

CHICAGO PARK DISTRICT

Chicago, Illinois

Children First

Built to Last

Best Deal in Town

Extra Effort



Popular Annual Financial Report For the Year Ended December 31, 2016



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

Rahm Emanuel, Mayor, City of Chicago

Jesse H. Ruiz, 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

Dear Colleagues and Friends,

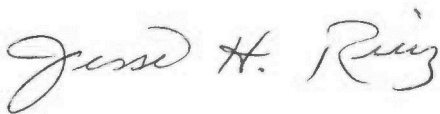
In 2016, the Chicago Park District, along with Mayor Rahm Emanuel and the City of Chicago, announced the "Building on Burnham" initiative that successfully builds on Burnham's own legacy by focusing on parks and recreational spaces. The goal of this initiative, drawing on inspiration from Burnham's original plan, focuses on investing in the Chicago Lakefront, the Chicago River, natural areas and recreational opportunities in neighborhoods across the city. Recent projects include the four completed boathouses along the Chicago River, the Chicago Lakefront trail separation project, constructing pedestrian bridges across Lake Shore Drive, and the renovation of Theater on the Lake.

The Park District continues to be the largest employer of youth in the State of Illinois, with over 6,500 employment and leadership opportunities for teens, including over 1,000 positions supported through a grant. Nike partnered with the Park District to train over 1,500 summer staff through Up2U, a youth development and trauma sensitive coaching curriculum, as well as, generously donating shirts and shoes to summer staff.

We ended 2016 with positive operations in the general fund because of expenditures being less than budgeted due to strong controls and timing of certain revenues. Due to these results, we were able to increase our reserves for future pension obligations.

Thank you for your interest in the Chicago Park District's 2016 Popular Annual Financial Report.

Sincerely,



Jesse H. Ruiz

President, Board of Commissioners



Michael P. Kelly

General Superintendent & CEO



Pictured from left to right: Commissioner Martin Laird Koldyke, Superintendent Michael P. Kelly, Vice President Avis LaVelle, President Jesse H. Ruiz, Commissioner Erika R. Allen, Commissioner Tim King, Commissioner Donald J. Edwards, Commissioner Juan Salgado

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, 2015. 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, 2016. 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 Profile

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 District owns (or leases) 8,816 acres of green space on which rest 598 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), 11 harbors, 20 historic lagoons, and 10 bird and wildlife gardens. From canoeing to batting cages, to arts and crafts, you can find it in our parks.



West Ridge Nature Park



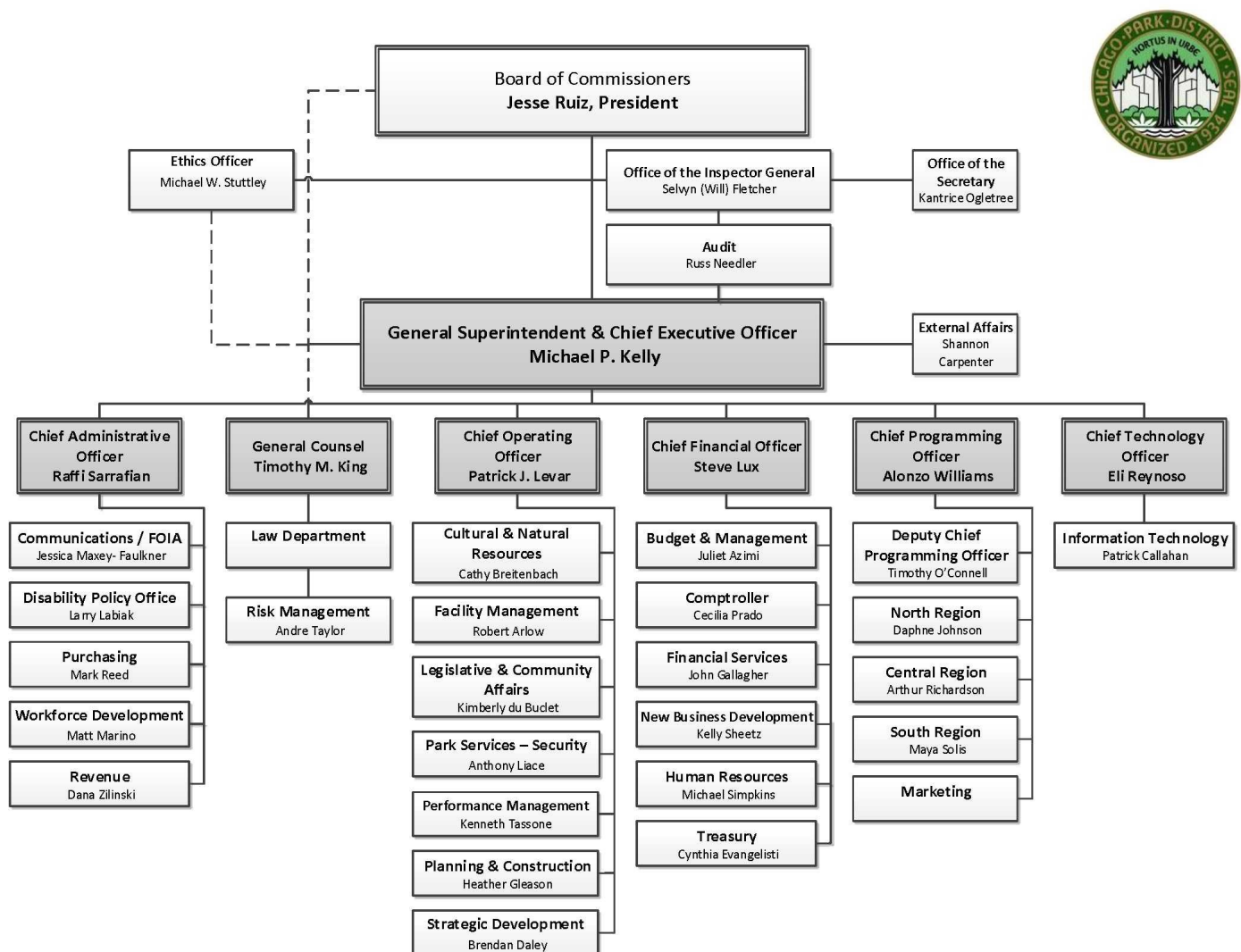
Garfield Park Conservatory

ORGANIZATIONAL STRUCTURE & MANAGEMENT

The Mayor of the City of Chicago appoints the Park 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 recordkeeper, prepares the Board minutes, and moderates the meetings.

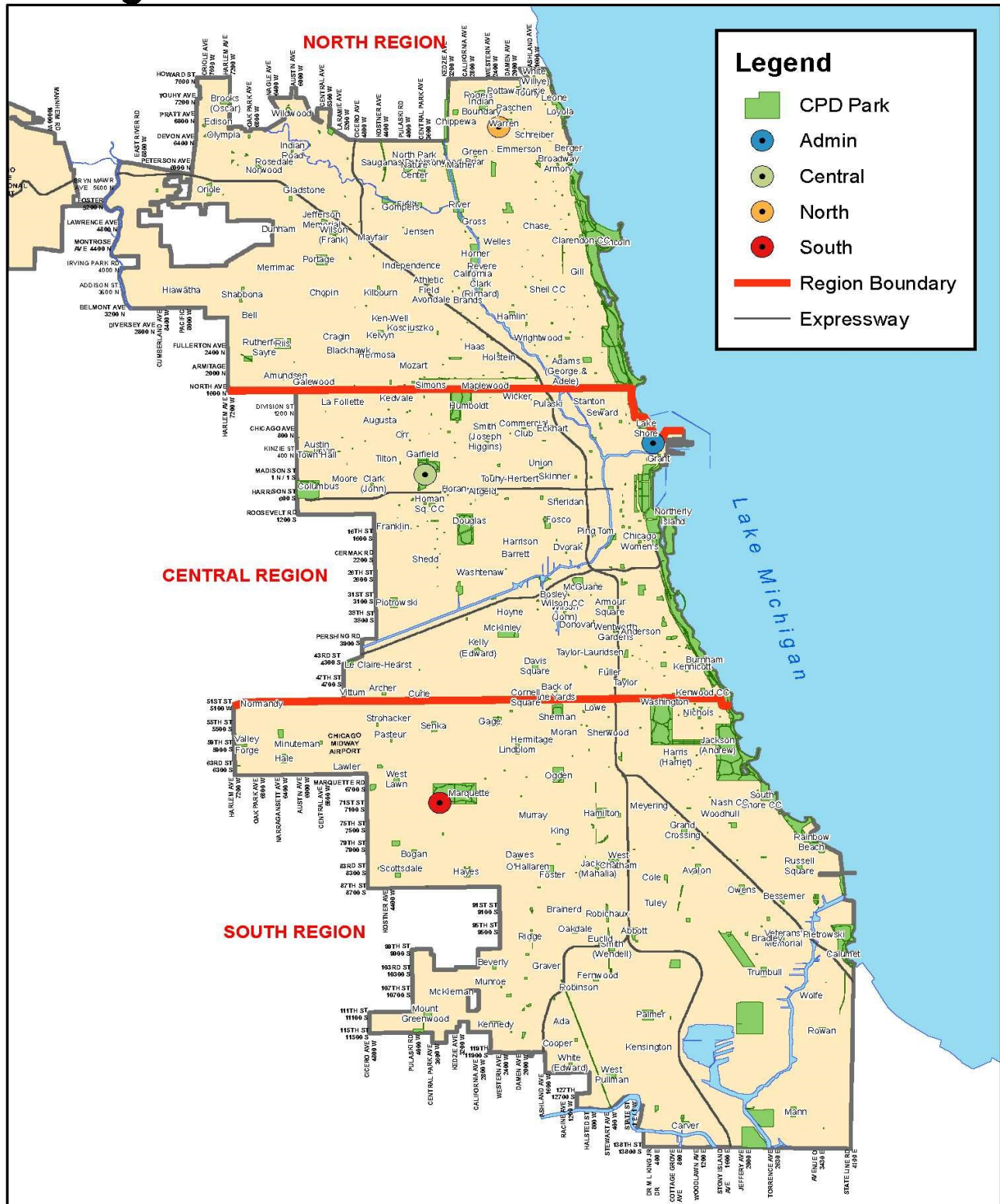
Chicago Park District board meetings take place on the second Wednesday of every month. To obtain more information on meeting locations, dates, and times, please call 312-742-5034 or go to the Chicago Park District website at: <http://www.chicagoparkdistrict.com/departments/board-of-commissioners>

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.



MAP OF PARKS

Chicago Park District Staffed Facilities



Chicago Park District
Dept. of Planning & Construction
November 2014 - JAT

0 1.5 3 6 Miles



STAFFED LOCATIONS



North Region
Daphne Johnson
6601 N. Western
(773) 262-8658

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



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

Area 1 Manager	Area 2 Manager	Area 3 Manager	Area 4 Manager	Area 5 Manager	Area 6 Manager
Marilyn Morales	Derrick Faulkner	Elizabeth Garza	Dan Puente	Michael Hixenbaugh	Tony Fitzgerald
Augusta	Austin Town Hall	Altgeld	Archer	Armour Square	Anderson
Commercial	Clark	Maggie Daley	Cornell Square	Bosley	Ellis
Eckhart	Columbus	Dvorak	Curie	Chicago's Women	Fuller
Humboldt	Douglas	Fosco	Davis Square	Donovan	Kennicott
Kedvale	Franklin	Harrison	Kelly	Eleanor Boathouse	Kenwood
Pulaski	Garfield	Jesse white	LeClaire Courts	Haines	Mandrake
Seward	Homan Square	Lake Shore	Piotrowski	McGuane	Nat. Teacher's Academy
Smith	Lafollette	Northerly Island	Shedd	McKinley	Taylor
Stanton	Moore	Sheridan	Vittum	Ping Tom Park	Wentworth
Wicker	Summer	Skinner	Washtenaw	Taylor- Lauridsen	Wims
	Tilton	Union		Wilson	
				Wilson CC	



South Region
Maya Solis
3344 W. 71st Street
(312) 747-7661

Area 1 Manager	Area 2 Manager	Area 3 Manager	Area 4 Manager	Area 5 Manager	Area 6 Manager
Kathy Voltz	Phil Hampton	Farah Tunks	Ed Affolter	Sabrina Steward	Anita Gilkey
Durkin	Foster	Dyett Rec. Ctr.	Beverly	Abbott	Avalon
Hale	Gage	Grandcrossing	Bogan	Ada	Bessemer
Lawler	Hamilton	Harris	Dawes	Brainerd	Bradley
Michael Madigan Sr.	Hermitage	Jackson	Dooley	Cole	Calumet
Marquette	Lindblom	Meyering	Graver	Cooper	Carver
Minuteman	Lowe	Midway Plaisance	Hayes	Euclid	Gately
Normandy	Martin Luther King Jr.	Nash	Kennedy	Fernwood	Jesse Owens
Pasteur	Moran	Nichols	McKiernan	Jackie Robinson	Mann
Rainey	Murray	Promontory Point	Mt. Greenwood	Palmer	Rainbow Beach
Scottsdale	Ogden	Rosenblum	Munroe	Robichaux	Rowan
Solorio Academy/Senka	Sherman	South Shore Cult. Ctr.	Oakdale	Tuley	Russell Square
Strohacker	Sherwood	Washington	O'Hallaren	Wendell Smith	Trumbull
Tarkington	West Chatman	Washington Refectory	Ridge	West Pullman	Veteran's Memorial
Valley Forge		Woodhull		White	Wolfe
Wentworth					
West Lawn					

OPERATING INDICATORS

Summer Food Program Meals Served		
Central Region:	2015	2016
Total meals	333,188	339,014
Total sites	64	63
Averaged meals served per site	5,206	5,381
North Region:		
Total meals	355,416	342,488
Total sites	73	72
Averaged meals served per site	4,869	4,757
South Region:		
Total meals	358,047	356,103
Total sites	74	75
Average meals served per site	4,838	4,748



Facilities functions—(work orders)		
	2015	2016
Brickwork	68	153
Carpentry	4,276	4,167
Cement and asphalt repair	74	133
Equipment repairs	579	545
Equipment requests	988	1,061
Erecting	461	535
General cleaning	97	52
Inside electric	3,201	3,829
Iron work	741	714
Mechanical	481	940
Moving/hauling	1,472	2,011
Outside electric	1,926	1,965
Painting	2,701	3,448
Plastering/painting	79	98
Playground repair	1,806	1,949
Plumbing repair	5,004	6,974
Roofing repair	212	241
Total work orders completed	24,166	28,815
Total # of work orders	25,419	29,735
Percentage	95%	97%



Employees by Area				
	Year Round 2015	Year round & seasonal 2015	Year Round 2016	Year round & seasonal 2016
Administration	695	1,460	691	1,580
Beaches and pools	288	954	303	985
Landscape	233	724	289	852
Security	291	296	286	280
North	486	1,208	596	1,219
Central	500	943	510	1,049
South	498	1,075	513	1,084
Total	2,991	6,660	3,088	7,049

Park and Region Programming		
	2015	2016
Total # of Movies in the Park	200	204
Total # of Concerts in the Park	509	538
Performances at Theatre on the Lake	49	47
Number of Theater Companies	17	19
Youth registrations	163,789	172,663
Total registrations	354,032	377,388
Total online registrations	142,322	160,148
Percentage of online registrations to total registrations	40.20%	42.44%

Department of Natural Resources functions		
	2015	2016
Landscape Operations:		
Mowing (1)	7,171	7,530
Cleaning (1)	7,727	8,113
Assigned Staff	206	206
Waste Management:		
Contractor-Normal Waste Pickup (2)	6,199	6,496
Contractor- Recyclables (2)	902	724
CPD (Lakefront Only)- Normal Waste Pickup (2)	1,472	1,659
CPD (Lakefront Only)- Recyclables (2)	845	843
Herbaceous Organic Waste	2,610	2,490
Forestry:		
Forestry – Tree removals	2,434	4,055
Forestry – Pruning/Trimming	9,538	10,115
Tree Debris Pickup	3,696	8,712
Stump Removals	2,434	3,906
Trees and Floral:		
Trees Planted	3,299	3,589
#Parks	85	68
Shrubs Planted	259	728
#Parks	6	19
Perennials Planted	2,240	3,500
#Parks	6	13
Annuals Planted	89,000	95,000
#Parks	20	20
Bulbs Planted	2,500	10,000
#Parks	1	1
Sod (3)	66,615	47,655
Snow removal is performed by regularly assigned staff for all snow events each year.		
(1) Amounts in acres; mowing acreage is estimated		
(2) Amount in tons		
(3) Amounts in yards		

CPD SPOTLIGHT

Teen Color Run



The Park District is always on the lookout for cool activities for the teens. We love it when we find something extra special! Our teens got covered in color at Horner Park for the 1st Teen Color Run. More than 100 teens dressed in white t-shirts and got bathed in an array of colors as they ran the path in the park. At the finish line they participated in interactive games, refueled on refreshments and enjoyed some cool tunes. One of the things the teens really enjoyed was the opportunity to meet new people. With the diverse group of teens from a dozen parks and outside youth groups from across the north side, new friendships have been made.



Our Teen Leadership group continues to grow both in numbers, as well as those individual's confidence in their future.

Washington Park Dance Recital



Washington Park hosted a dance recital for children ages 3-11. To the delight of parents and the community, the children displayed their skills in various form of dance including ballet, hip-hop, tap, and modern. The Park District encourages young children and adults to use dance as a cultural expression in their daily lives to promote a healthy lifestyle and mind.



Senior Hawaiian Luncheon



The Park District celebrated our Seniors at a Hawaiian luncheon in April of 2016. More than 250 seniors from a dozen parks from the north side enjoyed an afternoon of conversation, dancing, healthy lunch, and entertainment. The lively group was treated to an authentic Hawaiian dance performance by Aloha Chicago! Through audience participation, they experienced the true culture of Polynesia. After the performance, the seniors were able to hit the floor for a little line dancing, swing, and hula. Everyone had a great time catching up with friends from neighboring parks and our staff did an awesome job!



Examples of Programs offered by the Chicago Park District

*Check www.chicagoparkdistrict.com for more programs

Aquatics

Lessons
Sailing
Fitness

Camps

Sports
General Interest
Special Interest

Culture and Arts

Creative Writing
Dance
Drawing

Wellness

Fitness
Nutrition
Walking

General Events

Banquets
Community Meetings
Festival

Gymnastics

Competitive
Recreational
Tumbling

Sports

Boxing
Hockey
Rugby

CHILDREN FIRST



Best Deal in Town



Garfield Park Conservatory

Piano in the Park

Presented in partnership with Rush Hour Concerts (now International Music Foundation), seven pianos were placed in seven parks for all patrons to play during regular park hours. The pianos, donated by Keys 4/4 Kids, were launched on June 21st as part of Make Music Chicago and remained in the parks until August 1st. All park supervisors reported regular use of the pianos throughout the six weeks the pianos were outside. Garfield Park Conservatory had kids from their summer camp paint their piano.



Calumet Park

Outdoor Fitness Station



Burnham Park

The Chicago Park District received grant funding from the Coca-Cola Company to design and construct a unique and state-of-the-art outdoor fitness course to align with the District's desire to enhance health-promoting recreational opportunities for all residents. Located at 39th Street in Burnham Park, the project includes the installation of several free-standing, low maintenance fitness equipment pieces such as a horizontal ladder, parallel bars, pull-up bars, and step test stations. There are currently over 12 stations citywide.



Burnham Park

Art In the Parks

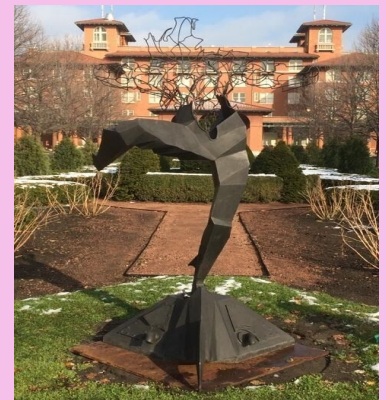
In 2016, Public Art Initiatives at the Chicago Park District placed dozens of works of art in parks throughout the city. These public art installations come from a range of internationally renowned artists as well as from talented artists living and working right here in Chicago.



Tom Friedman
Looking Up
48th and Lakefront path



Yoko Ono
Sky Landing
Jackson Park



Eric Stephenson
Emergence #11
South Shore Cultural Center

BUILT TO LAST



This bronze portrait bust of U.S. Chief Justice Melville Weston Fuller is a replica of the marble sculpture located in the Supreme Court Building in Washington, D.C. As the attorney for the South Park Board of Commissioners from 1882 to 1886, Fuller made several decisions that were instrumental to Chicago's parks, particularly concerning the development of the lake-front.

William Ordway Partridge (1861–1930), a highly regarded American artist, sculpted a marble portrait bust of Fuller for the Capitol Building in Washington, D.C. Partridge had a long and successful career. Today, his work can be seen at the Metropolitan Museum of Art in New York, the National Cathedral in Washington D.C., and in Jamestown, Virginia.

Soon after Fuller's death in 1910, the South Park Commissioners named a new small park in his honor. Through a fund established by South Park Board President Judge John Barton Payne, the commissioners had the replica of the Washington, D.C. bust made for Fuller Park in 1912. The bronze bust stands on a limestone pedestal located in an architectural niche in the courtyard of the Fuller Park field house.

When David Wallach—a south side resident who owned a successful photographic supply business—died in 1894, he left money in his will for several Chicago charities. As a horse-lover, Wallach had provided \$5,000 to commission a fountain in Burnham Park to provide refreshment for “man and beast.” After a long delay, sculptors Elisabeth Haseltine Hibbard (c. 1894-1950) and Frederick C. Hibbard (1881-1950) were commissioned in the 1930s to create the fountain. Although the monument did not include a horse trough, it has a pool for birds and dogs and drinking fountains for children and adults. Frederick Hibbard created the elegant polished marble fountain. His wife, Elisabeth, sculpted the bronze fawn that graces the top of the fountain.



Soka Gakkai International (SGI), a worldwide network of lay Buddhists with headquarters in Tokyo, Los Angeles, and Chicago is an organization dedicated to a common vision of a better world through the empowerment of the individual and the promotion of peace, culture and education. In 1960 the group's leader, Daisaku Ikeda, visited Chicago and witnessed an act of racial injustice in Lincoln Park. The incident led him to further his commitment to pursuing peace and justice for all human beings.

SGI commissioned Chicago sculptor Margo McMahon to produce the bronze sculpture entitled Peace and Justice. It depicts two children of different backgrounds playing ball with each other harmoniously. Margo McMahon's other outdoor artworks include the Monsignor John Eagan Monument at DePaul University and Boy Gardener sculpture at the Chicago Botanic Garden.

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 2015. 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.

**Online Merchandise**

The Chicago Park District launched its first online merchandise store in 2016 to celebrate the parks and their rich history. Patrons have access to merchandise that is unique to Chicago's park system. Chicagoans will now be able to wear the name of their local park proudly, and remember their favorite moments in the park with Chicago Park District memorabilia.

CAPRA Accreditation

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."

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, 2016. 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 the District's finances in a manner similar to 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 OVERALL FINANCIAL ANALYSIS

The **Statement of Net Position** presents financial information on all of the District's assets, deferred outflows of resources, liabilities, and resulting net position. The following is a summary as of December 31, 2016 and 2015 (amounts are in millions of dollars):

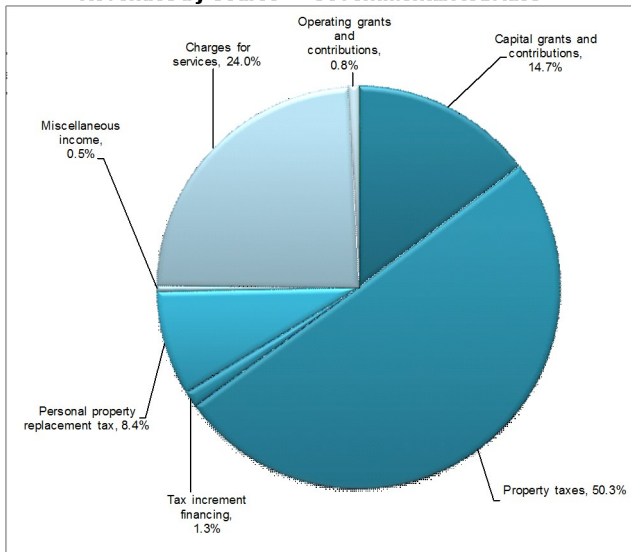
	2016	2015	Increase (Decrease)	Percentage Increase (Decrease)
Assets:				
Current and other assets	\$ 634	\$ 595	39	6.6 %
Capital assets	2,071	2,050	21	1.0
Total assets	2,705	2,645	60	2.3
Deferred Outflows of Resources:				
Deferred amount on refunding	9	8	1	12.5
Deferred pension outflows	53	37	16	43.2
Total deferred outflows	62	45	17	37.8
Liabilities:				
Long-term obligations	1,506	1,446	60	4.1
Other liabilities	248	261	(13)	(5.0)
Total liabilities	1,754	1,707	47	2.8
Net position:				
Net investment in capital assets	1,171	1,185	(14)	(1.2)
Restricted	166	164	2	1.2
Unrestricted	(324)	(366)	42	(11.5)
Total net position	\$ 1,013	\$ 983	30	3.1 %

At December 31, 2016, the total of assets and deferred outflows of resources of the District were \$2.77 billion and exceeded liabilities by \$1.01 billion (net position). Of this amount, \$1.17 billion is net investment in capital assets. Capital assets including land, buildings and equipment ended the year with a balance of \$2.07 billion, net of accumulated depreciation. This is an increase of nearly \$22 million over 2015. Total capital outlay for 2016 was \$61.3 million in comparison to the \$89.1 million spent on capital projects in 2015.

MANAGEMENT'S DISCUSSION & ANALYSIS

The District's total net position increased by approximately \$30 million from 2015, primarily as a result of the increase in cash and investments of approximately \$39 million, resulting from positive operating results, as well as an increase in capital assets of approximately \$21 million. The increase in assets was offset by an increase in total liabilities of approximately \$47 million, of which a significant portion is an increase in long-term obligations.

Revenues by Source — Governmental Activities



Net Position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$1,013 million at December 31, 2016. The greatest portion of the District's net position (115.6% or \$1,171 million), reflects its investment in capital assets, less any related outstanding debt (net of deferred outflows of resources) 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 \$166 million), represents resources that are subject to external restrictions on how they may be used. The remaining balance is an unrestricted deficit of \$324 million.

Revenues from all governmental activities in 2016 were \$525 million. This reflects an increase of \$1 million from 2015. This change is due to the following:

- ◆ **Charges for Services** increased by \$2 million as a result of increased events/revenue at Soldier Field.
- ◆ **Tax Increment Financing** increased by \$2 million.
- ◆ **Property Taxes** increased by \$1 million.
- ◆ **Personal Property Replacement Tax** increased by \$1 million.

This \$6 million revenue increase was offset by a decrease in capital grants and contributions of \$5 million.

Expenses for governmental activities in 2016 were \$495 million. This reflects an increase of \$26 million from 2015. This change is due to the following:

- ◆ **Personnel Costs** increased by \$5 million, primarily due to increases in programming during the year.
- ◆ **Contractual Services** increased by \$3 million, primarily due to an increase in Soldier Field events and the expenses associated with increased programs (Night Out in the Parks).
- ◆ **Pension Expense** increased by \$17.5 million, of which \$12.5 million was due to the supplemental contributions made in 2015 and recognized in 2016. The increase is also due to an actuarial determination that increased the net pension liability.
- ◆ **OPEB Expense** increased by \$2 million, due primarily to an increase in the OPBB obligation.
- ◆ **Depreciation Expense** increased by \$7 million, primarily due to more depreciable assets in service.

MANAGEMENT'S DISCUSSION & ANALYSIS

FUND FINANCIAL STATEMENT AND ANALYSIS

The fund financial statements are more familiar to 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 9 individual governmental funds of which 5 are major. The five major governmental funds are as follow: 1) General Fund, 2) Bond Debt Service Fund, 3) Park Improvements Fund, 4) Garage Revenue Capital Improvements Fund and 5) Federal, State and Local Grants Funds. Data from the other four governmental funds are combined into a single schedule. The total revenue from all funds from the last five years is shown below.

Revenue by Source—All Funds from 2012 through 2016 (Amounts are in thousands of dollars)

Revenue Source	2012	2013	2014	2015	2016	Increase (Decrease) from 2015
Property taxes	\$ 261,320	236,145	262,333	261,146	285,334	24,188
Tax increment financing	5,970	2,740	3,885	5,086	7,050	1,964
Personal property replacement tax	40,052	45,716	44,601	42,602	43,838	1,236
Rental of Soldier Field	29,824	34,554	36,036	42,418	39,726	(2,692)
Harbor fees	23,273	23,466	23,625	23,850	24,698	848
Recreational activities (net of discounts)	13,394	12,579	13,375	13,601	13,465	(136)
Donations and grant income	27,654	78,383	59,345	43,515	35,024	(8,491)
Other user charges	13,191	11,605	1,740	4,586	6,668	2,082
Golf course fees	5,163	5,206	4,900	5,308	5,369	61
Concessions	4,760	4,519	3,529	3,726	3,967	241
Rental of other property	860	1,189	1,399	1,060	813	(247)
Investment income	428	144	212	522	1,193	671
Parking fees	3,516	3,750	4,146	4,768	5,349	581
Miscellaneous	1,606	2,763	1,344	1,597	1,471	(126)
Northerly Island	1,007	1,207	1,651	1,211	812	(399)
Permits	-	-	12,396	14,173	15,809	1,636
Totals	\$ 432,018	463,966	474,517	469,169	490,586	21,417

Note

- ◆ Permits were reported under "other user charges" in 2013 and prior years.

Overall, revenue increased by approximately \$21.4 million. This was primarily a result of a property taxes income increase of \$24.2 million, mostly due to a timing difference of the collection of property taxes during the first 60 days subsequent to year-end. This increase was offset by a decrease in donations and grant income of \$8.5 million, and a decrease in the rental of Soldier Field of \$2.7 million in comparison to 2015.

MANAGEMENT'S DISCUSSION & ANALYSIS

Expenditures by Function—All Funds from 2012 through 2016 (Amounts are in thousands of dollars)

Expenditure Function		2012	2013	2014	2015	2016	Increase (Decrease) from 2015
Park operations and maintenance	\$	97,169	104,591	110,775	114,757	127,006	12,249
Recreation programs		92,920	98,628	104,632	107,805	116,910	9,105
Special services		71,581	72,234	74,495	88,299	88,165	(134)
General and administrative		46,746	44,167	38,535	40,628	37,430	(3,198)
Capital outlay		109,248	115,812	144,507	89,121	61,273	(27,848)
Debt Service: Principal		49,994	46,094	51,716	38,924	44,138	5,214
Debt Service: Interest		42,026	41,549	36,673	41,951	38,874	(3,077)
Debt Service: Debt issuance costs		-	1,012	1,715	1,322	1,013	(309)
Totals Expenditures		509,684	524,087	563,048	522,807	514,809	(7,998)
Total Revenues		432,018	463,966	474,517	469,169	490,586	(21,417)
Deficiency of revenues over expenditures	\$	(77,666)	(60,121)	(88,531)	(53,638)	(24,223)	(13,419)

The District's governmental funds reported combined ending fund balances of \$339.2 million, an increase of \$54.1 million from the prior year amount of \$285.1 million. Approximately 8.9% of this amount (\$30.1 million) constitutes *unassigned fund balance*. The remainder of the balance is not in a spendable form (\$1.5 million *nonspendable*), restricted for particular purpose (\$106.7 million *restricted*), committed for particular purposes (\$126.8 million *committed*), or assigned for particular purpose (\$74.1 million *assigned*).

- The General Fund is the primary operating fund of the District and reported an ending fund balance of \$207.9 million. This includes a \$96 million balance from working cash balances. A fund balance reserve policy was established on January 28, 2009, to require a minimum balance in the amount of \$85 million.
- In the General Fund, revenue totaled \$314.9 million, expenditures totaled \$309.5 million, and transfers out totaled \$950 thousand. This resulted in an increase of fund balance of \$4.4 million in the General Fund from \$203.4 million at the end of 2015 to \$207.9 million at December 31, 2016.

Significant Notes To The Basic Financial Statements (for complete Notes to Basic Financial Statements see the Comprehensive Annual Financial Report)

- For the year ended December 31, 2016, the total pension liability was \$910 million and the net pension liability was \$517 million. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015.
- For the year ended December 31, 2016, the District recognized total pension expense of \$44.7 million.
- In November 2016, the District issued \$94.8 million of General Obligation Bonds, Series 2016A – C and E. The District issues bonds (1) to finance various capital projects such as acquisition and development, facility rehabilitation, site improvements, and special facilities; (2) for the repayment of draws for the Series 2016 Bond Anticipation Notes and (3) to refund all or certain maturities of Series 2006 and 2008.
- The District's general obligation bond rating was AA+ by Standard & Poor's, AA- by Fitch Ratings, AA by Kroll Bond Rating Agency, Inc. and Ba1 by Investors Service (Moody's).

MANAGEMENT'S DISCUSSION & ANALYSIS

KEY DEFINITIONS

Assets—property owned; for example, cash, investments, inventory and accounts receivable.

Capital Asset—the District's capital asset includes land, works of art and historical collections, construction in process, infrastructure, site improvements, harbor and harbor improvements, stadium and stadium improvements and equipment.

Bond Ratings—a bond rating is used to inform investors about the riskiness of a bond and the financial stability of the issuer.

Debt Service—governmental fund type used to account for accumulations of resources that are restricted, committed, or assigned to expenditure for principal and interest.

Deferred Outflows—a use of net assets that is applicable to a future reporting period.

Depreciation—decrease in value of asset. Usually the cost of an asset allocated over the estimated useful life.

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.

General obligation bonds—debt issued as a means to raise money, usually for capital projects.

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
5. Permanent Fund

Liabilities—debt or money owed.

Net Pension Liability—total amount of future pensions minus the amount available to make those payments.

Net Position—the amount of assets and deferred outflows of resources remaining after liabilities; this is a useful indicator of a government's financial health.

LOCAL ECONOMY

Business Environment

Chicago is one of the most diverse economies in the nation, with no single sector of the economy representing more than 25% of the City's workforce and a gross domestic product of \$592 billion. In fact, professional and business services sector is again the largest sector of Chicago's workforce, which demonstrates the City's conversion from a manufacturing base. This diversity produces fiscal stability from mature industries and promotes the growth of emerging industries such as technology, tourism, biotech and life sciences. In 2016, investment in emerging companies from venture capital funds was approximately \$880 million.

Employment

The Chicago economy added 8,390 jobs in 2016 led by the professional and technical services and accommodation and food services sectors. Although new jobs were added, the unemployment rate increased from 6.4 percent in 2015 to 6.5 percent in 2016. Annual salaries increased significantly to approximately \$59,000. Office space continued to be absorbed with the central business district's office vacancy rate reduced to 10.2 percent in 2016 from 11.4 percent in 2015. Business expansion and relocations to Chicago continued in 2016 with over 140 expansions. The largest expansion was the announcement of McDonald's moving 2,000 employees from its corporate headquarters in Oakbrook to Chicago's west loop. Other signifi-

Education

According to the most recent census, approximately 165 thousand undergraduates are enrolled in Chicago. Along with approximately 69 graduates students, Chicago's total college and university enrollment is over 234 thousand. Home to these numerous colleges and universities that provide the area with a resource of talent for these new industries. In fact, 33 percent of Chicagoans have a college degree.



Tourism

Tourism has been an important part of Chicago's economy and in 2016, tourism grew by 2.9 percent to 54.1 million visitors coming from all over the globe. Chicago draws business, convention, and leisure travelers to its numerous cultural and recreational attractions, professional sports teams, festivals, museums, parks, restaurants and much more. Because of the strong tourism, hotel occupancy was over 75 percent even with close to 1,600 rooms added to the hotel inventory.

CAPITAL IMPROVEMENT PROJECTS



11555 S. Stony Island Ave. Chicago, Illinois 60617

Park 564 “**Big Marsh**” is a 278 acre property on the southeast side of Chicago in the area commonly known as the Calumet Area Reserve. Once an active industrial property, the site was acquired by the Park District in 2011 and opened as a new public park in 2016. The vision of Big Marsh is to provide a new type of recreation in Chicago that marries habitat restoration with public use. Roughly 45 acres are developed for eco-recreation opportunities including hiking, adventure courses, and off-road biking. The eco-recreation elements are located primarily on existing slag fields where plants have a hard time growing and good habitat creation is unlikely. Other acreage is reserved for more passive recreation including bird-watching and nature walking. Through much planning, investment, and local stakeholder input, Big Marsh is now a safe, open, and inviting park space for Chicago and the neighboring communities.



3520 S. Cottage Grove Ave. Chicago, Illinois 60653

Ellis Park totals 9.86 acres. Outdoor features include tennis courts, athletic fields for football or soccer, and a soft-surface playground. In 2015, the Chicago Park District broke ground to build a new fieldhouse at Ellis Park. Opened in the summer of 2016, the Arts and Recreation Center at Ellis Park, is a \$18 million state-of-the-art facility providing 32,000 square feet of facility space that includes a five-lane competitive pool, a gymnasium, a fitness center, multi-purpose arts and community spaces, a rooftop terrace, locker rooms and administrative space.

The Arts and Recreation Center at Ellis Park will be operated by the Chicago Park District and provide afterschool and summer youth programming, family activities, arts and cultural offerings, health and wellness programming, and community events for residents of all ages.



2828 S. Eleanor Street. Chicago, Illinois 60608

Located in the Bridgeport community, **Park No. 571** totals 3.06 acres and contains a two-building boathouse facility with rowing training and a boat storage facility.

The first building is 5,832 square feet and features a mechanically heated training facility with an open plan for a ergometer workout space, including 57 “erg” machines. This facility also contains a multi-purpose community room, main office and restrooms.

The boat storage building is 13,171 square feet and includes a rowing office, four (4) team storage bays, a heated boat storage repair bay, vending area and a clear span boat storage space that includes five (5) unheated boat storage bays to store 66 rowing shells and support equipment. The new park also includes a floating boat launch and dock and new pedestrian access to riverfront.

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 about 200 registered Park Advisory Councils (PACs). Anyone interested in joining or forming a PAC can contact the local park supervisor.

Nature Area Volunteer Stewardship Program

The Volunteer steward works collaboratively with District staff and contractors to protect, maintain, and restore the natural integrity of their adopted nature area. A volunteer steward coordinates and oversees the volunteer management and restoration of a Chicago Park District nature area. Benefits of becoming a volunteer steward include learning about native Illinois flora and fauna, gaining hands on experience with ecological restoration, developing new leadership skills, and working with volunteers to enhance Chicago's nature areas.

For more information, visit:
www.chicagoparkdistrict.com/jobs.volunteering/nature



The Chicago Parks Foundation was created in 2012 as an avenue to raise funds in support of the programs and facilities of the Chicago Park District.

For more information visit:
www.chicagoparksfoundation.org

Volunteer Program

Volunteering opportunities exist for every interest and level of time commitment including:

- ♦ One-day options (corporate/group, environmental stewardship days, special events)
- ♦ Longer-term options (coaching and sport instruction, conservatory support, tutoring/mentoring at after school programs and camps, community gardening, nature area monitoring and stewardship, and docent programs).

For more information, visit:
www.chicagoparkdistrict.com/volunteer.



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.

Friends of the Parks (**FOTP**):

- ♦ Provides support to neighborhood park advisory councils.
- ♦ Works with volunteers on park cleanup and beautification projects.
- ♦ Offers park tours and lectures in an effort to increase park awareness and participation.
- ♦ Established the Public Trust Program to ensure that proposed development on public park lands and lakefront is in compliance with the Lake Michigan and Chicago Lakefront protection ordinance.

For more information, visit: www.fotp.org.

PRIVATIZED CONTRACTS

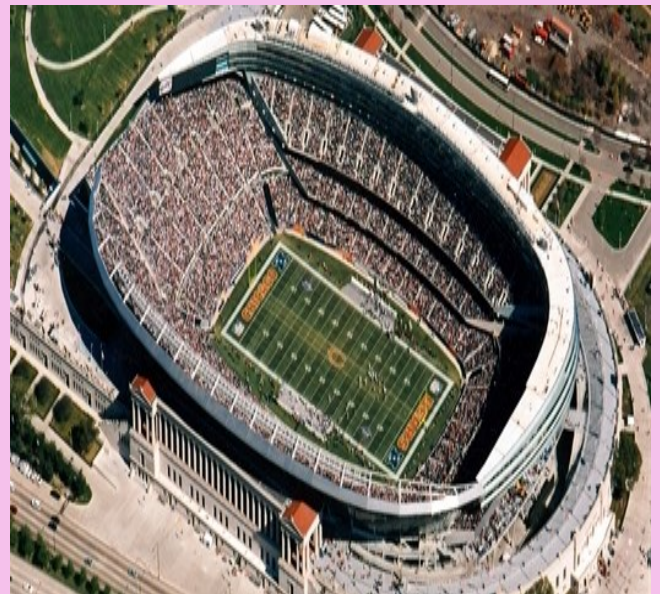
The Chicago Park District's 11 harbors stretch from Lincoln Park in the northern part of the city to Jackson Park in the south. With accommodations for more than 5,000 boats, these harbors constitute the nation's largest municipal harbor system and feature state-of-the-art floating docks, moorings, star docks, fuel facilities and other amenities for Chicago boaters and their guests. The harbors are currently managed by Westrec Marinas of Encino, California in partnership with the Chicago Park District



The Chicago Park District accommodates 6 golf courses, 3 driving ranges, and 1 miniature golf course, all managed by Billy Casper Golf. The facilities stretch across Chicago and offer picturesque views of the City and Lake Michigan. The courses are managed with the goal of making them greener and more eco-friendly in every facet of maintenance and operation, while ensuring they are well groomed, impeccably maintained, and in a clean, attractive, and safe manner at all times.

Soldier Field, one of Chicago's most famous landmarks, opened in 1924 and is the home to the beloved Chicago Bears. The stadium has a long history of hosting exciting sports and special events. In 2016, concerts included Beyoncé and Guns N' Roses. In addition, the Irish Rugby Football Union defeated the New Zealand All Blacks for the first time in 111 years in front of the largest crowd to ever watch a rugby match in the United States. 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 Veterans Memorial. Soldier Field is managed by Sports Management Group (SMG). Soldier Field is the first 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.



FEATURED PARKS



Lincoln Park (at Fullerton Ave. and Lake Shore Drive), Theater on the Lake

CPD Special Collections, ca. 1925

Originally known as the Daily News Fresh Air Fund Sanitarium, the current site was once two successive open-air "floating hospitals" in Lincoln Park that were built between the 1870s and the 1900s on piers on Lake Michigan. In 1953, the building was converted to its current purpose, Theater on the Lake. Theater on the Lake now provides, year-round programming of contemporary plays presented in a restored 1920s-era building with lake views.

CONTACT US

Administration:

541 N. Fairbanks
Chicago, IL 60611

www.chicagoparkdistrict.com

(312) 742-PLAY

(312) 742-7529

Special Event Venues

(312) 742-4847

Privatized Contracts:

Park Concessions Management

(312) 750-1035

Sport 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

Standard Parking

(877) 638-3716

Museum Partners:

John G. Shedd Aquarium

(312) 939-2438

DuSable Museum of African American History

(312) 947-0600

Adler Planetarium and Astronomy Museum

(312) 922-7827

Field Museum of Natural History

(312) 922-9410

Museum of Science and Industry

(312) 684-1414

Art Institute of Chicago

(312) 443-3600

National Museum of Mexican Art

(312) 738-1503

Peggy Notebaert Nature Museum

(312) 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

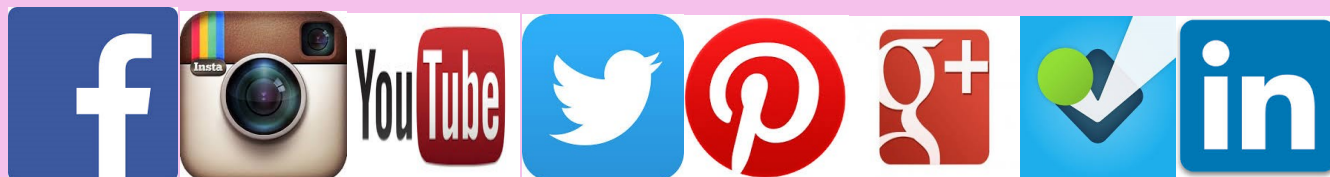
Friends of the Park:

(312) 857-2757

Chicago Parks Foundation:

(312) 742-4781

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.