
Audited financial statements

Notes:

(1) Beginning with 2011, GASB No. 54 changed the way fund balance is presented.
All periods after 2011 will be presented in the same format.

CHICAGO PARK DISTRICT
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Amounts are in thousands of dollars)

	Fiscal Year			
	2012	2011	2010	2009
Revenues:				
Property taxes	\$ 261,320	301,147	236,493	277,740
Tax Increment Financing (1)	5,970	—	—	—
Personal property replacement tax	40,052	41,340	44,349	42,150
Investment income	428	379	459	1,548
Parking fees	3,516	2,828	2,419	1,548
Harbor fees	23,273	22,456	21,320	21,184
Other privatized fees	—	—	—	3
Concessions	4,760	4,387	4,170	3,792
Rental of Soldier Field	29,824	27,880	25,315	24,916
Rental of other property	860	2,421	2,537	2,376
Golf course fees	5,163	4,782	4,668	4,613
Recreational activities	13,394	22,023	13,007	12,444
Other user charges	13,191	6,656	6,349	5,403
Donations and grant income	27,654	15,361	35,457	9,735
Northerly Island	1,007	703	979	882
Miscellaneous	1,606	1,051	2,540	1,163
Total revenues	<u>432,018</u>	<u>453,414</u>	<u>400,062</u>	<u>409,497</u>
Expenditures:				
Current:				
Park operations and maintenance	97,169	107,994	95,802	104,769
Recreation programs	92,920	81,898	81,825	83,472
Special services	71,581	73,531	67,878	64,018
General and administrative	46,746	50,827	50,171	59,692
Capital outlay	109,248	132,610	121,396	78,120
Debt service:				
Principal	49,994	46,065	43,892	33,418
Extinguishment of debt	—	—	—	—
Interest	42,026	43,002	39,544	38,883
Cost of issuance and other	—	1,449	1,792	327
Total expenditures	<u>509,684</u>	<u>537,376</u>	<u>502,300</u>	<u>462,699</u>
Excess of revenues over (under) expenditures	<u>(77,666)</u>	<u>(83,962)</u>	<u>(102,238)</u>	<u>(53,202)</u>
Other financing sources (uses):				
Refunding bond issuance	—	119,810	15,935	—
Insurance recovery	4,155	2,000	—	—
Bond issuance	—	36,055	174,695	24,725
Contractor financing issuance	479	250	250	967
Premium on long-term debt	—	15,395	12,488	563
Premium on tax issuance	—	—	—	—
Payments to refund bond escrow agent	—	(132,458)	(16,915)	—
Refunding of bonds redeemed	—	—	—	—
Transfers in	24	138,562	40,875	28,893
Transfers out	(24)	(138,562)	(40,875)	(28,893)
Total other financing sources (uses)	<u>4,634</u>	<u>41,052</u>	<u>186,453</u>	<u>26,255</u>
Special item: sale of garages				
Net change in fund balances	<u>\$ (73,032)</u>	<u>(42,910)</u>	<u>84,215</u>	<u>(26,947)</u>
Debt service as a percentage of noncapital expenditures	22.57%	21.76%	19.52%	18.73%

Data source:
Audited financial statements

Note:
(1) In Previous years TIF Revenue was reported with the Property Taxes Revenue

Fiscal Year					
2008	2007	2006	2005	2004	2003
268,090	253,681	239,371	264,240	210,708	263,772
—	—	—	—	—	—
47,991	51,591	42,482	40,480	29,190	26,878
8,277	21,869	12,348	5,139	3,018	2,200
1,460	1,732	19,400	19,830	20,103	16,418
21,796	21,432	19,447	17,972	17,189	2,894
2	1,312	1,690	1,772	1,495	—
3,833	2,505	2,456	2,328	1,991	1,816
20,245	21,092	21,816	20,122	19,120	12,766
2,422	2,770	2,808	2,486	2,369	2,084
321	500	500	3,512	3,757	3,545
11,317	11,256	10,629	10,077	9,630	8,885
4,747	3,459	3,155	2,589	2,285	2,166
8,025	17,239	25,252	12,392	31,143	30,918
897	—	—	—	—	—
787	2,552	1,545	1,993	588	2,142
400,210	412,990	402,899	404,932	352,586	376,484
101,989	94,110	79,322	74,852	64,891	47,133
88,136	84,522	99,435	95,927	113,332	136,074
65,739	59,667	65,633	68,788	60,055	59,862
58,329	53,597	42,728	35,212	32,151	30,159
93,319	44,118	58,682	25,479	87,433	73,077
43,820	43,360	41,740	43,500	34,795	24,145
—	—	75,951	—	—	—
42,397	44,613	52,231	48,918	51,397	46,835
1,258	—	2,166	1,392	2,420	2,027
494,987	423,987	517,888	394,068	446,474	419,312
(94,777)	(10,997)	(114,989)	10,864	(93,888)	(42,828)
112,390	—	144,855	44,180	125,895	93,585
—	—	—	—	—	—
16,115	—	35,000	40,000	36,930	34,625
—	—	—	—	—	—
6,907	—	8,768	3,457	10,331	9,345
—	—	63	727	916	498
(118,932)	—	(150,615)	(43,788)	(133,841)	(103,449)
—	—	—	(2,769)	—	—
15,602	34,267	363,106	13,265	95,906	27,257
(15,602)	(34,267)	(363,106)	(13,265)	(95,906)	(6,176)
16,480	—	38,071	41,807	—	55,685
—	—	347,775	—	—	—
(78,297)	(10,997)	270,857	52,671	(53,657)	12,857
20.61%	22.49%	35.28%	25.05%	22.76%	19.16%

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
2012	\$	40,052
2011		41,339
2010		44,349
2009		42,150
2008		47,991
2007		51,591
2006		42,482
2005		40,480
2004		29,190
2003		26,878

CHICAGO PARK DISTRICT
 Assessed Value and Estimated Fair Market Value of Taxable Property
 Last Ten Levy Years
 (Amounts are in thousands of dollars)

Assessed values (1)										
Levy year	Class 2 residential property (2)	Class 3 residential property (3)	Industrial/ commercial property	Tax-exempt property (4)	Total 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
2011 (9) \$	17,932,671	1,116,175	10,456,103	588,672	30,093,621	2.9706	\$ 75,122,914	% 0.346	N/A (8)	% N/A (8)
2010	18,120,678	1,476,291	10,407,012	591,682	30,595,663	3.3000	82,087,170	0.319	231,986,397	35.38
2009	18,311,981	1,812,850	10,720,244	592,364	31,437,439	3.3701	84,586,808	0.309	280,288,730	30.179
2008	19,339,574	1,602,768	12,359,537	693,239	33,995,118	2.9786	80,977,543	0.323	310,888,609	26.047
2007	18,937,256	1,768,927	12,239,086	678,196	33,623,465	2.8439	73,645,316	0.355	320,503,503	22.978
2006	18,521,873	2,006,898	12,157,149	688,868	33,374,788	2.7080	69,511,192	0.379	329,770,733	21.080
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
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
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
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

Data source:

City of Chicago financial department

Notes:

(2) Residential, 6 units and under.

(3) Residential, 7 units and over and mixed use.

(4) Industrial/Commercial; 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) 2011 information not available at time of publication.

(9) 2012 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)

District direct rate

Levy Year	Corporate	Liability insurance	Debt service	Aquarium and museum debt service	Aquarium and museum operating and maintenance	Pension	Public Building Commission	Special recreation programs	Park District total direct tax rate
2011	0.189	0.014	0.056	0.015	0.037	0.014	0.013	0.008	0.346
2010	0.177	0.012	0.051	0.014	0.034	0.013	0.011	0.007	0.319
2009	0.162	0.011	0.047	0.014	0.037	0.012	0.018	0.008	0.309
2008	0.169	0.010	0.052	0.015	0.038	0.012	0.019	0.008	0.323
2007	0.183	0.013	0.058	0.018	0.042	0.012	0.021	0.008	0.355
2006	0.197	0.011	0.064	0.019	0.044	0.014	0.022	0.008	0.379
2005	0.230	0.012	0.074	0.022	0.052	0.017	0.026	0.010	0.443
2004	0.238	0.013	0.080	0.024	0.055	0.018	0.027	—	0.455
2003	0.242	0.014	0.083	0.024	0.063	0.019	0.018	—	0.463
2002	0.286	0.019	0.098	0.030	0.077	0.022	0.013	—	0.545

District Statutory Property Tax Rate Limitations by Fund

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

Data source:
 Office of the Clerk of Cook County

Overlapping rates

City of Chicago	Chicago school building and improvement	Chicago School Finance Authority	Board of Education	Community College District no. 508	Metropolitan Water Reclamation District	Forest Preserve District of Cook County	Cook County	Total
1.110	0.119	—	2.875	0.165	0.320	0.058	0.462	5.455
1.016	0.116	—	2.581	0.151	0.274	0.051	0.423	4.931
0.986	0.112	—	2.366	0.150	0.261	0.049	0.394	4.627
1.030	0.117	—	2.472	0.156	0.252	0.051	0.415	4.816
1.044	—	0.091	2.583	0.159	0.263	0.053	0.446	4.994
1.062	—	0.118	2.697	0.205	0.284	0.057	0.500	5.302
1.243	—	0.127	3.026	0.234	0.315	0.060	0.533	5.981
1.302	—	0.177	3.104	0.242	0.347	0.060	0.593	6.280
1.380	—	0.151	3.142	0.246	0.361	0.059	0.630	6.432
1.591	—	0.177	3.562	0.280	0.371	0.061	0.690	7.277

CHICAGO PARK DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago (1)
(Amounts are in thousands of dollars)

Taxpayer	2011			2002		
	Taxable assessed value	Rank	Percentage of total district taxable assessed valuation	Taxable assessed value	Rank	Percentage of total district taxable assessed valuation
Willis Tower (2)	\$ 445,590	1	0.54%	\$ 417,723	1	1.0%
AON Building (3)	302,125	2	0.37	283,924	2	0.68
Prudential Plaza	272,345	3	0.33	230,947	4	0.55
Northwestern Memorial Hospital	243,610	4	0.30			
Water Tower Place	207,942	5	0.25			
Health Care Service Corporation Blue Cross	206,344	6	0.25			
Chase Tower	204,229	7	0.25			
AT&T Corporate Center 1	197,943	8	0.24	196,455	6	0.47
Three First National Plaza	197,182	9	0.24			
300 N. LaSalle	190,006	10	0.23			
Chicago Mercantile Exchange				260,304	3	0.62
Bank One Plaza				230,071	5	0.55
Lakeside Tech Center				160,564	7	0.38
Citicorp Plaza				155,795	8	0.37
Northwestern Atrium				150,438	9	0.36
Hyatt Regency Hotel				148,240	10	0.35
	<u>\$ 2,467,316</u>		<u>2.65%</u>	<u>\$ 2,234,461</u>		<u>5.30%</u>

Data Source:
City of Chicago financial department

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) 2012 information not available at time of publication.
- (2) Willis Tower and Sears Tower is the same building renamed.
- (3) AON and Amoco is the same building renamed.
- (4) Chase Plaza, Bank One Plaza, and One First National Plaza are the same building renamed.
- (5) Citicorp and Northwestern Atrium are the same building renamed.

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 (1)	Percentage rate of uncollectible taxes	Allowance for uncollectible taxes	Net tax levied	Collected within the first fiscal year of the levy		Total collection of gross levy	
							Amount	Percentage of Levy	Amount	Percentage of levy (%)
2012	2013	8/1/2013	\$ 256,988	3.90	\$ 10,023	\$ 246,965	\$ N/A	% N/A	\$ N/A	% N/A
2011	2012	8/1/2012	259,185	3.90	10,108	249,077	249,349	96.21	249,349	96.21
2010	2011	11/1/2011	261,879	3.85	10,082	251,797	248,085	94.73	258,165	98.58
2009	2010	12/13/2010	260,304	3.6	9,371	250,933	219,566	84.35	255,524	98.16
2008	2009	12/2/2009	257,901	3.5	9,027	248,874	243,555	94.44	255,069	98.90
2007	2008	11/3/2008	258,271	3.5	9,039	249,232	248,778	96.32	254,124	98.39
2006	2007	12/3/2007	260,266	3.5	9,109	251,157	232,526	89.34	253,816	97.52
2005	2006	9/1/2006	259,448	3.5	9,081	250,367	253,081	97.55	254,094	97.94
2004	2005	11/1/2005	247,853	3.0	7,436	240,417	242,927	98.01	246,716	99.54
2003	2004	11/15/2004	243,250	3.0	7,298	235,952	231,351	95.11	239,566	98.49

(1) Data Source:

Office of the County Clerk Agency Tax Extensions for levy years 2009 through 2012
Chicago Park District Annual Tax Levy Ordinances adopted by the Board of Commissioners for levy years 2003 through 2008

Notes:

The statement requires that the information in this schedule be shown for each period for which levied and should be consistent with the periods shown in the schedule of direct and overlapping revenue rates and schedule of direct and overlapping property tax rates. Therefore, most Illinois governments should disclose this by the tax levy year, not the fiscal year.

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 debt	Less alternate revenue source and warrants	Total direct debt	Total Equalized Assessed Value (EAV)	Percentage of EAV	Per capita (1)
	General obligation bonds	Principal of PBC lease	PPRT alternate revenue	Parking alternate revenue	Harbor alternate revenue	SRA alternate revenue	Corporate tax anticipation warrants						
2012	\$ 444,115	3,505	228,370	—	176,410	22,310	—	874,710	427,090	447,620	65,257,093	\$ 0.69	\$ 166
2011	475,960	6,875	239,145	—	179,050	23,140	—	924,170	441,335	482,835	75,122,914	0.64	179
2010	473,870	10,280	254,905	—	181,565	23,945	—	944,565	460,415	484,150	82,087,170	0.59	180
2009	460,185	13,330	264,335	—	51,715	24,725	—	814,290	340,775	473,515	84,586,808	0.56	164
2008	481,455	16,280	271,040	—	54,045	—	—	822,820	325,085	497,735	80,977,543	0.61	172
2007	501,370	19,205	278,410	—	56,285	—	—	855,270	334,695	520,575	73,645,316	0.71	180
2006	532,605	21,715	286,010	—	58,435	—	14,090	912,855	358,535	554,320	69,511,192	0.80	191
2005	560,855	24,060	291,970	75,565	60,520	—	72,270	1,085,240	500,325	584,915	59,304,530	0.99	202
2004	534,140	25,735	291,620	75,565	60,520	—	74,485	1,062,065	502,190	559,875	55,277,096	1.01	193
2003	485,180	27,925	296,075	78,085	62,565	—	62,000	1,011,830	498,725	513,105	53,168,632	0.97	177

Notes :

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

Personal income is the largest sole source income type, usually either property or sales tax. In the case of special districts, it may be fees.

(1) See the Schedule of Demographic and Economic Statistics on page 118 for personal income and population data.

CHICAGO PARK DISTRICT
 General Obligation Bonded Debt Schedule
 December 31, 2012

Equalized assessed valuation (2012) (1)	\$	65,250,387
 General Obligation Bonds Outstanding:		
Park Improvement Bonds		392,505,000
Aquarium and Museum Bonds (pre-1994) (2)		3,555,000
New Aquarium and Museum Bonds (1994 and thereafter) (2)		48,055,000
Subtotal		444,115,000
 General obligation (PPRT alternate revenue) (3)		 228,370,000
General obligation (Harbor alternate revenue) (3)		176,410,000
General obligation (SRA alternate revenue) (3)		22,310,000
Subtotal		427,090,000
Total general obligation and alternate general obligation bonds		871,205,000
 Bonded Debt Limit:		
2.30% of Equalized Assessed Valuation	\$	1,727,941,992
General obligation bonds outstanding (4)		(444,115,000)
Unexercised bonded debt limit	\$	1,283,826,992
 Non-Referendum Bonded Debt Limit		
1.00% of Equalized assessed valuation	\$	751,279,127
Park Improvement Bonds outstanding		(392,505,000)
Unexercised Non-Referendum bonding authority	\$	358,774,127
 Tax Supported Direct Debt (4):		
Outstanding general obligation bonds (4)	\$	444,115,000
Leases supporting principal of Public Building Commission Bonds		3,505,000
Total Direct Debt	\$	447,620,000

Notes:

- (1) The equalized assessed valuation figure represents Cook 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, Harbor Revenues and the Special Recreation Activity Tax.
- (4) Not including alternate general obligation bonds.

CHICAGO PARK DISTRICT
 Estimate Direct and Overlapping Governmental Activities Debt
 December 31, 2012
 (Amounts are in thousands of dollars)

<u>Governmental Unit</u>	<u>Amount (1)(2)</u>	<u>Percentage debt applicable to the Chicago Park District (5)</u>	<u>Chicago Park District share of debt</u>
Chicago Park District	\$ 447,620	100.00	\$ 447,620
City of Chicago	7,784,610	100.00	7,784,610
Chicago Board of Education (3)	6,352,773	100.00	6,352,773
Community College District (4)	—	100.00	—
Cook County	3,709,530	48.08	1,783,542
Forest Preserve District of Cook County	187,950	49.40	92,847
Water Reclamation District	2,515,375	50.40	1,267,749
	<u>20,550,238</u>		<u>17,281,521</u>
	<u>\$ 20,997,858</u>		<u>\$ 17,729,141</u>

Notes:

- (1) Includes responsibility for the proportionate share of the principal amount of Public Building bonds the City and the School Board.
- (2) Source: Each of the respective taxing districts.
- (3) Includes approximately \$9.7 billions of "alternate bonds," none of which are currently payable from commissions property tax levies.
- (4) Outstanding bonded debt of \$31,695,000 for the Community College District was extinguished on December 1, 2007.
- (5) Based on 2011 Equalization Assessed Valuation. Assessed value data used to estimate applicable percentage provided by the Office of the Cook County Clerk.

CHICAGO PARK DISTRICT
 Debt Service Extension Base
 Schedule of Debt Service as Compared to Debt Service Extension Base
 December 31, 2012

Tax levy year	Non-Referendum outstanding tax levy year debt (1)(4)	Aggregate debt service extension base (2)	Available debt service extension base (3)(4)
2012	\$ 39,219,943	45,293,162	6,073,219
2013	37,068,655	45,293,162	8,224,507
2014	35,954,885	45,293,162	9,338,277
2015	34,548,785	45,293,162	10,744,377
2016	31,945,448	45,293,162	13,347,714
2017	31,945,860	45,293,162	13,347,302
2018	31,799,073	45,293,162	13,494,089
2019	31,691,285	45,293,162	13,601,877
2020	29,792,323	45,293,162	15,500,839
2021	28,608,235	45,293,162	16,684,927
2022	26,884,998	45,293,162	18,408,164
2023	25,361,313	45,293,162	19,931,849
2024	23,834,833	45,293,162	21,458,329
2025	22,920,503	45,293,162	22,372,659
2026	22,323,328	45,293,162	22,969,834
2027	22,247,178	45,293,162	23,045,984
2028	17,733,803	45,293,162	27,559,359
2029	16,211,393	45,293,162	29,081,769
2030	14,685,763	45,293,162	30,607,399
2031	13,160,900	45,293,162	32,132,262
2032	11,633,000	45,293,162	33,660,162
2033	10,261,500	45,293,162	35,031,662
2034	8,883,000	45,293,162	36,410,162

Data Source:

- (1) 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) Represents the Debt Service Extension Base (DSEB) established by Public Act 89-385.
 Public Act 96-0501, effective for the 2009 levy year, allows for an annual growth in the DSEB of 5% or CPI, whichever is less. The allowable growth for the tax year was 2.7% for 2010, 1.5% for 2011 and 3.0% for 2012.

Notes:

- (3) It is anticipated that the available amount will be utilized in future financing transactions.
- (4) Totals may not add due to rounding.

CHICAGO PARK DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal year	Population (1)	Median age (2)	Number of households (2)	Personal income	Per capita personal income (2)	Unemployment rate (3)
2012	2,695,598	33.0	1,030,746	\$ N/A (4)	N/A (4)	8.9
2011	2,695,598	33.2	1,048,222	123,935,509,246	45,977	9.3
2010	2,695,598	34.8	1,045,666	119,533,597,712	44,344	10.1
2009	2,896,016	34.5	1,037,069	126,634,091,632	43,727	10.0
2008	2,896,016	34.1	1,032,746	131,270,613,248	45,328	6.4
2007	2,896,016	33.7	1,033,328	126,596,443,424	43,714	5.7
2006	2,896,016	33.5	1,040,000	121,305,422,192	41,887	5.2
2005	2,896,016	33.0	1,045,282	111,319,959,024	38,439	7.0
2004	2,896,016	32.6	1,051,018	107,642,018,704	37,169	7.2
2003	2,896,016	32.6	1,067,823	102,704,311,424	35,464	8.2

Data source:

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

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

Employer	2012			2003		
	Employees	Rank	Percentage of total district population	Employees	Rank	Percentage of total district population
J. P. Morgan Chase Bank (1)	8,168	1	0.76%	10,192	1	0.95%
United Airlines	7,521	2	0.70	7,634	2	0.71
Accenture LLP (2)	5,590	3	0.52	3,862	6	0.36
Northern Trust Corporation	5,448	4	0.51	5,084	4	
Jewel Food Stores, Inc.	4,572	5	0.43			
Ford Motor company	4,187	6	0.39			
Bank of America NT & SA	3,811	7	0.36			
ABM Janitorial Services- North Central	3,398	8	0.32			
American Airlines	3,076	9	0.29	4,403	5	0.10
Walgreen Co.	2,789	10	0.26			
CVS Corporation						
SBC Ameritech (3)				5,240	3	0.49
Target Corporation				2,904	7	0.27
Harris Trust & Savings Bank				2,684	8	0.25
LaSalle Bank				2,668	9	0.25
United Parcel Service				2,649	10	0.25
	48,560		4.56%	47,320		2.69%

Data source:
City of Chicago financial department

- Notes:
- (1) J.P. Morgan Chase formerly known as Banc One
 - (2) Accenture LLP formerly known as Anderson Consulting
 - (3) Ameritech currently known as SBC/AT&T

CHICAGO PARK DISTRICT
Full-Time and Seasonal Employees
Last Seven Years

Full-time employees by area	2012	2011	2010	2009	2008	2007	2006
Administration	588	593	653	608	616	646	648
Beaches and pools	255	265	273	285	303	301	376
Landscape (1)	280	238	234	243	246	—	—
Security (1)	404	320	348	487	366	—	—
Lakefront (2)	—	—	—	—	—	559	549
North	499	490	492	487	489	552	540
Central	461	438	444	421	428	483	483
South	507	471	487	470	489	539	521
Total full-time employees	<u>2,994</u>	<u>2,815</u>	<u>2,931</u>	<u>3,001</u>	<u>2,937</u>	<u>3,080</u>	<u>3,117</u>

Full time and seasonal employees by area	2012	2011	2010	2009	2008	2007	2006
Administration	1,505	1,406	1,453	1,656	1,611	1,607	1,555
Beaches and pools	968	943	955	989	1,003	963	963
Landscape (1)	750	733	737	744	753	751	712
Security (1)	399	316	351	358	367	373	358
Lakefront (2)	—	—	—	—	—	—	—
North	1,215	1,122	1,096	1,027	1,126	1,141	1,255
Central	929	871	954	1,198	920	886	1,046
South	1,077	1,017	1,187	1,079	1,215	1,227	1,334
Total full-time and seasonal employees	<u>6,843</u>	<u>6,408</u>	<u>6,733</u>	<u>7,051</u>	<u>6,995</u>	<u>6,948</u>	<u>7,223</u>

Data source:
Comptroller's Office, Division of Payroll

Notes:

- Beginning with fiscal year 2006, the Park District will accumulate ten years of data.
- (1) Landscape and Security were removed from the Regions into separate category.
- (2) In 2008, Lakefront was deleted as a category and reallocated to North, Central, and South Regions.

CHICAGO PARK DISTRICT
Operating Indicators
Last Seven Years

Facilities functions	2012	2011	2010	2009	2008	2007	2006
Total work orders completed by type:							
ADA improvements park (1)	—	—	—	—	—	—	6
Brickwork	250	255	268	272	170	177	114
Carpentry	5,998	6,203	5,602	4,651	3,736	3,874	4,253
Cement and asphalt repair	435	467	455	404	377	317	67
Door repair (2)	—	—	—	—	—	—	12
Emergency repairs (3)	—	—	—	—	—	—	1,516
Equipment repairs	702	656	562	411	317	432	888
Equipment requests	627	634	677	622	552	591	719
Erecting	798	800	805	875	815	836	204
General cleaning	250	200	145	154	114	229	183
Inside electric	3,785	4,284	3,353	3,214	2,535	2,959	2,675
Iron work	877	956	1,156	1,408	1,185	1,249	955
Mechanical	954	1,016	899	859	742	801	799
Moving/hauling	1,720	1,675	1,623	1,354	1,165	1,232	522
Outside electric	3,089	3,203	3,001	2,871	2,007	2,176	1,636
Painting (4)	2,570	2,808	2,603	2,421	988	1,125	1,633
Park repair/maintenance (3)	—	—	—	—	—	1,680	1,988
Program/event information	—	—	—	—	—	—	6
Plastering/painting	70	75	60	56	57	52	101
Playground repair	3,752	3,901	3,822	3,478	2,252	1,463	—
Plumbing repair	5,589	5,684	5,789	5,673	5,083	4,982	3,978
Roofing repair	325	375	402	352	267	268	159
Special event-related	—	—	—	—	—	—	12
	<u>31,791</u>	<u>33,192</u>	<u>31,222</u>	<u>29,075</u>	<u>22,362</u>	<u>24,443</u>	<u>22,426</u>
Total number of work orders	33,821	35,691	32,222	29,974	23,474	25,122	24,714
Total work order completed	31,791	33,192	31,222	29,075	22,362	24,443	22,426
Percentage completed	94%	93%	97%	97%	95%	97%	91%

Data source:

Department of facilities and maintenance

Notes:

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

- 1) As of 2007, no longer track data on work order system; all through capital
- 2) Combined into carpentry
- 3) Combined into individual trade discipline
- 4) Included graffiti requests in 2009

CHICAGO PARK DISTRICT
Operating Indicators
Last Seven Years

Department of Natural Resources functions	2012	2011	2010	2009	2008	2007	2006
Landscape operations:							
Mowing (1)	7,067	7,067	6,000	6,000	6,000	6,000	6,000
Cleaning (1)	7,623	7,623	7,623	7,614	7,615	7,616	7,513
Assigned staff	207	207	207	214	231	234	N/A
Waste management:							
Contractor-Normal waste pickup (2)	8,452	8,621	6,734	6,673	7,432	N/A	N/A
Contractor-Recyclables (2)	1,759	1,688	1,505	1,281	178	N/A	N/A
CPD(lakefront only)-Normal waste pickup (2)	2,367	2,500	3,541	2,638	2,502	2,821	4,579
CPD(Lakefront Only)-Recyclables (2)	599	300	425	160	299	N/A	N/A
Herbaceous Organic waste	2,580	2,100	2,220	N/A	N/A	N/A	N/A
Forestry:							
Forestry – Tree removals	1,798	1,692	1,650	1,662	2,370	2,536	3,115
Forestry – Pruning/trimming	15,711	7,659	8,134	7,010	6,667	10,541	9,262
Trees and floral:							
Trees planted	1,850	1,885	2,400	2,650	5,000	N/A	N/A
#Parks	78	51	90	64	47	N/A	N/A
Shrubs planted	3,500	1,243	715	16,700	10,000	N/A	N/A
#Parks	49	35	35	22	18	N/A	N/A
Perennials planted	24,000	3,725	4,500	330,000	330,000	300,000	300,000
#Parks	31	15	20	35	35	35	35
Annuals planted	500,000	500,000	500,000	500,000	500,000	550,000	550,000
#Parks	26	26	26	1	1	1	1
# Bulbs planted	15,000	76,000	75,000	50,000	22,500	NA	NA
#Parks	10	15	84	23	11	NA	NA
Sod (3)	110,725	63,500	100,000	50,000	N/A	N/A	N/A

Data source:
Department of Natural Resources

- Notes:
- Beginning with fiscal year 2006, the Park District will accumulate ten years of data.
 - Snow removal is performed by regularly assigned staff for all snow events each year.
 - (1) Amounts in acres; mowing acreage is estimated
 - (2) Amounts in tons
 - (3) Amounts in square yards

CHICAGO PARK DISTRICT

Operating Indicators

Last Seven Years

Park and Region Programming	2012	2011	2010	2009	2008	2007	2006
Cultural programming:							
Total number of Movies in the Park	170	173	173	173	178	186	118
Total number of Concerts in the Park	64	34	35	43	19	29	15
Performances at Theatre on the Lake	40	40	40	40	40	45	45
Number of Theatre Companies	8	8	8	8	9	9	9
Park level programming:							
By age group							
Adult	40,456	21,410	39,775	61,247	49,136	41,481	36,342
All ages	5,988	5,926	18,286	23,822	20,824	21,376	24,078
Family	—	—	—	—	—	—	940
Preschool (2)	N/A	51,962	56,798	71,068	52,786	50,218	39,953
Pre-Teen (2)	N/A	643	1,362	1,890	1,641	1,637	1,533
Senior	17,529	16,493	21,368	21,762	19,433	15,311	13,859
Teen	15,490	11,307	20,348	27,555	26,852	25,758	23,192
Young adult (2)	N/A	121	147	167	144	236	212
Youth	121,683	89,697	108,887	136,117	129,847	128,046	115,259
Early childhood (2)	58,506	—	—	—	—	—	—
Total registrations	259,652	197,559	266,971	343,628	300,663	284,063	255,368
Total online registrations(1)	85,588	76,817	74,873	79,827	73,267	73,534	30,776
Percentage of total registrations	32.96%	38.88%	28.05%	23.23%	24.37%	25.89%	12.05%
Youth registrations by program type:							
Cultural enrichment (2)	—	6,285	7,211	9,351	8,311	8,510	8,510
Health and physical activities (2)	—	46,457	59,979	76,799	69,647	68,298	56,150
Outdoor and environmental education (2)	—	463	447	619	699	544	397
Social interaction (2)	—	34,919	38,099	43,350	45,290	45,189	45,554
Special events (2)	—	206	1,849	4,152	4,429	3,839	3,215
Special interests	2,849	1,111	1,042	1,619	1,167	1,286	1,085
Special recreation	902	256	260	227	304	380	348
Aquatics	16,180	—	—	—	—	—	—
Camps	42,603	—	—	—	—	—	—
Culture and Arts	6,099	—	—	—	—	—	—
General events	154	—	—	—	—	—	—
Nature	465	—	—	—	—	—	—
Out of school time	7,868	—	—	—	—	—	—
Sports	43,146	—	—	—	—	—	—
Wellness	1,417	—	—	—	—	—	—
	121,683	89,697	108,887	136,117	129,847	128,046	115,259
Number of youth programs by type:							
Cultural enrichment (2)	—	953	861	1,104	990	1,027	999
Health and physical activities (2)	—	5,031	4,608	5,435	5,150	5,390	4,919
Outdoor and environmental education (2)	—	54	51	49	52	45	43
Social interaction (2)	—	1,426	1,490	1,587	1,394	1,401	1,512
Special events (2)	—	173	182	234	270	287	265
Special interests	346	122	110	125	108	117	133
Special recreation	112	34	34	30	33	34	37
Aquatics	1,107	—	—	—	—	—	—
Camps	941	—	—	—	—	—	—
Culture and arts	928	—	—	—	—	—	—
General events	23	—	—	—	—	—	—
Nature	52	—	—	—	—	—	—
Out of school time	406	—	—	—	—	—	—
Sports	3,597	—	—	—	—	—	—
Wellness	215	—	—	—	—	—	—
	7,727	7,793	7,336	8,564	7,997	8,301	7,908

Data source:

Department of Shared Financial Services

Notes:

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

(1) Prior years data revised

(2) Beginning with fiscal year 2012, classification has been restructured.

CHICAGO PARK DISTRICT
Operating Indicators
Last Seven Years

Summer Food Program Meals Served	2012	2011	2010	2009	2008	2007	2006
Central region:							
Breakfast	5,560	17,147	20,794	3,222	—	—	—
Lunch	146,838	131,504	151,834	138,945	157,188	155,629	153,893
Snacks	133,945	118,509	121,546	130,128	154,723	145,711	153,893
Total meals	<u>286,343</u>	<u>267,160</u>	<u>294,174</u>	<u>272,295</u>	<u>311,911</u>	<u>301,340</u>	<u>307,786</u>
Lakefront region (1):							
Breakfast	—	—	—	—	—	—	—
Lunch	—	—	—	—	26,049	32,496	38,528
Snacks	—	—	—	—	26,947	35,277	39,359
Total meals	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>52,996</u>	<u>67,773</u>	<u>77,887</u>
North region:							
Breakfast	—	2,370	3,187	—	—	—	—
Lunch	181,930	164,704	157,444	155,288	168,959	169,292	166,299
Snacks	148,128	121,695	113,956	123,036	128,561	123,488	136,890
Total meals	<u>330,058</u>	<u>288,769</u>	<u>274,587</u>	<u>278,324</u>	<u>297,520</u>	<u>292,780</u>	<u>303,189</u>
South region:							
Breakfast	1,188	6,323	16,254	2,488	—	—	—
Lunch	170,272	148,330	145,733	154,129	179,966	195,454	215,925
Snacks	174,782	155,891	152,617	158,182	185,311	202,101	222,144
Total meals	<u>346,242</u>	<u>310,544</u>	<u>314,604</u>	<u>314,799</u>	<u>365,277</u>	<u>397,555</u>	<u>438,069</u>

Current Year Average Meals Served	
Central region:	
Total meals in 2012	286,343
Total sites in 2012	61
Average meals served per site in 2012	<u>4,694</u>
Lakefront region (1):	
Total meals in 2012	—
Total sites in 2012	—
Average meals served per site in 2012	<u>—</u>
North region:	
Total meals in 2012	330,058
Total sites in 2012	78
Average meals served per site in 2012	<u>4,232</u>
South region:	
Total meals in 2012	346,242
Total sites in 2012	79
Average meals served per site in 2012	<u>4,383</u>

Data source:
Department of Community Recreation, Division of Culture, Arts and Nature

Notes:
Beginning with fiscal year 2006, the Park District will accumulate ten years of data.
(1) In 2008, Lakefront was deleted as a category and reallocated to North, Central, and South Regions.

CHICAGO PARK DISTRICT
 Operating Indicators
 Last Seven Years

Analysis of utility consumption							
	2012	2011	2010	2009	2008	2007	2006
Electricity:							
General administration \$	72,229	83,358	97,128	105,409	167,993	10,710	9,230
Lakefront	4,835,494	5,182,445	6,205,488	6,235,395	6,059,774	5,895,755	5,020,330
North	1,568,432	1,813,318	1,955,388	1,945,911	1,852,596	1,842,586	1,144,238
Central	1,485,323	1,436,654	1,714,501	2,133,803	1,815,097	1,827,176	1,326,172
South	1,932,378	2,034,534	2,255,430	2,331,849	2,242,083	2,602,018	2,388,974
Total	\$ <u>9,893,857</u>	<u>10,550,308</u>	<u>12,227,935</u>	<u>12,752,367</u>	<u>12,137,543</u>	<u>12,178,245</u>	<u>9,888,944</u>
	2012	2011	2010	2009	2008	2007	2006
Natural gas:							
General administration \$	—	358,352	750,445	699,170	1,004,734	954,708	934,219
Lakefront	1,211,955	1,407,465	1,265,519	1,267,214	1,186,018	972,121	883,656
North	1,003,103	1,314,081	1,306,808	1,233,877	1,675,957	1,336,573	1,460,992
Central	1,320,911	1,378,854	1,320,736	1,250,614	1,655,550	1,308,273	1,472,214
South	1,585,170	1,923,160	1,980,962	1,997,970	2,654,893	2,033,229	2,333,571
Special services	N/A	N/A	N/A	N/A	491,601	368,872	487,194
Total	\$ <u>5,121,139</u>	<u>6,381,912</u>	<u>6,624,470</u>	<u>6,448,845</u>	<u>8,668,753</u>	<u>6,973,776</u>	<u>7,571,846</u>

Data source:
 Department of Shared Financial Services

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

CHICAGO PARK DISTRICT
 Operating Indicators
 2012 Property Sales and Purchases

Property sales and dispositions (1)	Date sold/transferred	Historical cost	Total proceeds	Gain/ loss
None	—	—	—	—

Property acquisitions and purchases	Date acquired	Purchase price	Acquisition type
Unit Locations			
5801 N. Western Ave.	5/3/12	\$ 1	City of Chicago Transfer
2800 S. Sacramento Ave	6/28/12	1	City of Chicago Transfer
4937 W. Lawrence Ave.	8/24/12	10	Lennar Chicago, Inc. Donation
2754 S. Eleanor St.	9/11/12	1	City of Chicago Transfer
6150 S. Dorchester Ave.	12/11/12	1	City of Chicago Transfer
2821 W. Arthington St.	12/11/12	1	City of Chicago Transfer
709 W. 61st. St.	12/11/12	1	City of Chicago Transfer
5606 S. Emerald Ave.	12/11/12	1	City of Chicago Transfer
3313 W. Gladys Ave.	12/11/12	1	City of Chicago Transfer
5639 S. Indiana Ave.	12/11/12	1	City of Chicago Transfer
3915 W. Division St.	12/11/12	1	City of Chicago Transfer
649 E. 42nd St.	12/11/12	1	City of Chicago Transfer
6418 S. Ellis Ave.	12/11/12	1	City of Chicago Transfer
6555 S. Wolcott Ave.	12/11/12	1	City of Chicago Transfer

Data Source:
 Department of Planning and Development

CHICAGO PARK DISTRICT

Capital Asset Statistics

December 31, 2011

Definitions of Park Classifications

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

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

Regional parks: A park that is generally from 15 to 50 acres that has a Class A or Class B field house. Regional parks also contain a variety of passive and active outdoor recreational areas including playground apparatus. The primary service population for a regional park lives within 3/4 of a 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 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 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 1/4 of a mile.

Mini-parks: A park less than 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.

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

Park Statistics
Last Seven Years

Parks by classification	2012	2011	2010	2009	2008	2007	2006
Magnet parks:							
number	5	5	5	5	5	5	5
acres	2,784.33	2,784.33	2,784.33	2,784.33	2,784.33	2,784.33	2,776.98
Citywide parks:							
number	10	10	13	13	13	13	13
acres	1,804.69	1,804.69	1,966.04	1,966.04	1,967.92	1,967.92	1,967.92
Regional parks:							
number	47	47	48	48	48	48	48
acres	1,280.01	1,280.01	1,254.82	1,254.82	1,254.82	1,254.50	1,254.50
Community parks:							
number	125	125	129	129	128	127	127
acres	1,024.69	1,024.69	1,074.81	1,074.81	1,073.74	1,050.69	1,050.69
Neighborhood parks:							
number	164	164	165	165	165	164	163
acres	361.65	361.65	367.63	366.98	366.98	361.34	359.01
Mini-parks:							
number	143	143	142	141	142	142	142
acres	37.05	35.09	34.77	34.59	34.70	34.70	34.54
Passive parks:							
number	69	69	51	50	47	47	47
acres	244.09	244.09	88.36	86.63	82.52	84.04	84.04
Unimproved parks:							
number	23	19	25	24	22	24	24
acres	788.98	600.08	53.01	52.24	51.65	52.16	52.16
Total parks	<u>586</u>	<u>582</u>	<u>578</u>	<u>575</u>	<u>570</u>	<u>570</u>	<u>569</u>
Totals acres (1)	<u>8,325.49</u>	<u>8,134.63</u>	<u>7,623.77</u>	<u>7,620.44</u>	<u>7,616.66</u>	<u>7,589.68</u>	<u>7,579.84</u>
Miles of lakefront:	26	26	26	26	26	26	26

Data source:
Various Park District Departments

Notes:
Beginning with fiscal year 2006, the Park District will accumulate ten years of data.
(1) Includes 698.3 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 and leased by the Chicago Park District.

CHICAGO PARK DISTRICT
 Capital Asset Statistics
 Last Seven Years

Major Facilities	2012	2011	2010	2009	2008	2007	2006
Number of:							
Outdoor facilities:							
Assembly Areas	77	77	77	77	77	77	77
Baseball fields (Jr.)	556	557*	355	355	355	355	355
Baseball fields (Sr.)	162	161	179	179	179	179	179
Basketball backboards	779	787	896	896	903	903	903
Batting cages	2	2	2	2	2	2	2
Beaches	29	29***	29***	28***	28***	28***	28***
Carousels	2	2	2	2	2	2	2
Dog friendly areas	16	16	16	12	12	11	11
Fitness courses	7	7	7	7	7	7	7
Fields (combination soccer/football)	257	261	209	209	209	209	209
9 hole courses	5	5	5	5	5	5	5
18 hole course	1	1	1	1	1	1	1
Driving ranges	3	3	3	3	3	3	3
Miniature 18 hole course	1	1	2	2	2	2	2
Putting green	3	3	2	2	2	2	2
Handball/racquetball courts	12	12	13	13	13	13	13
Harbors	11	9	9	9	9	9	9
Boat slips	4,434	3,434	3,434	3,434	3,434	3,434	3,434
Mooring cans	1,222	1,222	1,222	1,222	1,222	1,222	1,222
Star docks	432	432	432	432	432	432	432
Horseshoe courts	72	72	128	128	128	128	128
Ice skating rinks (refrigerated)	8	9	10	10	10	10	10
Interactive water play areas	20	20	32	32	32	32	32
Playgrounds	389	385	374	382	358	349	358
Stand alone playgrounds	134	134	156	131	154	164	154
Pools	75	77	52	52	52	52	52
Roller hockey courts	19	17	7	3	3	3	3
Sandboxes	227	227	227	228	228	228	228
Skate parks	5	5	9	8	8	7	5
Skating areas (non-ice)	24	22	19	19	19	19	19
Soccer fields (artificial surface)	40	28	14	14	3	7	5
Soccer fields	257	44	44	44	44	44	44
Softball fields	*	*	254	254	254	254	254
Spray pools	194	192	185	185	185	184	184
T-ball fields	*	*	9	9	9	9	9
Tennis courts	562	573	605	618	618	618	618
Tracks (running)	28	27	28	28	27	34	34
Volleyball courts (sand 168)	371	371	371	372	372	372	372
Water slides	5	5	4	4	4	4	4

(Continued)

CHICAGO PARK DISTRICT
 Capital Asset Statistics
 Last Seven Years

Major facilities	2012	2011	2010	2009	2008	2007	2006
Indoor facilities:							
Auditorial/assembly halls	94	94	94	94	94	94	95
Clubrooms	905	905	905	913	913	913	916
Cultural centers	13	14	14	15	15	15	15
Field houses	241	239**	260	260	264	263	266
Fitness centers	70	75	70	60	60	41	41
Gymnasiums	145	144	197	197	197	197	197
Gymnastics centers	8	8	4	4	4	4	4
Ice skating rink	1	1	1	1	1	1	1
Kitchens	177	177	177	177	177	177	177
Natatoriums	25	34	34	34	34	34	34
Nature centers	1	1	1	1	—	—	—
Handball/racquetball courts	2	41	41	41	41	41	41
Senior centers	3	2	3	2	2	1	1
Stages	57	57	57	57	57	57	57
Soccer areas	24	24	24	24	—	—	—
Parking facilities	28	13	13	13	5	5	5
Parking spaces	4,600	4,045	3,902	1,446	709	709	709
Museums/Aquarium	11	10	10	10	10	10	10
Zoos	2	1	2	2	2	2	2
Professional sport stadium	1	1	1	1	1	1	1

Data Source:

Includes pay and display locations.
 Various Park District Departments.

Notes.

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

* Jr. Baseball/Softball/T-ball fields combined in 2011

** Prior to 2011 reported all facilities with programming. As of 2011 reported all owned or leased facilities.

*** Data corrected for 2011 and prior years