

CHICAGO PARK DISTRICT

POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 2012

Children First



Best Deal in Town



Built to Last



Extra Effort



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

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COMMISSIONER'S LETTER



Pictured from left to right: Commissioner Rouhy Shalabi, Commissioner Martin Laird Koldyke, General Superintendent Michael P. Kelly, President Bryan Traubert, Vice President Benjamin Armstrong, Commissioner Erika Allen, Commissioner Juan Salgado, Commissioner Avis LaVelle

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 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.

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.

Thank you for your interest in the Chicago Park District's 2012 Popular Annual Financial Report.

Sincerely,

Bryan Traubert
President, Board of Commissioners

Michael P. Kelly
General Superintendent & CEO

COMPTROLLER'S MESSAGE

Question, what is a PAFR?

A Popular Annual Financial Report (PAFR) presents Comprehensive Annual Financial Report (CAFR) information in a readily accessible and easy to understand format for the general public. The PAFR provides an overview of the Chicago Park District's financial position, including sources of revenues and expenditures, and economic information about the community. The Government Finance Officers Association of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Chicago Park District for its PAFR for the fiscal year ended December 31, 2011. This is a prestigious national award recognizing the District with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government must publish a PAFR, the contents of which conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report, in the spirit of transparency and full disclosure, will also earn this notable recognition.

The data for this PAFR is taken from our CAFR for the fiscal year ended December 31, 2012. It is important to note that this report does not provide all the detailed financial information that is contained in our CAFR. PAFRs are supplements to, not replacements for, CAFRs. The CAFR includes all of the audited financial statements and disclosures and is presented on a Generally Accepted Accounting Principles (GAAP) basis.

The PAFR and CAFR are available on our website at:

<http://www.chicagoparkdistrict.com/departments/finance/comptroller>.

A hardcopy of either report may also be obtained by calling the Office of the Comptroller at (312) 742-4342.

Chicago Park District History

Since its formation in 1934, the Chicago Park District has continued its tradition of innovative programs and ideas and beautifully designed landscapes and facilities. In the late 1940s, a Ten Year Plan led to dozens of new parks including a progressive school-park concept. In 1959, the system expanded again, when the City of Chicago transferred more than 250 parks, playlots, natatoriums, and beaches to the Chicago Park District. Now the steward of 8,000+ acres of open space (over 500 parks, 31 beaches, 50 nature areas, and 2 world-class conservatories) and the host of cultural, nature, sports and recreational programs, and thousands of special events, the Chicago Park District remains the nation's leading provider of green space and recreation.



ORGANIZATIONAL STRUCTURE & MANAGEMENT

The Mayor of the City of Chicago appoints the Park District's seven-member Board, which is its highest authority. The Board is made up of 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. Chicago Park District board meetings take place on the second Wednesday of every month. To obtain more information on meeting locations, dates, and times, please call 312-742-5034 or go to the Chicago Park District website at:

<http://www.chicagoparkdistrict.com/departments/board-of-commissioners/calendar/>

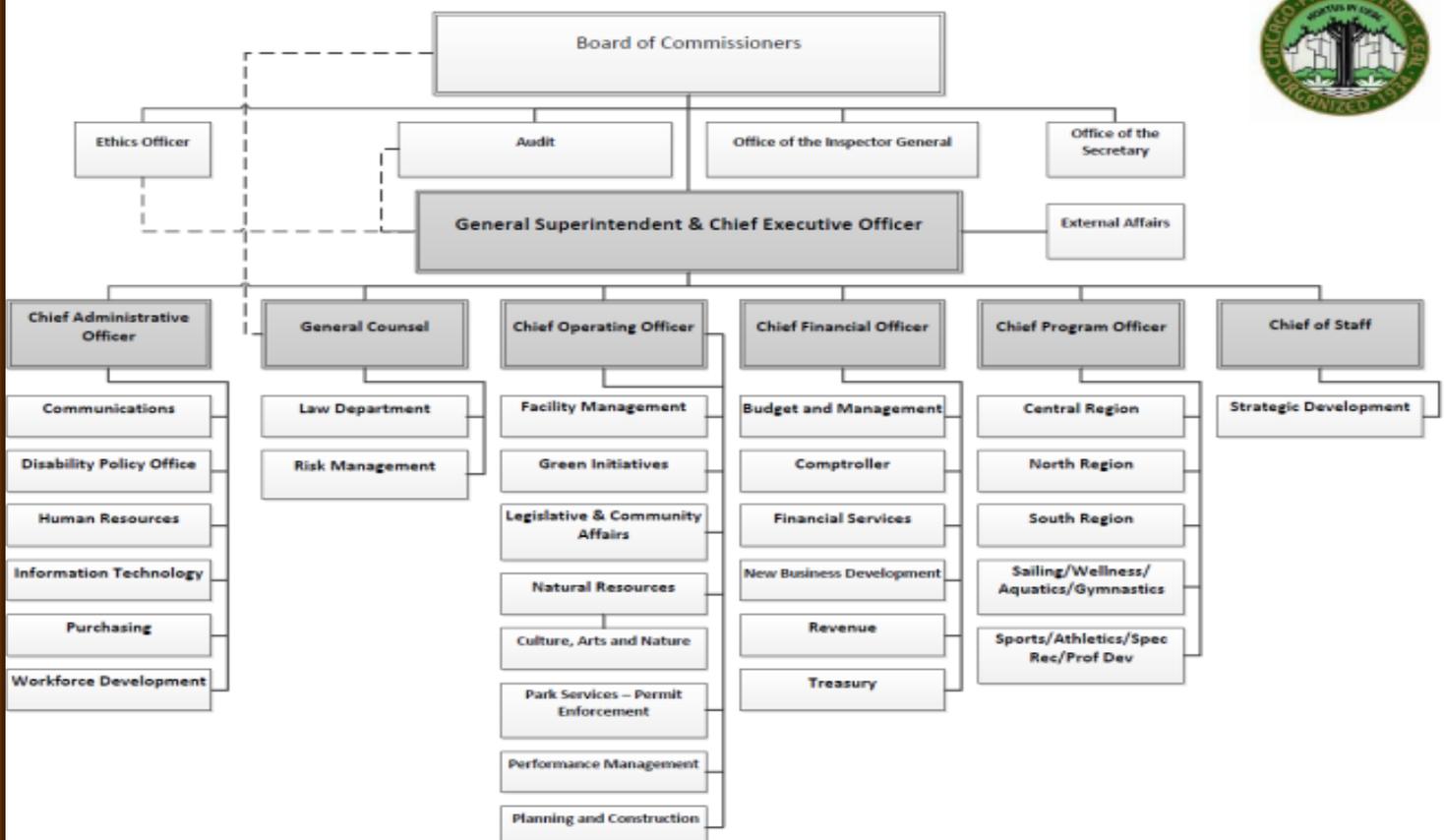
The reporting structure of the Chicago Park District begins with the Board of Commissioners, General Superintendent & CEO and six chiefs who manage the District's divisions. Individual departments within these divisions, including the three park regions (North, Central and South), are headed by a Director/Region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

Officers

Michael P. Kelly, General Superintendent & CEO
 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 Finance Directors

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



STAFFED LOCATIONS

North Region Manager



Patrick Townsend
6601 N. Western
(773)262-8658

Area 1 Manager Brian Loll	Area 2 Manager Derrick Martin	Area 3 Manager Gary Kuzmanic	Area 4 Manager Maya Solis	Area 5 Manager Sandra Olson	Area 6 Manager Deb Maddox
Brooks	Amundsen	Chippewa	Athletic Field	Berger	Adams
Chopin	Bell	Emmerson	Avondale	Broadway Armory	Chase
Dunham	Blackhawk	Green Briar	Brands	Clarendon	Gill
Edgebrook	Cragin	Gross	California	Lincoln Park Cult. Ctr	Haas
Edison	Galewood	Hollywood	Eugene Field	Loyola	Hamlin
Gladstone	Hermosa	Indian Boundary	Gompers	Margate	Holstein
Indian Road	Hiawatha	Mather	Horner	Paschen	Maplewood
Jefferson	Kelvyn	Peterson	Independence	Pottawattomie	Oz
Merrimac	Ken-Well	River	Jensen	Schreiber	Shell
Norwood	Kosciuszko	Rogers	Kilbourn	Touhy	Trebes
Olympia	Mozart	Warren	Mayfair	White (Willye)	Wrightwood
Oriole	Ris	Welles	Paul Revere		
Portage	Rutherford Square	Winnemac	Sauganash		
Rosedale	Shabbona				
Wildwood	Simons				
Wilson					

Central Region Manager



Arthur Richardson
100 S. Central Park Ave
(312)746-5962

Area 1 Manager Cynthia Rosario	Area 2 Manager Michael Scott Jr.	Area 3 Manager Elizabeth Garza	Area 4 Manager Aris White	Area 5 Manager Michael A. Hixenbaugh	Area 6 Manager Jackie Payne
Augusta	Altgeld	Daley Bicentennial	Archer	Armour Square	Anderson
Commercial	Austin Town Hall	Fosco	Cornell Square	Bosley	Chicago Women's
Eckhart	Clark	Harrison	Curie	Donovan	Dvorak
Humboldt	Columbus	Lake Shore	Davis Square	Fuller	Ellis/Madden
Kedvale	Douglas	Northerly Island	Kelly	McGuane	Haines
Lafollette	Franklin	Seward	LeClaire Courts	McKinley	Kennicott
Pulaski	Garfield	Sheridan	Piotrowski	Taylor-Lauridsen	Kenwood
Smith	Homan Square	Skinner	Shedd	Wentworth	Lake Meadows
Wicker	Moore	Stanton	Washtenaw	Wilson	Nat. Teacher's Academy
	Sumner	Union	Vittum	Wilson CC	Taylor
	Tilton				Williams

South Region Manager



Daphne Johnson
3344 W. 71st St
(312)747-7661

Area 1 Manager Kathy Voltz	Area 2 Manager	Area 3 Manager Cordell Hopkins	Area 4 Manager Marge Burke	Area 5 Manager Sabrina Stewart	Area 6 Manager Anita Gilkey
Bogan	Foster	Cole	Beverly	Abbott	Avalon
Daley	Gage	Dyett Rec. Ctr	Dawes	Ada	Bessemer
Dooley	Hamilton	Harris	Graver	Brainerd	Bradley
Durkin	Hermitage	Jackson	Hayes	Cooper	Calumet
Hale	Lindblom	Meyering	Kennedy	Euclid	Carver
Lawler	Lowe	Midway Plaisance	Marquette	Fernwood	Gately
Minuteman	Mahalia Jackson	Nash	McKiernan	Grand Crossing	Jesse Owens
Normandy	Martin Luther King Jr.	Nichols	Mt. Greenwood	Jackie Robinson	Mann
Pasteur	Moran	Rosenblum/Mann	Munroe	Palmer	Pietrowski
Rainey	Murray	South Shore Cult. Ctr	O'Hallaren	Robichaux	Rainbow Beach Park
Scottsdale	Ogden	Washington	Oakdale	Smith	Rowan
Solorio Academy	Sherman	Washington Refectory	Ridge	Tuley	Russell Square
Strohacker	Sherwood	Woodhull	Tarkington	West Pullman	Trumbull
Valley Forge	West Chatham			White	Veteran's Memorial
Wentworth					Wolfe
Valley Forge					
Wentworth					

OPERATING INDICATORS

Summer Food Program Meals Served

Central region:

Total meals in 2012	286,343
Total sites in 2012	61
Average meals served per site in 2012	4,694

North region:

Total meals in 2012	330,058
Total sites in 2012	78
Average meals served per site in 2012	4,232

South region:

Total meals in 2012	346,242
Total sites in 2012	79
Average meals served per site in 2012	4,383



Park and Region Programming

Total number of Movies in the Park	170
Total number of Concerts in the Park	64
Performances at Theatre on the Lake	40
Number of Theatre Companies	8
Youth registration	121,683
Total registration	259,652
Total online registration	85,588
Percentage of online registrations to total registrations	32.96%



Work Orders by Category:

	Totals
Brickwork	250
Carpentry	5,998
Cement and asphalt repair	435
Equipment repairs	702
Equipment requests	627
Erecting	798
General cleaning	250
Inside electric	3,785
Iron work	877
Mechanical	954
Moving/hauling	1,720
Outside electric	3,089
Painting	2,570
Plastering/painting	70
Playground repair	3,752
Plumbing repair	5,589
Roofing repair	325
Total number of work orders	33,821
Total work orders completed	31,791
Percentage completed	94%

Landscape Tasks Completed by Category:

	Totals
Landscape operations:	
Mowing (1)	7,067
Cleaning (1)	7,623
Assigned Staff	207
Waste management:	
Contractor-Normal Waste Pickup (2)	8,452
Contractor-Recyclables (2)	1,759
CPD(Lakefront Only)-Normal Waste Pickup (2)	2,367
CPD(Lakefront Only)-Recyclables (2)	599
Herbaceous Organic Waste	2,580
Forestry:	
Forestry – Tree Removals	1,798
Forestry – Pruning/Trimming	15,711
Trees and Floral:	
Trees Planted	1,850
#Parks	78
Shrubs Planted	3,500
#Parks	49
Perennials Planted	24,000
#Parks	31
Annuals Planted	500,000
#Parks	26
Bulbs Planted	15,000
#Parks	10
Sod (3)	110,725

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 yds

Employees by Area	Year-Round	Year-Round & Seasonal
Administration	588	1,505
Beaches and pools	255	968
Landscape	280	750
Security	404	399
North	499	1,215
Central	461	929
South	507	1,077



CPD SPOTLIGHT

Wellness Centers

Wellness Centers are located at Broadway Armory, Humboldt Park, Pottawattomie Park, Douglas Park, Palmer Park, Sherwood Park and more are growing throughout the City of Chicago. These centers are developed to tackle the epidemic of childhood and adult obesity with educational and programmatic prevention services for children and their families. The core programming includes instructional physical activities, fitness arcades, nutrition education, and creative social outlets that encourage healthier lifestyles.



Special Recreation

The Special Recreation Unit provides a diverse range of recreational opportunities for children and adults with disabilities. The Special Recreation Unit is continually working to expand opportunities for younger children, specifically in the range under 7 years old. The Unit



implements the Valor Games in cooperative effort with three organizations to offer wounded veterans a fun competitive opportunity. Also, they are focusing on increasing social opportunities for teens with disabilities, including holiday outings, dance and musical events, as well as team building.

Certified Parks and Recreation Professionals

Every year, the Chicago Park District continues its commitment to helping staff obtain the Certified Parks and Recreation Professional (CPRP) distinction. CPRP is a national standard in the Parks and Recreations field and illustrates the Chicago Park District's ongoing commitment to quality, education, expertise, and experience. To date, over 80 staff have obtained this outstanding national certification.

CHILDREN FIRST

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.



BEST DEAL IN TOWN

Movies in the Parks

June 11 - September 26, 2012
(Picture on Front Cover)

In several neighborhoods, community residents can enjoy the outdoors and see a movie in the parks. The Park District presents movies to the public free of charge, with a variety of family orientated and enriching entertainment. Some films are timeless classics and others are more recent. The movies are launched on a jumbo inflatable screen to be seen near and far with clarity and theater-like sound.

Shakespeare in the Park

July 29 - August 19, 2012

The known Chicago Shakespeare Theatre has



brought the works of one of the world's greatest playwright William Shakespeare to audiences for over 25 years. Now teamed with the Chicago Park District, these

amazing and dazzling productions are available to be seen at selected parks and Navy Pier. These plays offer family friendly humor and humble moral values through timeless universal themes.

Theater on the Lake

June 13 - August 5, 2012

With six decades of drama, suspense, humor, and action, this event continues to draw in audiences that fill seats. Performances are created locally and feature dynamic effects that demand encores. Eight weeks of productions from Chicago's premiere professional theater incorporates eight plays presented during the summer at the historical lakefront pavilion located at Fullerton and Lake Shore Drive. "Sweet Confinement", "OR", "Broke-Ology", "Opus", "Moby Dick", "Hit the Wall", "TJ & Dave", and "Farragut North" were presented to the public. In 2012, the Jeff Awards was presented to Chicago Park District's Theatre on the Lake.

Lincoln Park Art & Music Fair

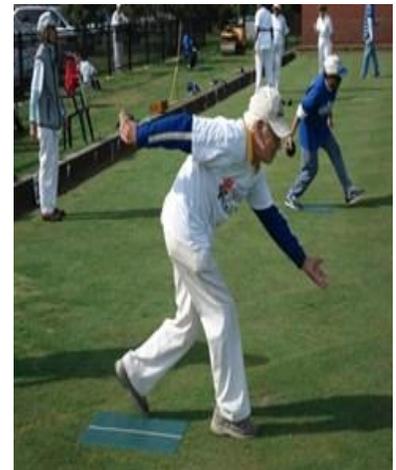
July 7 - 8, 2012

An event for art professionals and enthusiasts alike to purchase original art works from local artists including pastels to oil based paintings, hand created sculptures, crafted jewelry, pottery, and numerous of stained glass pieces that shimmer in the sunlight. The festivities also include an open-air studio, live music, and food.

Senior Games

September 11 - 30, 2012

Age is never a factor; the Senior Games showcases competitive and active seniors in Olympic spirit as they compete in a variety of sporting events: track and field, horseshoes, swimming, shuffleboard, golf, lawn bowling, bocce, basketball and more. The competitors are decorated with medals and other awards upon winning.



BUILT TO LAST

Buckingham Fountain



The Fountain, one of the largest in the world, is located at Columbus Drive (301 East) and Congress Parkway (500

South) in Grant Park and runs from 8:00 a.m. to 11:00 p.m. daily, typically from April to mid-October. While in operation, every hour on the hour for 20 minutes the Fountain produces a major water display and the center jet shoots 150 feet into the air. Beginning at dusk, light and music accompany the water display. The Fountain opened on May 26, 1927 and has since remained one of Chicago's most popular attractions.

Northerly Island

A concert venue was built at the northern end of Northerly Island, the 91-acre peninsula that juts into Lake Michigan at the heart of Chicago's Museum Campus. The 30,000 seat Charter One Pavilion hosts concerts from some of today's most popular artists along with family matinee events. The pavilion's splendid view of the city skyline provides a unique backdrop to the venue's shows and events.



Lincoln Park Zoo

Nestled in the heart of Chicago is Lincoln Park Zoo. The zoo receives CPD funding to operate one of the most significant zoo-based conservation and science program in the country and attracts an estimated 3 million visitors per year. This not-for-profit institution is also one of the country's last remaining free admission zoos.

Garfield Park Conservatory

Referred to as "landscape art under glass," the Garfield Park Conservatory campus occupies two acres of public greenhouse space and 10 acres of outdoor gardens. In 2011, the Garfield Park Conservatory sustained significant damage during a hailstorm. Half of the glass panes in the roofs of the historic Fern Room, Show Room, and ten propagation greenhouses were shattered. To learn more about the Chicago Park District, Garfield Park Conservatory Alliance, and community efforts to restore the conservatory, or to donate, visit:

www.garfieldconservatory.org/one_pane_at_a_time.htm.



South Shore Cultural Center

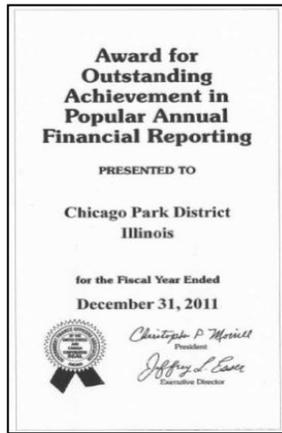
The South Shore Cultural Center is a historic facility that has been recognized as a Chicago Landmark (2004) and is also listed on the National Register (1975). This facility is housed prominently on 64.5 acres. With its magnificent country club-like interior, this facility features a solarium, formal dining hall, Paul Robeson Theater, Washburne Culinary Institute, and the Parrot Cage Restaurant. Green features include a nature sanctuary and a butterfly garden. Outside, the park offers a nine-hole golf course, beach, and open spaces for picnics and walks.



EXTRA EFFORT

GFOA Award

The Government Finance Officers Association (GFOA) has awarded the Chicago Park District the *Award for Outstanding Achievement in Popular Annual Financial Reporting* in 2011. This is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The Chicago Park District's Comptroller's Office was also awarded GFOA's *Certificate of Achievement for Excellence in Financial Reporting* every year since 2006. The Office of Budget and Management received GFOA's *Distinguished Budget Presentation Award* for all of its budgets since 2009.



Kathy Osterman Award Recipients:

Matt Marino, Deputy Chief Program Officer
Winner of outstanding executive employee

Catherine Schick, Finance Manager
Finalist of outstanding professional employee

Kristi Miller, Senior Program and Event Coordinator
Finalist of outstanding general service employee



CAPRA Award

The Chicago Park District has been granted accreditation for standards of excellence in quality and efficiency by the Commission for Accreditation of Park and Recreation Agencies (CAPRA). CAPRA acknowledges that the Chicago Park District has fulfilled requirements exemplifying its commitment to serving its patrons, employees, volunteers and communities.

“The City of Chicago’s incredible park system functions as a catalyst that keeps our community connected through recreation, cultural, and nature,” said Mayor Rahm Emanuel. “This CAPRA accreditation acknowledges and underscores our city’s commitment to parks and our unwavering efforts to improve the quality of life for all, residents and visitors alike.”

LEED Professionals

The Office of Green Initiatives is managed by five Leadership in Energy and Environmental Design (LEED) Accredited Professionals:

Brendan Daley, Cathy Breitenbach, Daniel Cooper, Stephen Grant, Ellen Sargent

LEED professionals exhibit understanding of green buildings through innovational designs, energy efficiency, indoor environment quality, material resourcefulness and sustainability to minimize impacts on the ecosystem.

The Chicago Park District has diligently put forth efforts to capitalize on more environmentally and energy efficient facilities. Presently, the Chicago Park District is the proprietor of 9 LEED certified facilities and an additional 5 in the planning and construction phases.

1. Soldier Field
2. Haas Park Fieldhouse
3. Valley Forge Fieldhouse
4. Jesse Owens Fieldhouse
5. Taylor Lauridsen Fieldhouse
6. Osterman Beach Comfort Station
7. Oakwood Beach Comfort Station
8. DuSable Harbor Building
9. 31st Street Harbor Building

MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis offers readers a narrative overview and analysis of the financial activities of the District for the year ended December 31, 2012. Each year, the District produces a Comprehensive Annual Financial Report (CAFR). The CAFR is prepared using a reporting combination of both government-wide financial statements and fund financial statements. Our financial statements consist of three major components:

- **Government-wide financial statements** include the Statement of Net Position and the Statement of Activities, which provide an aggregate and long-term view of the District's finances. The government-wide financial statements are designed to provide readers with a broad overview of CPD's finances in a manner similar to a private sector companies.
- **Fund financial statements** include the balance sheet and statement of revenue, expenditures and changes in fund balances. The "fund-level" statements give a more detailed view of the revenues and expenditures and show how well the District has performed in its major funds.
- **Notes to the basic financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS AND ANALYSIS

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

	2012	2011	Increase (Decrease)	Percentage Increase (Decrease)
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>

At December 31, 2012, the total assets of the District were \$2.48 billion and exceeded liabilities 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.

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. In addition, the District received approximately \$31 million in land contributions.

MANAGEMENT'S DISCUSSION & ANALYSIS

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.

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.

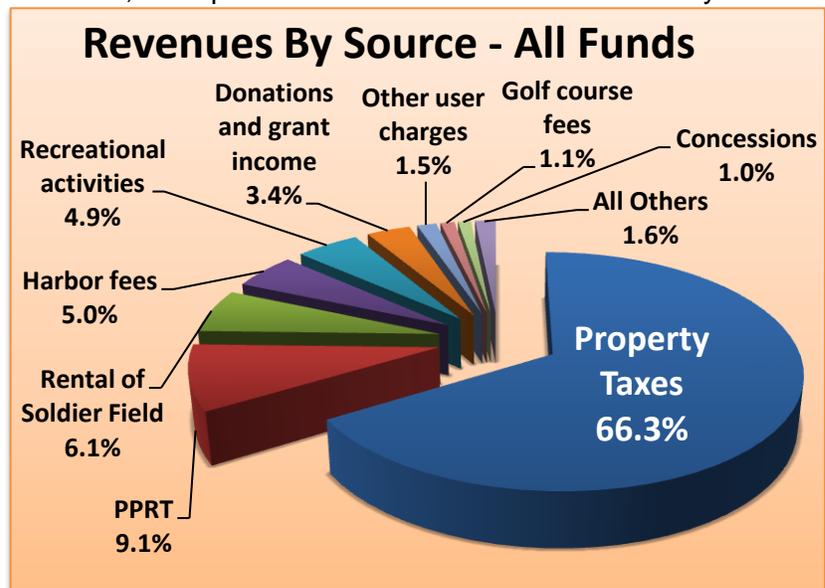
The greatest portion of the District's net position (83.1% or \$952 million), reflects its investment in capital assets, less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide a variety of services, and accordingly these assets are not 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.

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.

MANAGEMENT'S DISCUSSION & ANALYSIS

FUND FINANCIAL STATEMENTS AND ANALYSIS

The fund financial statements are more familiar to regular readers of the traditional Comprehensive Annual Financial Report (CAFR). Major funds are presented individually. Non-major governmental funds are combined in separate schedules. The District's sources (revenues) and uses (expenditures) of resources focus on the District's ability to finance operations in the short-term.

The District maintains 12 individual governmental funds of which five are major. The five major governmental funds are as follows: the General Fund, the Bond Debt Service Fund, the Park Improvements Fund, the Garage Revenue Capital Improvement Fund and the Federal, State and Local Grants Fund. Data from the other seven governmental funds are combined into a single, combined schedule. The total revenue from all funds from the last five years is shown below.

Revenue by Source – All Funds from 2008 Through 2012 (Amounts are in thousands of dollars)

Revenue Source	2008	2009	2010	2011	2012	Increase (Decrease) from 2011
Property Taxes	\$ 268,090	277,740	236,493	301,147	261,320	(39,827)
Tax Increment Financing*	-	-	-	-	5,970	5,970
PPRT	47,991	42,150	44,349	41,340	40,052	(1,288)
Rental of Soldier Field	20,245	24,916	25,315	27,880	29,824	1,944
Harbor Fees	21,796	21,184	21,320	22,456	23,273	817
Recreational Activities	11,317	12,444	13,007	22,023	13,394	(8,629)
Donations and grant income	8,025	9,735	35,457	15,361	27,654	12,293
Other user charges	4,747	5,403	6,349	6,656	13,191	6,535
Golf course fees	321	4,613	4,668	4,782	5,163	381
Concessions	3,833	3,792	4,170	4,387	4,760	373
Rental of other property	2,422	2,376	2,537	2,421	860	(1,561)
Investment income	8,277	1,548	459	379	428	49
Parking fees	1,460	1,548	2,419	2,828	3,516	688
Miscellaneous	787	1,163	2,540	1,051	1,606	555
Northerly Island	897	882	979	703	1,007	304
Other privatized fees	2	3	-	-	-	-
Totals	\$ 400,210	409,497	400,062	453,414	432,018	(21,396)

*Revenue from tax increment financing reported separately from property taxes starting 2012

Overall, revenue decreased by approximately \$21.4 million, primarily as a result of higher property tax collections in the prior year due to timing differences.

MANAGEMENT'S DISCUSSION & ANALYSIS

Expenditures by Function – All Funds from 2008 Through 2012 (Amounts are in thousands of dollars)

Expenditure Function	2008	2009	2010	2011	2012	Increase (Decrease) from 2011
Park operations and maintenance	\$ 101,989	104,769	95,802	107,994	97,169	(10,825)
Recreation programs	88,136	83,472	81,825	81,898	92,920	11,022
Special services	65,739	64,018	67,878	73,531	71,581	(1,950)
General and administrative	58,329	59,692	50,171	50,827	46,746	(4,081)
Capital outlay	93,319	78,120	121,396	132,610	109,248	(23,362)
Debt Service: Principal	43,820	33,418	43,892	46,065	49,994	3,929
Debt Service: Interest	42,397	38,883	39,544	43,002	42,026	(976)
Debt Service: Cost of issuance and other	1,258	327	1,792	1,449	-	(1,449)
Totals Expenditure	494,987	462,699	502,300	537,376	509,684	(27,692)
Total Revenues	400,210	409,497	400,062	453,414	432,018	(21,396)
Excess of Revenues over (under) Expenditures \$	(94,777)	(53,202)	(102,238)	(83,962)	(77,666)	6,296

- Overall, expenditures decreased by \$28 million, mostly due to a decrease of 3 million in capital outlay.
- The revenue, combined for all governmental funds, was \$432 million, while expenditures were \$509.7 million. This resulted in a decrease of \$73 million in fund balance for all governmental funds combined from \$393.4 in the prior year to \$320.4 at December 31, 2012.
- Of the combined fund balances of \$320.4 million reported in the governmental funds, \$33.2 million or approximately 10.37% is available for spending at the government's discretion (*unassigned fund balance*).
- In the General Fund, revenue totaled \$263.5 million, while expenditures were \$253.3 million. This resulted in an increase of fund balance of \$10.5 million in the General Fund from \$185.7 million at the end of 2011 to \$195.9 million at December 31, 2012.

SIGNIFICANT NOTES TO THE BASIC FINANCIAL STATEMENTS

- The District's Pension Fund provides retirement, disability, and death benefits to its members and beneficiaries. The Pension Funds' "Actuarial Accrued Liability" (AAL) funding ratio as of December 31, 2012 was 43.4%. This was a decrease from the AAL funding ratio of 58.0% at June 30, 2011.
- The Park District Retired Employees Healthcare Plan is a single-employer defined healthcare plan which provides medical and prescription drug insurance benefits to eligible retirees, spouses and dependents. The required contribution is based on pay-as-you go financing. Net Other Post-Employment Benefits (OPEB) Obligation (retiree healthcare) at December 31, 2012 was \$16.6 million.
- At December 31, 2012 the District's general obligation bond rating was AAA by Fitch Ratings; Aa2 by Moody's Investor Service; and AA+ by Standard & Poor's.

KEY DEFINITIONS

Actuarial accrued liability – the present value of benefits promised that will not be provided through future normal costs.

Actuarial accrued liability funding ratio – the actuarial value of assets expressed as a percentage of the actuarial accrued liability.

General Fund – one of the five governmental fund types. The General Fund typically serves as the chief operating fund of a government and is used to account for all financial resources except those required to be accounted for in another fund.

Governmental activities – activities generally financed through taxes, intergovernmental revenues and other non-exchange revenues. The activities are usually recorded in the governmental funds.

Governmental funds – funds generally used to account for tax-supported activities. There are five different types of governmental funds:

1. General Fund
2. Special Revenue Fund
3. Debt Service Fund
4. Capital Projects Fund, and
5. Permanent Funds

OPEB – Other Post-Employment Benefits

Net OPEB obligation – the cumulative difference between annual benefit costs and the employer's contribution to the plan.

LOCAL ECONOMY

Business Environment

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.

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.

Data Source: World Business Chicago

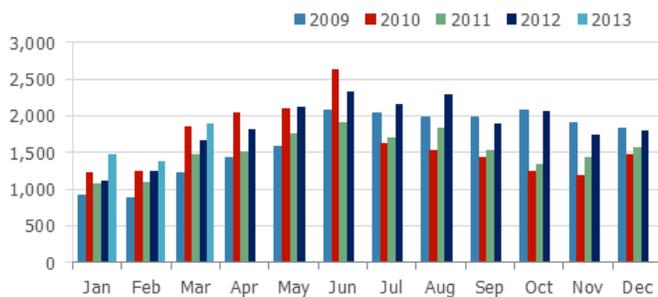
Housing

After a few years of declining home values, sales and increase of foreclosures, Chicago has found a way to stabilize itself and provide signs that the market may be on a rebound. Though the sales of condos have dropped drastically, the purchases of homes have shifted to gain momentum and are expected to turn former losses into profits. Interest rates below 4% enticed consumers to take advantage of a good deal building equity in the likelihood of a spike to come in the future. Rental properties, too, have stabilized and hold strong to closely match the beneficial value of homeownership.

Data Source: World Business Chicago

Total Home Sales

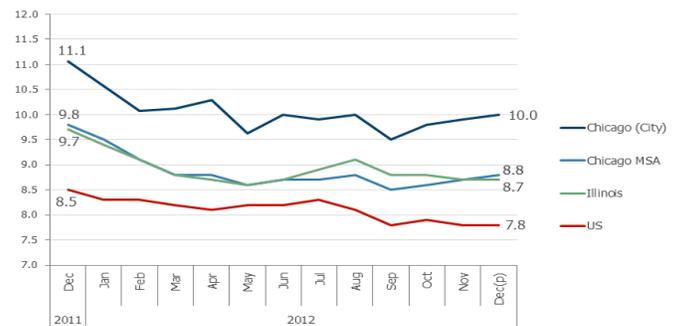
City of Chicago, 2009-2013



Employment

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. Unemployment has tapered down from a high of 11.1 to a 10.0 within the first six months.

Local and National Unemployment Rates
December 2011 - December 2012, seasonally adjusted



Data Source: Illinois Dept. of Employment Security & World Business Chicago

Education

With education being a driver for economic prosperity, Chicago is home to more than 140 public and private post-secondary educational institutions. Collectively, Chicago awards annually an average of 25,000 bachelor degrees, 19,000 master degrees and 4,000 doctoral degrees.

The year 2012 marked a great improvement in the education sector as high-school graduation rate boosted passes 60%.

Data Source: World Business Chicago



CAPITAL IMPROVEMENTS PROJECTS

During 2012, the Chicago Park District acquired more than 190 additional acres of parkland and expanded 11 existing parks across the city. The Park District 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.



Burnham Park – New Playground



Gompers Park – Reconstructed Playground

Ongoing improvements include the following:

- Resurfacing parking lots and pavements
- Build comfort stations along the shore line
- Electrical and plumbing upgrades with better consumable energy efficiency
- Gym renovations
- Modernize locker rooms
- Repair or replace roofing
- Additional lighting towards parks, fields and walkways
- Upgrade from mulch to artificial turf at play grounds
- Retrofit pool inside and outside of facilities
- Build new and improved field houses
- Modify seating along walkways and at sporting areas
- Install ramps and elevators that make the parks accessible to all
- Upgrade technology
- Advance emergency escapes
- Expand parks and playgrounds
- Install water playgrounds
- Add boathouses and marine harbors
- Restore landmarks, outdoor sculptures and other park ground's structure



Greenbaum Park – New Artificial Turf



Ping Tom Park – New Boathouse

COMMUNITY EFFORTS

Advisory Councils

An advisory council is a voluntary group of individuals who meet on a regular basis to support the effective functioning of a park. The Chicago Park District has over 130 registered Park Advisory Councils (PACs) from all areas and regions. Each PAC is made up of community residents with interests in supporting and contributing to their neighborhood park. Anyone interested in joining or forming a PAC can contact the local park supervisor.

Volunteer Program

In addition to joining a PAC, park volunteer opportunities exist for every interest and level of time-commitment. We have one-day options, such as corporate or group projects, environmental stewardship days and special event support, to longer-term options such as coaching, park support and tutoring or mentoring at one of our after school programs.

Volunteer Stewardship Program

The Chicago Park District Volunteer Stewardship Program is a community-based volunteer program that provides hands-on opportunities in ecological restoration, management, monitoring, and nature-based education at park district nature areas. We manage over 50 dedicated natural areas that include prairies and grasslands, shrub lands, savannas and woodlands, beaches and dunes, wetlands, lagoons and ponds, nature gardens, and river edge habitats. The Volunteer Stewardship Program began in 2001 with stewardship days at 10 nature areas. Since then the program has expanded to include over 150 annual stewardship days at 25 nature areas,



and it continues to grow.



The mission of Friends of the Parks (FOTP) is to preserve, protect, improve and promote the use of Chicago's parks, preserves, and recreational areas for the benefit of all neighborhoods and citizens. They are advocates of the communities for improvements and new developments in the parks, and increase use of field houses during the day and night, as well as on weekends. They adhere to the policies of the Lake Michigan and Chicago Ordinance and preserve Lake Shore drive as a boulevard only. FOTP supports the broadening of the tax base for the museums in the parks as well as for the Chicago Botanic Garden and the Brookfield Zoo, and promotes clean water practices in lakefront harbors, beaches, rivers and lagoons.

The Public Trust and Policy Initiative focuses on protecting parks in Chicago by influencing major policy issues and proposals that would impact our parks. Last year's initiatives included "Last Four Miles of Lakefront Parks," "Friends of the Lakefront Trail," "Clean Marinas Program," "Bringing the Classroom Outdoors," "After School Matters Earth Team," and "Seed Grant Program,"

For more information, visit fotp.org.



Parkways Foundation was created in 1994 as an avenue to raise private funds for projects within the Chicago Park District, for the enrichment of the physical and cultural landscape of Chicago's neighborhoods. Over the years, they were provided support for projects and programs that may not otherwise get funded.

PRIVATIZED CONTRACTS

Lakeside Harbors

The Chicago Park District owns the largest municipal harbor system in North America, consisting of 9 harbors with over 5,100 boat slips and moorings. Harbors have appeared prominently in lakefront planning and development since the creation of Burnham and Bennett's plan of 1909. The harbors are managed by Westrec Marina.



Located in the Bronzeville neighborhood on Chicago's south side, the 31st Street Harbor incorporates extensive new community amenities and a 1,000 boat slip marina. The 1,200 foot long breakwater will also create a new underwater habitat and provide opportunities for fishing.

Golf Courses



The Chicago Park District accommodates 6 golf courses, 3 driving ranges, and 2 miniature golf courses managed by Billy Casper Golf. Many of the facilities, such as the Diversey Driving Range, offer

picturesque views of the city and of Lake Michigan.

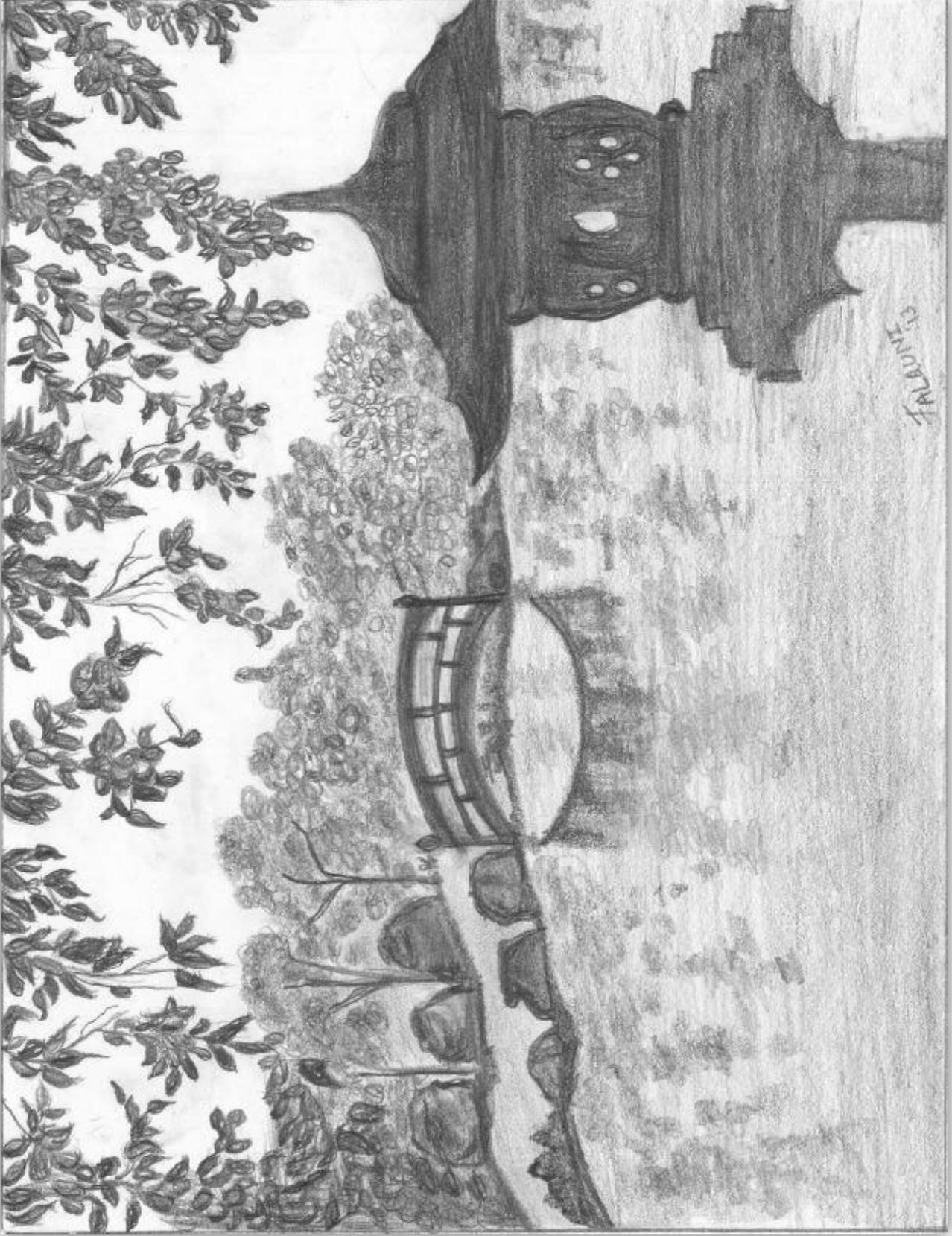
Soldier Field

Soldier Field, one of Chicago's most famous landmarks, opened in 1924 and is the home to the beloved Chicago Bears whom won a championship in 1985. The stadium has a long history of hosting exciting sports and special events including the 15th Chicago Football Classic. This monument is nestled in the city's museum campus.



The surrounding 17-acre park is home to beautifully landscaped grounds and family areas such as the Children's Garden, Sledding Hill and Veteran's Memorial. Soldier Field is managed by SMG.

Soldier Field is the first existing North American Stadium to receive the award of LEED-EB (Leadership in Energy and Environmental Design-Existing Building) Certification and the first NFL stadium to receive the prestigious award.



Drawing by Falguni Desai,
Comptroller's Office

OSAKA GARDEN AT JACKSON PARK

CONTACT US

Administration: 541 N. Fairbanks Chicago, IL 60611 www.chicagoparkdistrict.com	(312) 742-PLAY (312) 742-1529
Special Use Facilities:	(312) 742-4847
Park Concessions Management:	(773) 643-2077
Sports Management Group (Soldier Field):	(312) 235-7000
Westrec Marinas, Inc. (Harbors):	(312) 742-8520
Billy Casper Golf (All Locations):	(312) 245-0909
MLK Entertainment Center:	(312) 747-2602
Museum Partners:	
John G. Shedd Aquarium	(312) 939-2438
DuSable Museum of African American History	(773) 947-0600
Adler Planetarium and Astronomy Museum	(312) 922-7827
Field Museum of Natural History	(312) 922-9410
Museum of Science and Industry	(773) 684-1414
Art Institute of Chicago	(312) 443-3600
National Museum of Mexican Art	(312) 738-1503
Peggy Notebaert Nature Museum	(773) 755-5100
Museum of Contemporary Art	(312) 280-2660
Chicago History Museum	(312) 642-4600
Institute of Puerto Rican Arts and Culture	(773) 486-8345
Standard Parking:	(800) 700-7275
Friends of the Parks:	(312) 857-2757

For more information, please use any of the following communication options:



- **Email:** Sign-up to receive monthly or quarterly newsletters. Go to the Chicago Park District website and click on "contact us" to submit your information.
- **Online:** Visit us at www.chicagoparkdistrict.com to learn more about Chicago Park District programs and services.
- **Social Media:** Stay connected with us via social media for updates and photos on YouTube, Facebook, and Twitter.