



# CHICAGO PARK DISTRICT

## Chicago, Illinois

### Popular Annual Financial Report For the Year Ended December 31, 2017



**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**





# TABLE OF CONTENTS



**Commissioner’s Letter.....1**

**Comptroller’s Message.....2**

**Organizational Structure & Management.....3**

**Map of Parks.....4**

**Staffed Locations.....5**

**Operating Indicators.....6**

**CPD Spotlight.....7**

**Core Values**

**Children First.....8**

**Best Deal in Town.....9**

**Built to Last.....10**

**Extra Effort.....11**

**Management’s Discussion & Analysis.....12-16**

**Local Economy.....17**

**Capital Improvement Projects.....18**

**Community Efforts.....19**

**Privatized Contracts.....20**

**Featured Parks.....inside back cover**

**Contact Us.....back cover**

# COMMISSIONER'S LETTER

Dear Colleagues and Friends,

The Chicago Park District celebrated several significant milestones in 2017. First and foremost, the Park District successfully expanded its reach into Chicago's neighborhoods by increasing the number of public green space to over 600 parks and 320 acres of additional nature areas. Over 99% of Chicago residents live within a 10 minute walk of a park.

As the park system grows, careful attention is invested in maintaining historic infrastructure that distinguishes our park system from others. The Chicago Park District along with other partners completed and started several new major capital projects in 2017. The iconic lakefront cultural space Theater on the Lake was completely renovated into a year round, multipurpose special event space.

Programmatic achievements were equally as significant. The 2017 winter session set a record with over 90,200 enrollees followed by a spring session record that exceeded 105,000 enrollees. For the first time in the history of our summer camp, every available slot was filled. Our "Heroes" themed summer camp was made possible by the heroic effort from our community recreation staff.

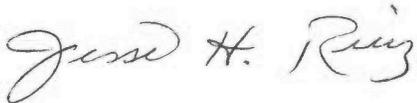
The Chicago Park District recorded approximately 415,000 enrollments in park programs in 2017, and another 354,000 patrons participated in sports leagues and other recreational activities at Park District facilities. The direct enrollments represent an increase of approximately 15,000 individuals or 4 percent.

The Chicago Park District continues to be the largest employer of youth in the state of Illinois, offering thousands of seasonal jobs and leadership opportunities such as recreation leaders, laborers and lifeguards. These positions are essential to our summer operations, from keeping the parks clean and the grass mowed to serving over 40,000 youth in our summer day camp program.

We ended 2017 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 2017 Popular Annual Financial Report.

Sincerely,



**Jesse H. Ruiz**

**President, Board of Commissioners**



**Michael P. Kelly**

**General Superintendent & CEO**



**Pictured from left to right: Superintendent Michael P. Kelly, Commissioner Martin Laird Koldyke, Commissioner Donald J. Edwards, President Jesse H. Ruiz, Vice President Avis LaVelle, Commissioner Tim King, Commissioner David A. Helfand**

# 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, 2017. 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/about-us/departments/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) 8,819 acres of green space on which rest 604 parks, 245 field houses, a 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.



Ping Tom Park



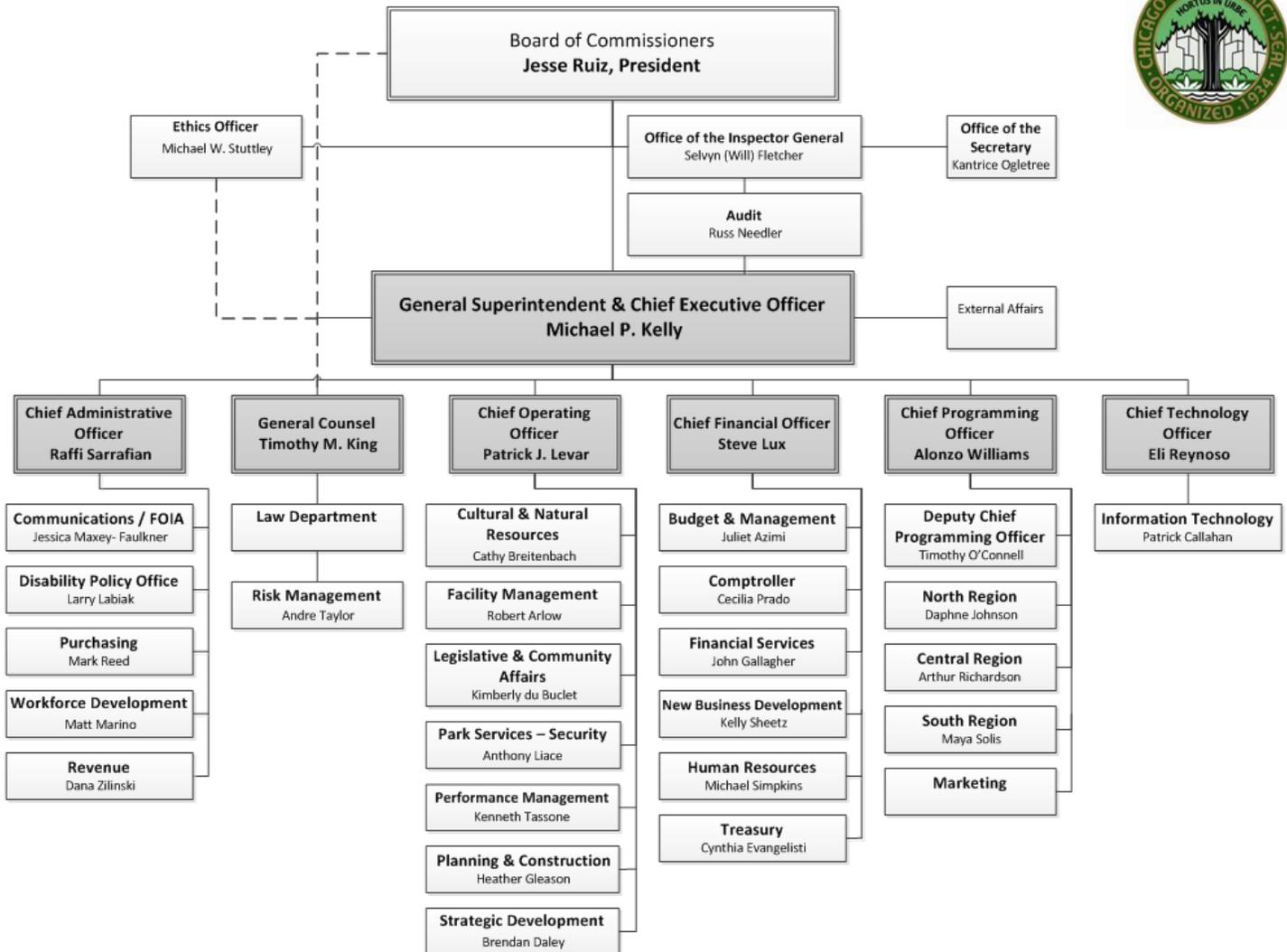
Douglas Park

# 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. Committees including Administration, Capital Improvement, and Programs and Recreation, may be used to discuss in detail the current issues, changes in policy, financial impact, and other implications on the District. 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/about-us/departments/board-of-commissioners/chicago-park-district-board-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.





# 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
<b>Deb Maddox</b>	<b>Derrick Martin</b>	<b>Gary Kuzmanic</b>	<b>Stacey Anti</b>	<b>Sandra Olson</b>	<b>Erin McGuire</b>
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 (Willye)	Wrightwood
Oriole	Riis	Welles	Mayfair		
Portage	Rutherford Sayre	Winnemac	Paul Revere		
Rosedale	Shabbona		Sauganash		
Wildwood	Simons				
Wilson					



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

Area 1 Manager	Area 2 Manager	Area 3 Manager	Area 4 Manager	Area 5 Manager	Area 6 Manager
<b>Marilyn Morales</b>	<b>Derrick Faulkner</b>	<b>Elizabeth Garza</b>	<b>Dan Puente</b>	<b>Michael Hixenbaugh</b>	<b>Tony Fitzgerald</b>
Augusta	Altgeld	Maggie Daley	Archer	Armour Square	Anderson
Commercial	Austin Town Hall	Dvorak	Cornell Square	Bosley	Ellis
Eckhart	Clark	Fosco	Curie	Chicago's Women	Fuller
Humboldt	Columbus	Harrison	Davis Square	Donovan	Kennicott
Kedvale	Douglas	Jesse white	Kelly	Eleanor Boathouse	Kenwood
Pulaski	Franklin	Lake Shore	LeClaire Courts	Haines	Mandrake
Seward	Garfield	Northerly Island	Piotrowski	McGuane	Nat. Teacher's Academy
Smith	Homan Square	Sheridan	Shedd	McKinley	Taylor
Stanton	Lafollette	Skinner	Vittum	Ping Tom Park	Wentworth
Wicker	Moore	Union	Washtenaw	Taylor- Lauridsen	William
	Summer			Wilson	
	Tilton			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
<b>Kathy Voltz</b>	<b>Phil Hampton</b>	<b>Farah Tunks</b>	<b>Ed Affolter</b>	<b>Sabrina Steward</b>	<b>Anita Gilkey</b>
Durkin	Foster	Grandcrossing	Beverly	Abbott	Avalon
Hale	Gage	Harris	Bogan	Ada	Bessemer
Lawler	Hamilton	Jackson	Dawes	Brainerd	Bradley
Michael Madigan Sr.	Hermitage	Meyering	Dooley	Cole	Calumet
Marquette	Lindblom	Midway Plaisance	Graver	Cooper	Carver
Minuteman	Lowe	Nash	Hayes	Euclid	Gately
Normandy	Martin Luther King Jr.	Nichols	Kennedy	Fernwood	Jesse Owens
Pasteur	Moran	Promontory Point	McKiernan	Jackie Robinson	Mann
Rainey	Murray	Rosenblum	Mt. Greenwood	Palmer	Rainbow Beach
Scottsdale	Ogden	South Shore Cult. Ctr.	Munroe	Robichaux	Rowan
Solorio Academy/Senka	Sherman	Washington	Oakdale	Tuley	Russell Square
Strohacker	Sherwood	Washington Refectory	O'Hallaren	Wendell Smith	Trumbull
Tarkington	West Chatman	Woodhull	Ridge	West Pullman	Veteran's Memorial
Valley Forge				White	Wolfe
Wentworth					
West Lawn					

# OPERATING INDICATORS

Summer Food Program Meals Served		
Central Region:	2016	2017
Total meals	339,014	354,633
Total sites	63	68
Averaged meals served per site	5,381	5,215
North Region:		
Total meals	342,488	369,933
Total sites	72	78
Averaged meals served per site	4,757	4,743
South Region:		
Total meals	356,103	368,936
Total sites	75	77
Average meals served per site	4,748	4,791



Employees by Area				
	Year Round 2016	Year round & seasonal 2016	Year Round 2017	Year round & seasonal 2017
Administration	691	1,580	683	1,016
Beaches and pools	303	985	303	975
Landscape	289	852	257	822
Security	286	280	289	293
North	596	1,219	506	1,317
Central	510	1,049	895	1,605
South	513	1,084	516	1,227
<b>Total</b>	<b>3,088</b>	<b>7,049</b>	<b>3,449</b>	<b>7,255</b>

Park and Region Programming		
	2016	2017
Total # of Movies in the Park	204	209
Total # of Concerts in the Park	538	641
Performances at Theatre on the Lake	47	44
Number of Theater Companies	19	26
Youth registrations	172,663	176,223
Total registrations	377,388	390,262
Total online registrations	160,148	177,648
Percentage of online registrations to total registrations	42.44%	45.52%

Department of Natural Resources functions		
	2016	2017
<b>Landscape Operations:</b>		
Mowing (1)	7,530	7,530
Cleaning (1)	8,113	8,113
Assigned Staff	206	206
<b>Waste Management:</b>		
Contractor-Normal Waste Pickup (2)	6,496	6,258
Contractor- Recyclables (2)	724	1,237
CPD (Lakefront Only)- Normal Waste Pickup (2)	1,659	1,486
CPD (Lakefront Only)- Recyclables (2)	843	756
Herbaceous Organic Waste	2,490	2,160
<b>Forestry:</b>		
Forestry – Tree removals	4,055	4,048
Forestry – Pruning/Trimming	10,115	12,835
Tree Debris Pickup	8,712	2,524
Stump Removals	3,906	3,686
<b>Trees and Floral:</b>		
Trees Planted	3,589	3,511
#Parks	68	79
Shrubs Planted	728	230
#Parks	19	1
Perennials Planted	3,500	2,750
#Parks	13	11
Annuals Planted	95,000	92,000
#Parks	20	20
Bulbs Planted	10,000	5,000
#Parks	1	1
Sod (3)	47,655	67,120
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		

Facilities functions—(work orders)		
	2016	2017
Brickwork	153	85
Carpentry	4,167	3,896
Cement and asphalt repair	133	120
Equipment repairs	545	361
Equipment requests	1,061	1,553
Erecting	535	430
General cleaning	52	59
Inside electric	3,829	4,108
Iron work	714	705
Mechanical	940	897
Moving/hauling	2,011	1,917
Outside electric	1,965	1,974
Painting	3,448	3,280
Plastering/painting	98	105
Playground repair	1,949	1,080
Plumbing repair	6,974	7,553
Roofing repair	241	281
Total work orders completed	28,815	28,404
Total # of work orders	29,735	29,788
Percentage	97%	95%



# CPD SPOTLIGHT

## Conservatories

The Chicago Park District offers world-class conservatories and a teaching greenhouse to delight visitors with new discoveries from the natural world — all in the heart of the city.

At Garfield and Lincoln parks, stunning glass conservatories will transport you to another place and time. No matter the season, the conservatories offer visitors a lush tropical paradise full of towering palms, brilliant blooms and ancient ferns. In addition to showcasing exotic plants and annual flower shows, these city landmarks offer visitors a chance to interact with Chicago’s history or discover something new through regular arts and cultural performances.



## Peacebook

Peacebook, Collaboration's acclaimed annual arts festival, featured collaborations from over 200 artists creating 21 world premiere pieces of theatre, dance and spoken word about Peace in Chicago. The free festival, performed at Hamilton, Kelyvn and LaFollette Parks, included food, workshops, panels and dance battles all aimed at inciting dialogue and action around Peace in Chicago.



## Summer Dance Off in the Parks

The Parks continued its longstanding partnership with DCASE, the Mayor’s Department of Cultural Affairs and Special Events, as we extended Summer Dance in the Parks to new locations, piloted Summer Dance OFF, and grew our World Music Festival audiences.

Summer Dance OFF highlighted Chicago’s very own urban dance culture, inviting community dancers to sign up to perform original Steppin' and Footwork choreography to a panel of judges at Garfield, Hamilton, Washington and Austin Town Hall Parks. Winners were invited to a final culminating Dance Off at Millennium Park!



### **Other Programs offered by the Chicago Park District**

*\*Check Park District’s website 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



# 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.

## Park District Beaches



The Chicago Park District manages the city's 26 miles of open and free lakefront for the enjoyment of Chicago residents and visitors. Admission to Chicago's beaches is free. Every day, Chicagoans walk, jog, swim, paddle, bike, rollerblade, sail, play volleyball, explore, or just relax along Chicago's lakefront.

## Dance with the Garden of Phoenix



Similar to writer Milan Kundera, as a dance maker Nejla Yatkin goes into a place and time, exposing it, exploring it, penetrating it and then transcending it through movement. For Dancing with the Garden of the Phoenix in Jackson Park, Yatkin worked with local community members to choreograph a one of a kind site-specific dance piece.



## The Burroughs Brooks Sound Suite



Celebrating the centennial anniversaries of two incredible Chicago women artists, the Participatory Music Coalition performed sonic scores to selections from the work of Margaret Burroughs and Gwendolyn Brooks: an Emancipation Orchestration at Gwendolyn Brooks and Washington Park.

# 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.



**Lincoln Park**  
2045 N. Lincoln Park West  
Chicago IL 60614

Scientist, philosopher and theologian Emanuel Swedenborg (1688–1772) devoted his life to exploring the relationship between the physical and spiritual worlds. In 1938, to honor the 250th anniversary of Swedenborg’s birth, the monument was rededicated and the granite base was engraved with a quote by President Franklin Delano Roosevelt. The bronze bust remained on its granite setting until 1976, when it was stolen. When it became apparent that the original bust would not be recovered, the Chicago Park District installed a pyramidal form on top of the granite base, creating a modified memorial.

In 2009, the existing granite monument was seriously damaged as the result of an automobile accident. The Chicago Park District hired Swedish sculptor Magnus Persson to repair the original model and to recast it in bronze. At the end of the project the New Church of Stockholm donated the plaster model to the Glencairn Museum. The Chicago Park District completed the repairs to the base and installed the newly cast bronze bust in 2012.

In 2012, the Chicago Park District received a Great Lakes Restoration Initiative grant from the US Environmental Protection Agency for a mural to raise public awareness to prevent litter and protect the environmental quality of Chicago’s beaches. As a result of the funding, the Chicago Park District hired artist Jeff Zimmerman to paint a mural on all four facades of the 47th Street Comfort Station. Entitled Don’t Feed the Seagulls, the mural includes images of people, litter, junk food, a fish, a dog, and seagulls. Jeff Zimmerman painted the mural with his characteristically bright colors and large-scale imagery. In addition to colorful and diverse faces of people from the community surrounding Burnham Park, Don’t Feed the Seagulls incorporates black and white imagery that makes reference to Chicago’s history. In a manner quite similar to Zimmerman’s Oak Street Beach mural, the comfort station’s bright walls communicate an important environmental message in a playful and accessible way.



**Burnham Park**  
5491 S. Shore Drive  
Chicago IL 60615



**Dunbar Park**  
300 E. 31st St.  
Chicago, Illinois 60616

In 1956, the Board of Education constructed Paul Dunbar High School in the elegant south side community of Douglas. Four years later, the Chicago Land Clearance Commission worked with the Chicago Park District to create an adjacent park. The 20-acre site was acquired in 1962, and transformed into Dunbar Park between 1964 and 1966. Paul Laurence Dunbar (1872-1906), one of the nation’s first critically acclaimed African-American authors, was popular with white and black audiences alike. The son of former slaves, Dunbar was raised in Dayton, Ohio.

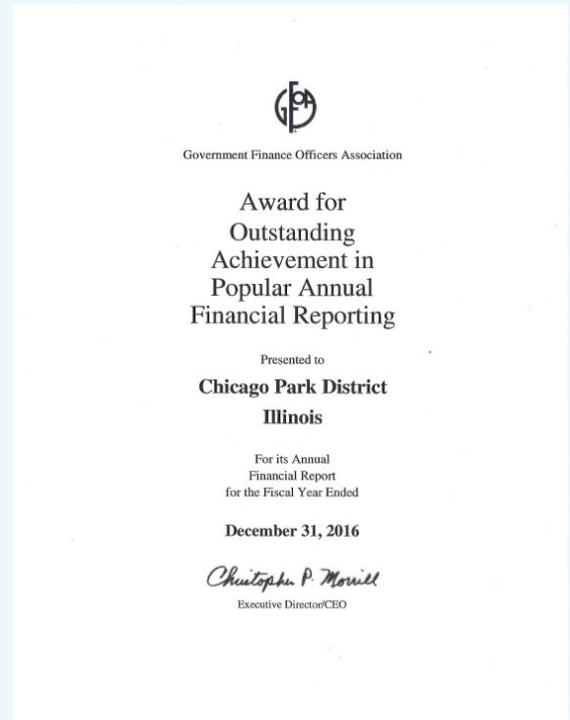
While working as an elevator operator, Dunbar self-published his first book of poetry, *Oak and Ivy*. In 1893, Dunbar was invited to Chicago to recite poetry to audiences at the World’s Columbian Exposition. Publishing two more volumes of poetry, Dunbar began giving readings throughout the United States and England. He went on to publish nine more books of poetry, five novels, four short story collections, and a play before his death at the early age of 33.



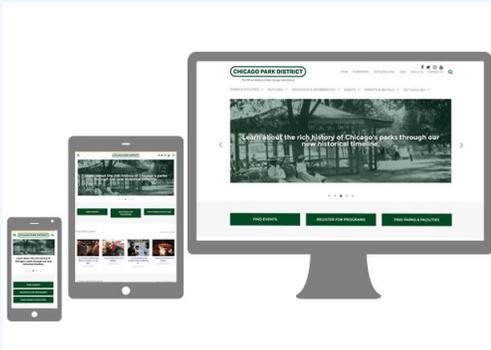
We support innovation and welcome new ideas. We believe that professionalism, communication, technology, and team work serve as the foundation for great customer service and a productive workplace.

The Government Finance Officers Association (GFOA) has awarded the Chicago Park District the *Award for Outstanding Achievement in Popular Annual Financial Reporting* in 2016. 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.

## GFOA Award



## New Website



In December 2017, the Chicago Park District launched a new website. The goal of this project was to invest in new web technologies that make long-term sense financially, give CPD more control over its data, and create a platform for future enhancements & integrations. This website launch is the first phase of a web strategy that drives our "Extra Effort" core value: leverage technology to improve public access to information and get more Chicago families out to their parks.

## 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, 2017. 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 following is a summary of the District's assets, deferred outflows and inflows, liabilities and resulting net position as of December 31, 2017 and 2016 (amounts are in millions of dollars):

	2017	2016	Increase (Decrease)	Percentage Increase (Decrease)
<b>Assets:</b>				
Current and other assets	\$ 638	\$ 634	4	0.6 %
Capital assets	2,043	2,071	(28)	(1.4)
Total assets	<u>2,681</u>	<u>2,705</u>	<u>(24)</u>	<u>(0.9)</u>
<b>Deferred Outflows of Resources:</b>				
Deferred amount on refunding	8	9	(1)	(11.1)
Deferred pension outflows	183	53	130	245.3
Total deferred outflows	<u>191</u>	<u>62</u>	<u>129</u>	<u>208.1</u>
<b>Liabilities:</b>				
Long-term obligations	1,758	1,506	252	16.7
Other liabilities	269	248	21	8.5
Total liabilities	<u>2,027</u>	<u>1,754</u>	<u>273</u>	<u>15.6</u>
<b>Deferred Inflows of Resources:</b>				
Deferred pension inflows	3	-	3	-
Total deferred inflows	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
<b>Net position:</b>				
Net investment in capital assets	1,170	1,171	(1)	(0.1)
Restricted	127	166	(39)	(23.5)
Unrestricted	(455)	(324)	(131)	40.4
Total net position	<u>\$ 842</u>	<u>\$ 1,013</u>	<u>(171)</u>	<u>(16.9) %</u>

**Capital assets** decrease of 1.4% or \$28.2 million, is the result of a decrease in capital outlay and in-kind contributions. As a result, depreciation expense of \$74.1 million exceeds net capital additions of \$45.9 million.

**Deferred pension outflows** increase of 245.3% or \$130.0 million is due to the change in the discount rate.

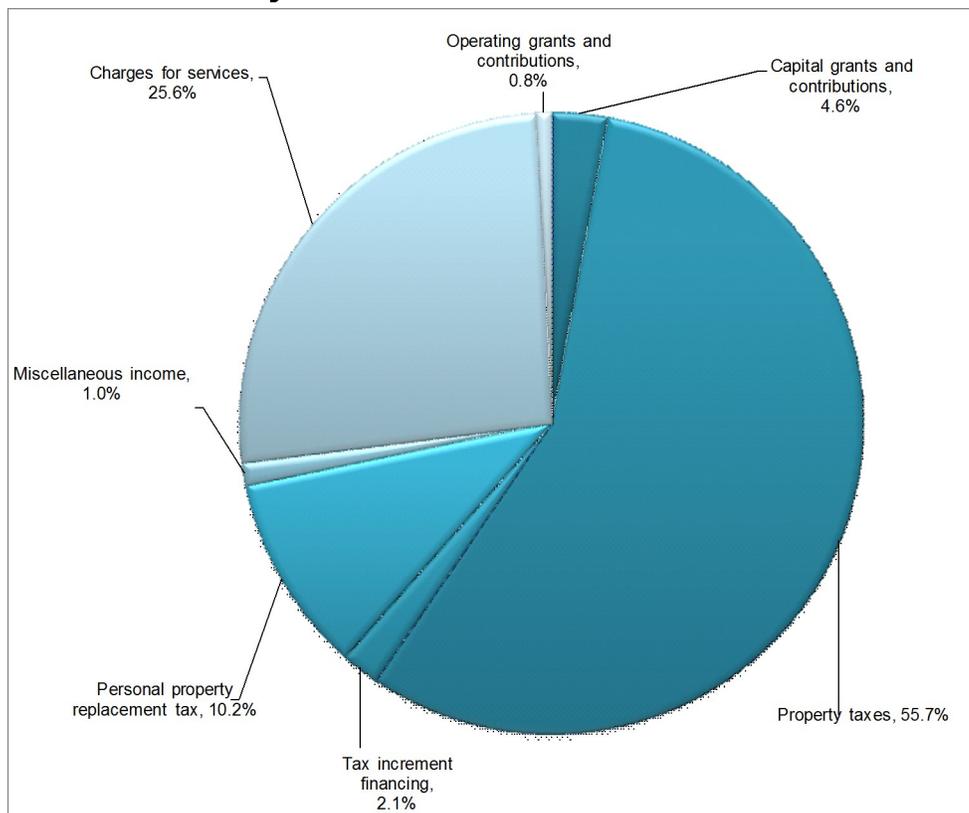
**Long-term obligations** increased by 16.7% or \$252 million, primarily to an increase of \$295 million of Net Pension Liability. This increase was offset by repayment of general obligation bonds of \$43 million (and no new bond issuance during the year).

# MANAGEMENT'S DISCUSSION & ANALYSIS

**Other liabilities** increase of 8.5% or \$21 million is primarily due to a Bond Anticipation Note issued under a line of credit and which had an outstanding balance of \$14.7 million at December 31, 2017.

**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 and deferred inflows of resources by \$842 million at December 31, 2017. The greatest portion of the District's net position (139.0% or \$1,170 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 (15.1% or \$127 million), represents resources that are subject to external restrictions on how they may be used. The remaining balance is an unrestricted deficit of \$455 million.

## Revenues by Source — Governmental Activities



**Revenues** from all governmental activities in 2017 were \$480 million. This reflects a decrease of \$45 million from 2016. This decrease is primarily due to the following:

- ◆ **Capital grants and contributions** decreased 71.4% or \$55 million. Of this amount, \$34 million relates to the difference in value of land transfers - \$36.9 million in 2016 compared to \$2.8 million during 2017. The remaining amount relates to the decrease of grants expended.
- ◆ **Personal Property Replacement Taxes (PPRT)** increase of 11.4% or \$5 million is the result of recognizing \$5.1 million of PPRT revenue, which arose from a 2014 and 2015 excess distribution from the State of Illinois. The State reduced personal property replacement tax revenue in 2016 and 2017 to reimburse the amount incorrectly distributed in prior years. Therefore, the District reversed its liability, and recognized the related revenue in 2017.

**Expenses** for governmental activities in 2017 were \$651 million. This reflects an increase of \$156 million. This is primarily driven by an increase in pension expense of \$156.9 million which resulted from the lowering of the discount rate.

# 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 2013 through 2017 (Amounts are in thousands of dollars)

Revenue Source	2013	2014	2015	2016	2017	Increase (Decrease) from 2016
Property taxes	\$ 236,145	262,333	261,146	285,334	247,838	(37,496)
Tax increment financing	2,740	3,885	5,086	7,050	9,626	2,576
Personal property replacement tax	45,716	44,601	42,602	43,838	48,601	4,763
Rental of Soldier Field	34,554	36,036	42,418	39,726	35,415	(4,311)
Harbor fees	23,466	23,625	23,850	24,698	24,497	(201)
Recreational activities (net of discounts)	12,579	13,375	13,601	13,465	14,225	760
Donations and grant income	78,383	59,345	43,515	35,024	21,034	(13,990)
Other user charges	11,605	1,740	4,586	6,668	7,250	582
Golf course fees	5,206	4,900	5,308	5,369	5,769	400
Concessions	4,519	3,529	3,726	3,967	3,691	(276)
Rental of other property	1,189	1,399	1,060	813	818	5
Investment income	144	212	522	1,193	2,632	1,439
Parking fees	3,750	4,146	4,768	5,349	5,757	408
Miscellaneous	2,763	1,344	1,597	1,471	1,695	224
Northerly Island	1,207	1,651	1,211	812	1,182	370
Permits	-	12,396	14,173	15,809	15,711	(98)
<b>Totals</b>	<b>\$ 463,966</b>	<b>474,517</b>	<b>469,169</b>	<b>490,586</b>	<b>445,741</b>	<b>(44,845)</b>

Note: Permits were reported under "other user charges" in 2013 and prior years.

Overall, revenue decreased by approximately \$44.9 million.

- Property tax revenue decreased by \$37.5 million. This is attributed to a timing difference of the collection of property taxes during the first 60 days subsequent to year-end.
- Donations and grant income decreased by \$14.0 million. This decrease was primarily due to a decrease of grants and grant expenditures. In addition, SCORE! Program was budgeted at \$2 million but only generated \$558 thousand and no billboard revenue was recognized.

# MANAGEMENT'S DISCUSSION & ANALYSIS

## Expenditures by Function—All Funds from 2013 through 2017 (Amounts are in thousands of dollars)

Expenditure Function	2013	2014	2015	2016	2017	Increase (Decrease) from 2016
Park operations and maintenance	\$ 104,591	110,775	114,757	127,006	123,386	(3,620)
Recreation programs	98,628	104,632	107,805	116,910	115,112	(1,798)
Special services	72,234	74,495	88,299	88,165	82,470	(5,695)
General and administrative	44,167	38,535	40,628	37,430	34,233	(3,197)
Capital outlay	115,812	144,507	89,121	61,273	51,898	(9,375)
Debt Service: Principal	46,094	51,716	38,924	44,138	42,924	(1,214)
Debt Service: Interest	41,549	36,673	41,951	38,874	40,120	1,246
Debt Service: Cost of issuance and other	1,012	1,715	1,322	1,013	76	(937)
Totals Expenditures	524,087	563,048	522,807	514,809	490,219	(24,590)
Total Revenues	463,966	474,517	469,169	490,586	445,741	(44,845)
Deficiency of revenues over expenditures	\$ (60,121)	(88,531)	(53,638)	(24,223)	(44,478)	(20,255)

The District's governmental funds reported combined ending fund balances of \$295.0 million, a decrease of \$44.2 million from the prior year amount of \$339.2 million. Approximately 4.1% of this amount (\$12.0 million) constitutes *unassigned fund balance*. The remainder of the balance is not in a spendable form (\$1.9 million *nonspendable*), restricted for particular purpose (\$78.7 million *restricted*), committed for particular purposes (\$126.8 million *committed*), or assigned for particular purpose (\$75.6 million *assigned*).

- The General Fund is the primary operating fund of the District and reported an ending fund balance of \$209.7 million. This includes \$96 million 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.
- The General Fund reported revenue of \$301.5 million, expenditures of \$297.5 million, and transfers of \$2.3 million. This resulted in an increase of fund balance of \$1.8 million from \$207.9 million at the end of 2016 to \$209.7 million at December 31, 2017.

### Significant Notes To Basic Financial Statements (for complete notes, refer to the Comprehensive Annual Financial Report)

- On January 7, 2014, Public Act 98-0622 was signed into law, changing the Retirement Fund's provision including funding, retirement age, automatic annual increases and duty disability effective January 1, 2015. During 2015 the Retirement Fund was served a summons and complaint, which challenged the constitutionality of Public Act 98-0622. On March 1 2018, the Court issued an order finding Public Act 98-0622 to be unconstitutional on the grounds that this amendment diminishes and impairs the benefits to participants of the fund.
- On November 6, 2017, the District issued a Bond Anticipation Note (BAN) under a line of credit with PNC Bank not to exceed \$50 million with an interest rate per annum equal to the sum of (A) seventy percent (70%) of LIBOR plus (B) sixty five basis points (0.65%) calculated monthly for a LIBOR Interest Period. The unused portion of the line includes a charge of 10 basis points. This rate at December 31, 2017 was 1.62%. The expiration date of this line of credit is November 5, 2018. In 2017, \$14.7 million was withdrawn for capital improvements and remained outstanding at December 31, 2017.
- The District's general obligation bond rating was: Standard & Poor's Rating Services (AA+), Fitch Ratings (AA-), Kroll Bond Rating Agency, Inc. (AA), and Moody's Investor Service (Ba1). The District did not elect to engage Moody's to provide a credit rating for the issuance of bonds subsequent to 2013.

# MANAGEMENT'S DISCUSSION & ANALYSIS

## KEY DEFINITIONS

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

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

**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.

**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/Inflows**—a use/acquisition 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 government 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 by which assets and deferred outflows of resources exceed liabilities and deferred inflows of resources; a useful indicator of a government's financial health.

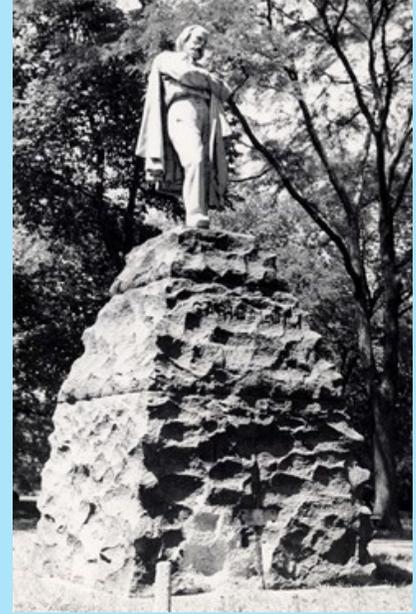
# LOCAL ECONOMY

## Business Environment

As one of the largest cities in the United States, Chicago has a large and skilled workforce as well as one of the most diverse economies in the nation. Chicago's economy measured by the gross domestic product was \$609 billion for 2017 as compared to \$592 billion in 2016. Chicago's strong economy is based on several industry sectors but no industry sector comprises more than 20% of the total economy. This diversity produces fiscal stability from mature industries and promotes growth of emerging industries.

## Employment

In 2017, Chicago added over 24,000 jobs for an increase of 2.1%. Private sector employment surpassed 1,179,000 with healthcare and professional and business services sectors being the largest areas of employment. Sectors with large gains in 2017 included financial activities and construction. As a result of the strong growth rate in jobs, Chicago's unemployment rate at the end of 2017 was 5.1%. The Chicago area is home to over 400 major corporate headquarters with each having at least one thousand employees, including 34 in the Fortune 500 companies of which 10 are located in Chicago. The Chicago central business district is home to thousands of college students, which provides companies with direct access to a talented workforce.



## Transportation

Chicago also offers an affordable cost of living and an unrivaled transportation network for both land and air. Chicago is the only city with dual airport hubs, and is the center of a hub and spoke rail transit system which provides efficient travel to the central business district.

## Tourism

Another important part of the City's economy is tourism. The City has robust cultural offerings, restaurants and events which has led to an increase in leisure tourism. The City hosted over 55 million travelers. The increase in tourism also saw a 3.3 percent growth in hotel occupancy for 2017 and a 7.6 percent increase during the peak summer season. In addition, as a result of the strong demand from tourism and business travelers, five new hotels opened in the City in 2017.

# CAPITAL IMPROVEMENT PROJECTS PROJECT



**312 RiverRun Development**—In Fall 2017, the District broke ground on a major project to transform the riverfront on the North Side into one of the City’s largest recreational hubs that will provide residents with an unobstructed network of parks and amenities. The 312 RiverRun will connect the surrounding Irving Park, North center, Avondale and Albany Park neighborhoods to three parks with one path for nearly two consecutive miles.

**Gage Park** — As Chicago prepared to host the MLS All-Star game, the District opened two new mini-pitches in Gage Park, which provide an area specifically designed for organized soccer programs and pick-up games. The new pitches were supported by MLS WORKS (MLS’ community outreach initiative), the Chicago Fire, the U.S. Soccer Foundation, Southern New Hampshire University and the Chicago Park District. They represent a major effort to support local youth programming, including the Chicago Fire’s P.L.A.Y.S. Program and the Chicago Police Department’s new Community Engagement through Sports initiative.



# 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](http://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](http://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](http://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](http://www.fotp.org).

# MANAGED ASSETS

The Chicago Park District's 10 lakefront harbors stretch from Lincoln Park in the northern part of the city to Jackson Park in the south. With accommodations for more than 6,000 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 offers public golf facilities for all ages and ability levels. Amenities include five 9-hole golf courses, one 18-hole layout, miniature golf, an indoor simulator, a double-deck driving range with synthetic turf, and a natural grass driving range with extensive practice areas, all managed by Billy Casper Golf. The facilities provide picturesque views of the City and Lake Michigan. Many locations offer leagues or lessons, and all are open to golfers with disabilities.



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 including U2, the Special Olympics opening ceremony, and Warrior Games in cooperation with the U.S. Department of Defense. 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

## *Gardens and Trees in the Parks*

Since the development of Chicago's earliest parks, gardens have been an integral part of the Chicago Park District and are a top tourist attraction. Chicago's front yard is a spectacular site to see especially in late April and throughout the summer and early fall. Chicago Park District gardens are planted for the summer by June 15th, and most hold their color well into October. These FREE gardens are available to the Public!

In 2017 the Park District partnered with Chicago Sculpture International to host the fourth annual Chicago Tree Project. In 2017, twelve (12) dead trees that would have otherwise been cut down were transformed into vibrant works of public art.



**Chicago Women's Park and Garden**



**Emerald City Gardens at Oz Park**



**Grant Park**



**Tracy Haschke, Olympia Park**



**Janet Austin, Palmer Square Park**



**Anthony Heinz May, McKinley Park**



**Wooded Island at Jackson Park**



**Montrose Beach Dunes**



**Wicker Park Community Garden**

# CONTACT US

## Administration:

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Chicago, IL 60611  
[www.chicagoparkdistrict.com](http://www.chicagoparkdistrict.com)

(312) 742-PLAY  
(312) 742-7529

## Special Event Venues

(312) 742-4847

## Privatized Contracts:

Park Concessions Management  
Sport Management Group (Soldier Field)  
Westrec Marinas Inc. (Harbors)  
Billy Casper Golf (All Locations)  
MLK Entertainment Center  
Standard Parking

(312) 750-1035  
(312) 235-7000  
(312) 742-8520  
(312) 245-0909  
(312) 747-2602  
(877) 638-3716

## Museum Partners:

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

(312) 939-2438  
(312) 947-0600  
(312) 922-7827  
(312) 922-9410  
(312) 684-1414  
(312) 443-3600  
(312) 738-1503  
(312) 755-5100  
(312) 280-2660  
(312) 642-4600  
(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.