

CHICAGO PARK DISTRICT

Chicago, Illinois Popular Annual Financial Report

For the Year Ended December 31, 2018



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

Lori Lightfoot, Mayor, City of Chicago

Avis LaVelle, 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,

As one of the largest leaders in recreation, the Park District had another record year in 2018. From sports to arts and nature our parks were full of activity. Special Olympics, which was founded within the Chicago Park District, celebrated its 50th Anniversary with an International Celebration that saw six days of events with over 50,000 people from 24 countries.

From movies and dance to theater and storytelling, the 6th season of Night Out in the Parks free event series brought more than 2,000 cultural events to neighborhood parks across the entire city, consistently creating safe, active hubs of cultural activity.

We added 150 acres of natural areas during 2018, bringing the total natural areas acreage to 1,850. Improvements to the natural areas included an additional mile of off-road bike trails at Big Marsh, adding four new nature play spaces, as well as improving two existing nature play areas. Another success included hiring 70 local young adults and teens to work in natural areas through partnerships with Student Conservation Association, Audubon Great Lakes and The Nature Conservancy.

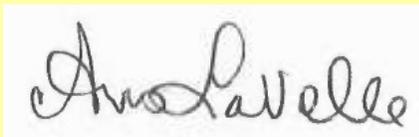
Programmatic achievements in 2018 exceeded the record breaking 2017 results. Approximately, 415,000 participants enrolled in our programs and another 416,000 patrons participated in sports leagues and other recreational activities at Park District facilities. For the second year in a row, our summer day camp was completely filled.

The 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 2018 with positive operations in the general fund as expenditures were less than budget as a result of strong controls related to hiring and personnel.

We continue to work hard to improve our efficiency and increase non-tax revenue to support our parks and Chicago's children by providing healthy activities.

Sincerely,



Avis LaVelle

President, Board of Commissioners



Michael P. Kelly

General Superintendent & CEO



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

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, 2017. 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, 2018. 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) 8,864 acres of green space on which rest 613 parks, 232 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.

Eleanor Boathouse

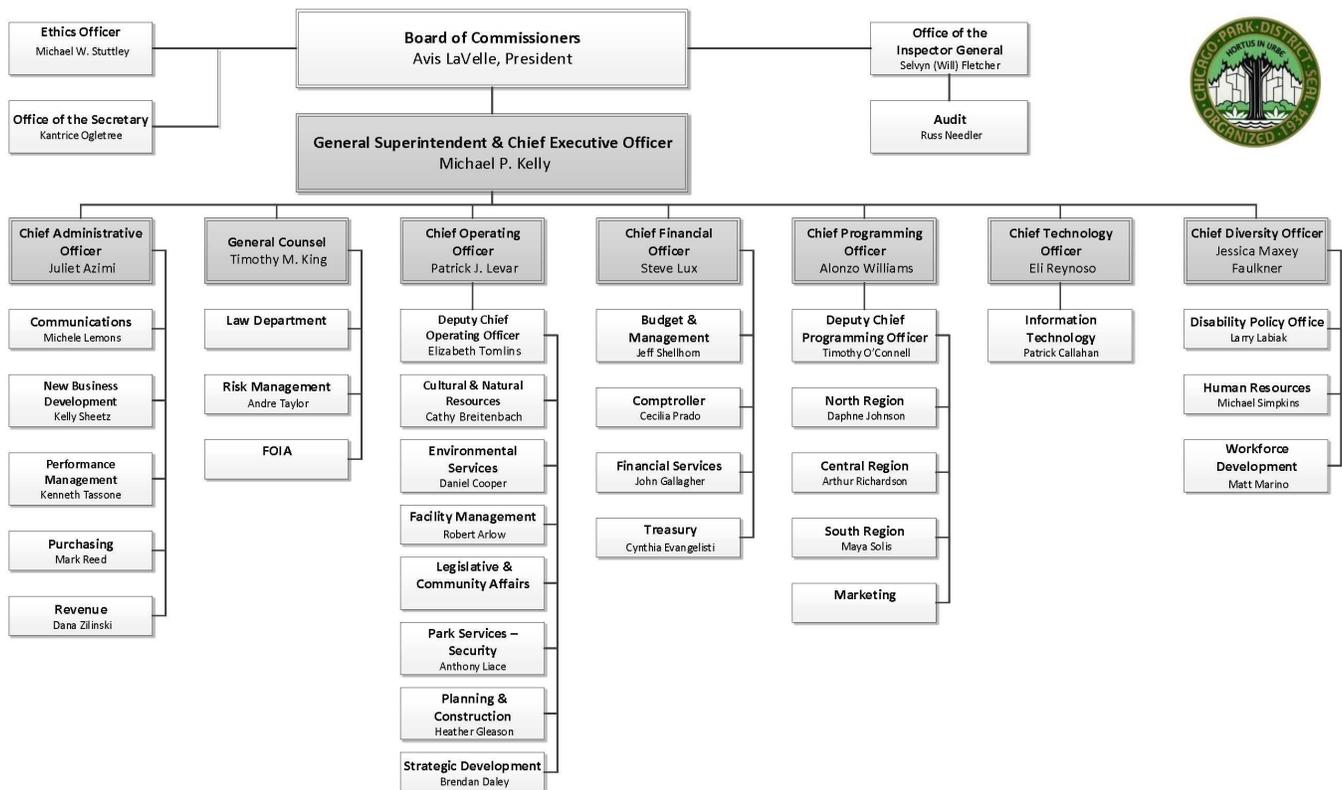


ORGANIZATIONAL STRUCTURE & MANAGEMENT

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.

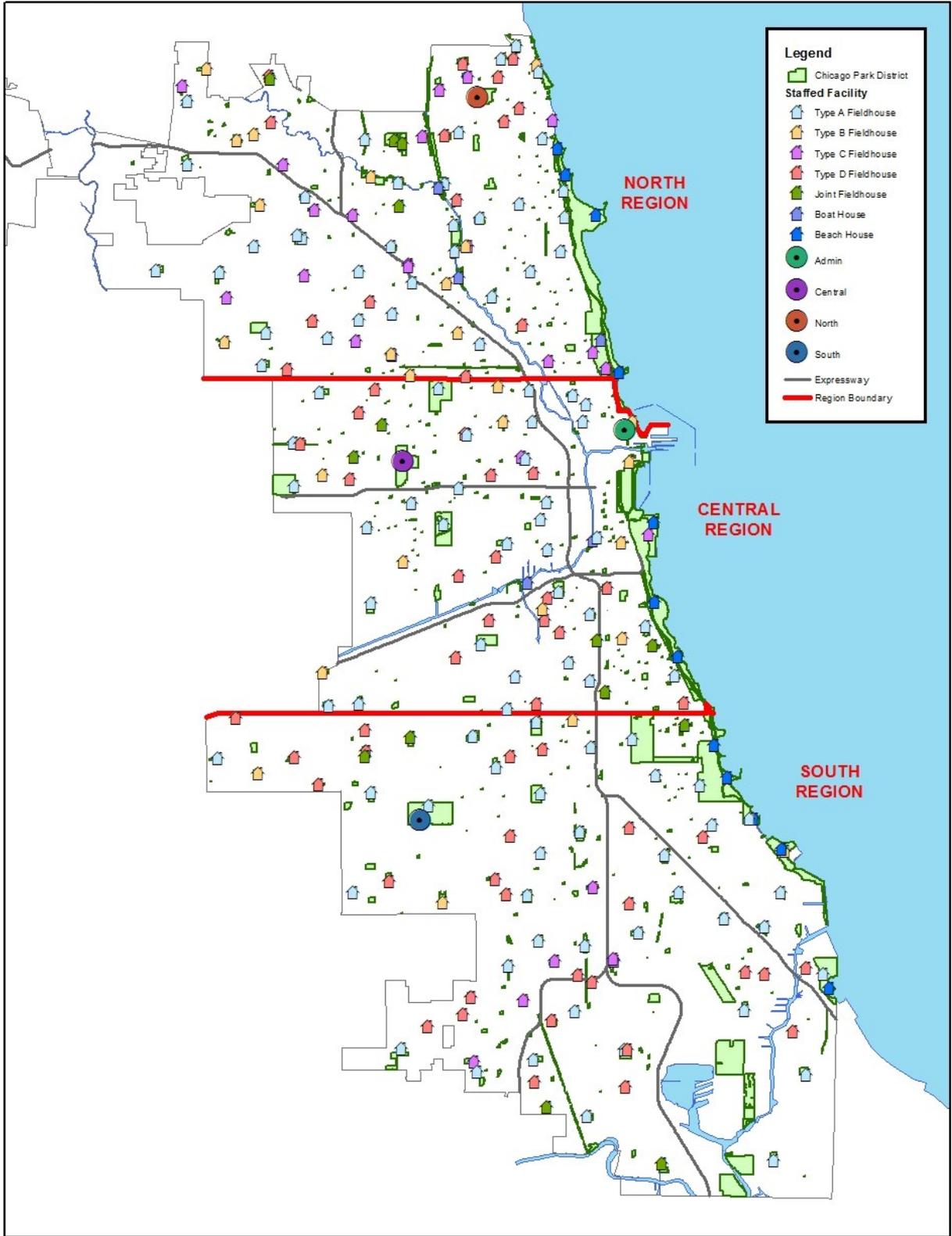
Chicago Park District board meetings take place on the second Wednesday of every month. To obtain more information on meeting locations, dates, and times, please call 312-742-5034 or go to the Chicago Park District website at: <http://www.chicagoparkdistrict.com/about-us/departments/board-of-commissioners/chicago-park-district-board-commissioners>

The reporting structure of the Chicago Park District begins with the Board of Commissioners, General Superintendent/CEO and seven 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



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	Oz	Maplewood
Jefferson	Kelvyn	Peterson	Horner	Paschen	Sheil
Merrimac	Ken - Well	River	Independence	Pottawattomie	Wrightwood
Norwood	Kosciuszko	Rogers	Jensen	Schreiber	
Olympia	Mozart	Warren	Kilbourn	Senn	
Oriole	Riis	Welles	Mayfair	Touhy	
Portage	Rutherford Sayre	Winnemac	Paul Revere	Trebes	
Rosedale	Shabbona		Sauganash	White (Willye)	
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
Marilyn Morales	Derrick Faulkner	Elizabeth Garza	Dan Puente	Michael Hixenbaugh	Tony Fitzgerald
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
Kathy Voltz	Phil Hampton	Farah Tunks	Ed Affolter	Sabrina Steward	Anita Gilkey
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:	2017	2018
Total meals	354,633	354,211
Total sites	68	62
Averaged meals served per site	5,215	5,713
North Region:		
Total meals	369,933	392,308
Total sites	78	68
Averaged meals served per site	4,743	5,769
South Region:		
Total meals	368,936	368,183
Total sites	77	75
Average meals served per site	4,791	4,909

Employees by Area				
	Year Round 2017	Year round & seasonal 2017	Year Round 2018	Year round & seasonal 2018
Administration	683	1,016	647	1,015
Beaches and pools	303	975	311	915
Landscape	257	822	274	796
Security	289	293	266	258
North	506	1,317	508	1,325
Central	895	1,605	832	1,420
South	516	1,227	508	1,145
Total	3,449	7,255	3,346	6,874



Park and Region Programming		
	2017	2018
Total number of Movies in the Park	209	215
Total number of Concerts in the Park	641	567
Performances at Theatre on the Lake	44	36
Number of Theater Companies	26	34
Youth registrations	176,223	182,779
Total registrations	390,262	391,509
Total online registrations	177,648	177,468
Percentage of online registrations to total registrations	45.52%	45.33%

Facilities functions—(work orders)		
	2017	2018
Brickwork	85	83
Carpentry	3,896	3,405
Cement and asphalt repair	120	134
Equipment repairs	361	358
Equipment requests	1,553	424
Erecting	430	401
General cleaning	59	72
Inside electric	4,108	3,563
Iron work	705	618
Mechanical	897	643
Moving/hauling	1,917	2,179
Outside electric	1,974	1,879
Painting	3,280	3,051
Plastering/painting	105	170
Playground repair	1,080	1,050
Plumbing repair	7,553	6,264
Roofing repair	281	255
Total work orders completed	28,404	24,549
Total # of work orders	29,788	27,072
Percentage	95%	91%

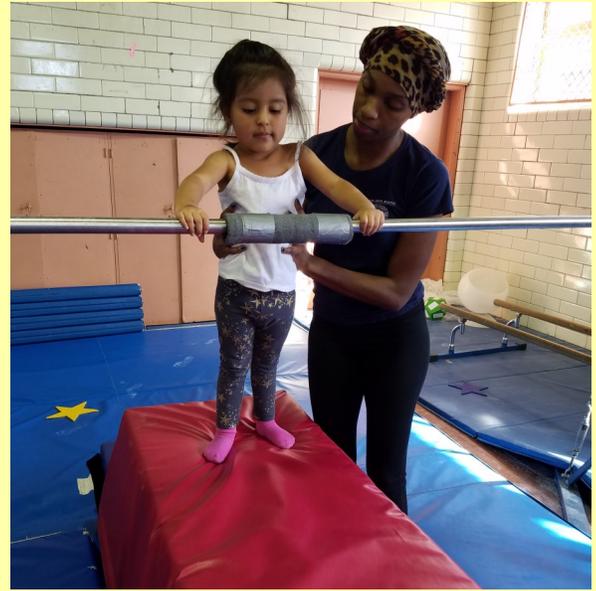
Department of Natural Resources functions		
	2017	2018
Landscape Operations:		
Mowing (1)	7,530	7,500
Cleaning (1)	8,113	8,000
Assigned Staff	206	206
Waste Management:		
Contractor-Normal Waste Pickup (2)	6,258	6,254
Contractor- Recyclables (2)	1,237	895
CPD (Lakefront Only)- Normal Waste Pickup (2)	1,486	1,722
CPD (Lakefront Only)- Recyclables (2)	756	740
Herbaceous Organic Waste	2,160	2,010
Forestry:		
Forestry – Tree removals	4,048	3,801
Forestry – Pruning/Trimming	12,835	11,292
Tree Debris Pickup	2,524	2,086
Stump Removals	3,686	2,526
Trees and Floral:		
Trees Planted	3,511	3,890
#Parks	79	106
Shrubs Planted	230	215
#Parks	1	11
Perennials Planted	2,750	10,959
#Parks	11	28
Annuals Planted	92,000	103,942
#Parks	20	111
Bulbs Planted	5,000	29,306
#Parks	1	12
Sod (3)	67,120	62,735
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

Girls and Women in Sports

The Chicago Park District is the largest provider of recreational activities for youth across the city. Our GOAL for girls is to provide additional opportunities and increase participation for girls ages 6-14 through events, strategic programming and to educate girls about the benefits of physical activity, athletic participation and healthy lifestyles. We work hard to identify and address obstacles facing girls that would prevent them from engaging in sports and recreation. During the course of the year we host several events for girls called "Girls at Play" in parks across the city.



Teen Leadership Council

Provided leadership opportunities for teens across the region by creating a Teen Leadership Council that met quarterly to gather input and collaborate on events, including college tours at Northeastern Illinois University, Eastern Illinois University and Eureka College.



The Teen Leadership Camp from Blackhawk Park took a visit to Bynum Island. It was a great way for the teens to focus on team building while participating in group activities. The teens worked together during trust falls, wall climbing, and a high ropes course.

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

CHILDREN FIRST

Our most important task is to bring children and families into our parks and give them great reasons to stay and play for a lifetime.



Best Deal in Town

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.



We Walk for Water

Teens from six park locations participated in the “We Walk for Water”, a fundraising event to bring awareness to the need for clean drinking water in various 3rd world countries and also certain locales in the USA. Their collective efforts raised over \$1,700 dollars.

Senior Pickleball Tournament

The Central Region held the first ever senior pickleball tournament at Fosco Park on April 6th with nearly 50 senior participants. Following the tournament on May 11th, Ellis Park hosted a pickleball clinic with ambassadors from the USAPA pickleball association where 50 seniors from beginner to intermediate skill levels participated.



Meditation in the Parks

Wicker Park Advisory Council and Zen Yoga Garage in partnership with the Chicago Park District presented a large group, guided meditation outside in beautiful Wicker Park. Everyone is welcome to come settle in at this free, weekly event as a meditation teacher lulls you into deep relaxation and stress release.

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.

Readings, performances, and tributes were part of the dedication of Margot McMahon's bronze portrait project featuring poet Gwendolyn Brooks. A host of cultural icons took part in the festivities. It's the first woman and first poet sculpture installed in a Chicago park. Gwendolyn Elizabeth Brooks was an American poet, author, and teacher. The first African American woman to receive the Pulitzer Prize, her work often dealt with the personal celebrations and struggles of ordinary people in her community.

Kenwood Park



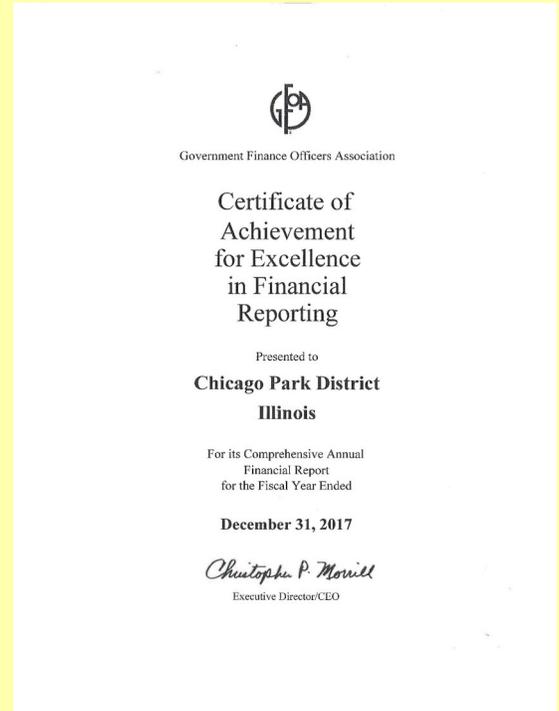
During 2018, the Park District transformed a former ore wall from the US Steel Complex into a new 40 foot tall climbing wall. The wall, which includes a 90 degree overhang and 45 degree pitch, is part of Steelworkers Park in the City's South Chicago community. The wall will provide climbers of all experience levels a new, exciting outdoor challenge.

Steelworkers Park

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.

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 2017. 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.



Special Olympics



The District hosted the 50th Anniversary for Special Olympics in cooperation with Special Olympics International, Special Olympics Illinois and Special Children's Charities. This week-long international celebration saw a total of 50,000 attendees, with over 24 countries bringing Special Olympics Unified teams in for the week. The legacy piece (the Eternal Flame of Hope) will signify to all that pass it, that the Chicago Park District started Special Olympics, a movement that has changed the world for all individuals with disabilities.

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 former 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, 2018. 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, 2018 and 2017 (amounts are in millions of dollars):

	2018	2017	Increase (Decrease)	Percentage Increase (Decrease)
Assets:				
Current and other assets	\$ 646	\$ 638	8	1.3 %
Capital assets	2,059	2,043	16	0.8
Total assets	<u>2,705</u>	<u>2,681</u>	<u>24</u>	<u>0.9</u>
Deferred Outflows of Resources:				
Deferred amount on refunding	7	8	(1)	(12.5)
Deferred pension outflows	407	183	224	122.4
Deferred OPEB outflows	5	-	5	-
Total deferred outflows	<u>419</u>	<u>191</u>	<u>228</u>	<u>119.4</u>
Liabilities:				
Long-term obligations	2,196	1,758	438	24.9
Other liabilities	264	269	(5)	(1.9)
Total liabilities	<u>2,460</u>	<u>2,027</u>	<u>433</u>	<u>21.4</u>
Deferred Inflows of Resources:				
Deferred pension inflows	14	3	11	-
Total deferred inflows	<u>14</u>	<u>3</u>	<u>11</u>	<u>-</u>
Net position:				
Net investment in capital assets	1,191	1,170	21	1.8
Restricted	127	127	-	-
Unrestricted (deficit)	(668)	(455)	(213)	46.8
Total net position	<u>\$ 650</u>	<u>\$ 842</u>	<u>(192)</u>	<u>(22.8) %</u>

Deferred pension outflows increase of 122.4% or \$224 million is due to the change in the discount rate.

Long-term obligations increased by 24.9% or \$438 million, primarily due to an increase of \$414.4 million of net pension liability. Also, due to a bond refunding and issuance, total general obligation bonds increased \$5 million. In addition, total OPEB liability increased by \$19.9 million, resulting from the implementation of a new accounting standard (GASB 75).

MANAGEMENT'S DISCUSSION & ANALYSIS

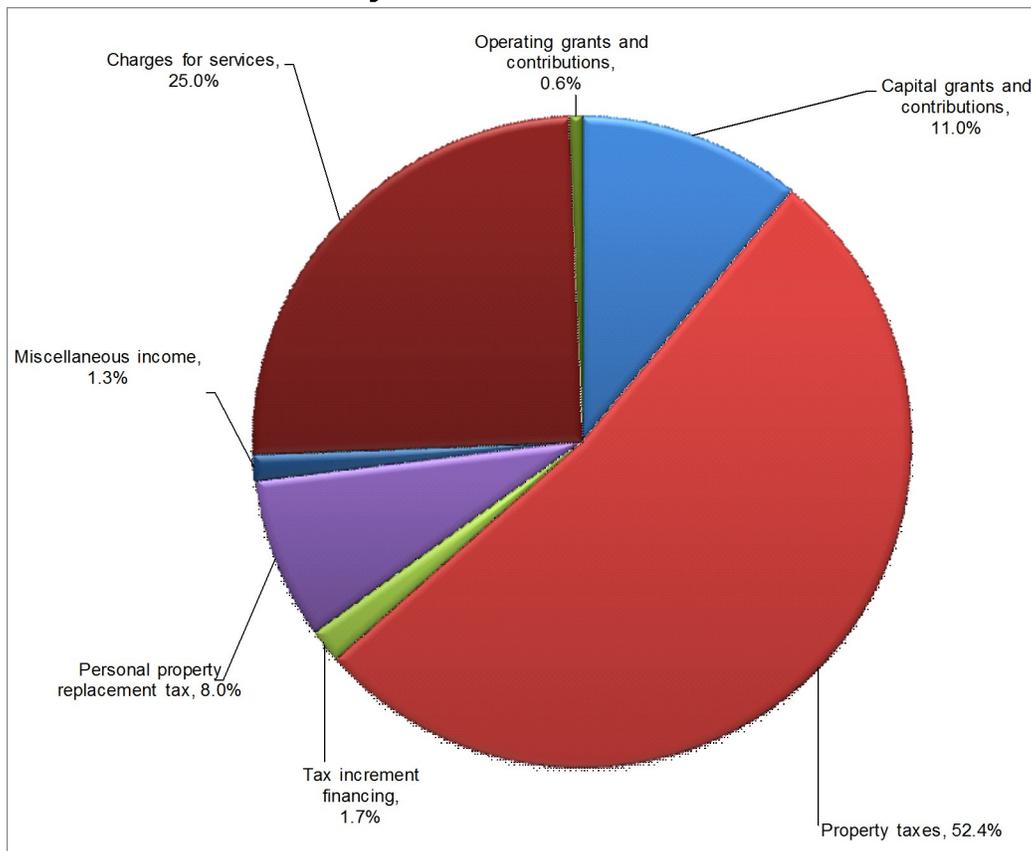
Net position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$650 million at December 31, 2018.

The greatest portion of the District's net position (183.7% or \$1,191 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 (19.6% 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 \$668 million.

Revenues by Source — Governmental Activities



Revenues from all governmental activities in 2018 were \$526 million. This reflects an increase of \$46 million from 2017. This increase is primarily due to the following:

- ◆ **Capital grants and contributions** increase of 163.6% or \$36 million. Of this amount, \$9.1 relates to the difference in value of land transfers - \$11.9 million in 2018 compared to \$2.8 million in 2017, and a donation related to the Lakefront Trail by the Kenneth C. Griffin Charitable Fund of \$8 million. The remaining amount relates to an increase of reimbursable grants expended.
- ◆ **Property Tax Revenue** increase of 3% or \$8 million. This is attributable to a 2018 property tax levy increase of approximately \$10.5 million from 2017, combined with a timing difference of the collection of property taxes during the first 60 days subsequent to year end.

Expenses for governmental activities in 2018 were \$702 million. This reflects an increase of \$51 million over 2017. This is primarily driven by an increase in pension and OPEB expenses which resulted from the lowering of the discount rates and the implementation of GASB statement No. 75 for OPEB.

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 2014 through 2018 (Amounts are in thousands of dollars)

Revenue Source	2014	2015	2016	2017	2018	Increase (Decrease) from 2017
Property taxes	\$ 262,333	261,146	285,334	247,838	278,720	30,882
Tax increment financing	3,885	5,086	7,050	9,626	8,759	(867)
Personal property replacement tax	44,601	42,602	43,838	48,601	41,652	(6,949)
Rental of Soldier Field	36,036	42,418	39,726	35,415	39,873	4,458
Harbor fees	23,625	23,850	24,698	24,497	25,107	610
Recreational activities (net of discounts)	13,375	13,601	13,465	14,225	14,846	621
Donations and grant income	59,345	43,515	35,024	21,034	42,714	21,680
Other user charges	1,740	4,586	6,668	7,250	7,632	382
Golf course fees	4,900	5,308	5,369	5,769	5,341	(428)
Concessions	3,529	3,726	3,967	3,691	3,702	11
Rental of other property	1,399	1,060	813	818	652	(166)
Investment income	212	522	1,193	2,632	5,467	2,835
Parking fees	4,146	4,768	5,349	5,757	5,634	(123)
Miscellaneous	1,344	1,597	1,471	1,695	1,589	(106)
Northerly Island	1,651	1,211	812	1,182	1,139	(43)
Permits	12,396	14,173	15,809	15,711	17,314	1,603
Internal service	-	-	-	-	4,200	4,200
Totals	\$ 474,517	469,169	490,586	445,741	504,341	58,600

Overall, revenue increased by approximately \$58.6 million.

- Property tax revenue increased by \$30.9 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 increased by \$21.7 million. This increase was primarily due to a donation related to the Lakefront Trail by the Kenneth C. Griffin Charitable Fund of \$8.0 million and an increase of reimbursable grants expended.
- Rental of Soldier Field increased by \$4.5 million, primarily due to the venue holding more events than in prior year, as well as higher attendance at those events.

MANAGEMENT'S DISCUSSION & ANALYSIS

Expenditures by Function—All Funds from 2014 through 2018 (Amounts are in thousands of dollars)

Expenditure Function	2014	2015	2016	2017	2018	Increase (Decrease) from 2017
Park operations and maintenance	\$ 110,775	114,757	127,006	123,386	136,934	13,548
Recreation programs	104,632	107,805	116,910	115,112	124,879	9,767
Special services	74,495	88,299	88,165	82,470	87,273	4,803
General and administrative	38,535	40,628	37,430	34,233	43,056	8,823
Capital outlay	144,507	89,121	61,273	51,898	90,576	38,678
Debt Service: Principal	51,716	38,924	44,138	42,924	40,571	(2,353)
Debt Service: Interest	36,673	41,951	38,874	40,120	40,054	(66)
Debt Service: Cost of issuance and other	1,715	1,322	1,013	76	827	751
Total Expenditures	563,048	522,807	514,809	490,219	564,170	73,951
Total Revenues	474,517	469,169	490,586	445,741	504,341	58,600
Deficiency of revenues over expenditures	\$ (88,531)	(53,638)	(24,223)	(44,478)	(59,829)	(15,351)

The District's governmental funds reported combined ending fund balances of \$285.9 million, a decrease of \$9.1 million from the prior year amount of \$295.0 million. Approximately 2.3% of this amount (\$6.7 million) constitutes *unassigned fund balance*. The remainder of the balance is not in a spendable form (\$2.3 million *nonspendable*), restricted for particular purposes (\$73.2 million *restricted*), committed for particular purposes (\$126.8 million *committed*), or assigned for particular purposes (\$76.9 million *assigned*).

- The General Fund is the primary operating fund of the District and reported an ending fund balance of \$212.0 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 \$314.9 million and expenditures of \$312.6 million. This resulted in an increase of fund balance of \$2.3 million from \$209.7 million at the end of 2017 to \$212.0 million at December 31, 2018.

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

- General obligation bonds—In October 2018, the District issued \$76.1 million of General Obligation Bonds, Series 2018 A- E. The 2018 Series A and D bonds will be used to finance various capital projects such as acquisition and development, facility rehabilitation, site improvements, special facilities and repayment for draws for the Series 2017 Bond Anticipation Note. The refunding of the bonds resulted in an economic gain (difference between the present values of the debt service on the old and new debt) of \$1.24 million.
- Bond ratings—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.
- Long-term obligations—Total long-term liabilities increased \$438.1 million to \$2,195.6 million in 2018 from \$1,1797.5 million in 2017. The increase is primarily due to an increase in net pension liability of \$414.5 million and an increase in total OPEB liability of \$19.9 million as a result of the implementation of a new accounting standard (GASB 75).

MANAGEMENT'S DISCUSSION & ANALYSIS

KEY DEFINITIONS

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

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

Capital Assets—the District's capital assets include land, works of art and historical collections, construction in progress, infrastructure, site improvements, harbor and harbor improvements, stadium and stadium improvements and equipment.

Deferred Outflows/Inflows of Resources—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.

Discount Rate—an interest rate used to discount a stream of future cash flows to present value.

General Fund—one of the five governmental fund types. The General Fund typically serves as the 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.

Other Post Employment Benefits (OPEB)—are benefits other than pension. Under OPEB the Park District offers medical and prescription drug insurance benefits to eligible retirees, spouses, and dependents. The cost of the healthcare plan is covered by both the Park District and the plan members.

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 \$634 billion for 2018 as compared to \$609 billion in 2017. 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 2018, Chicago added over 17,000 jobs for an increase of 1.5%. Private sector employment surpassed 1,197,000 with healthcare and professional and business services sectors being the largest areas of employment and those sectors had the largest gains in 2018. As a result of the strong growth rate in jobs, Chicago's unemployment rate at the end of 2018 was 3.9%. Chicago accounts for more than 20% of the world's global derivative trading. In 2018, Chicago-based exchanges generated more than 4 billion in annual global derivatives trading volume.



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 57 million travelers or a 4.3% increase compared to 2017. Tourism-related jobs in Chicago exceeded 150,000 in 2018. The increase in tourism also saw a 1% growth in hotel occupancy for 2018 and a 4.6% increase in the average room rate even as 1,500 additional rooms were added. In addition, as a result of the strong demand from tourism and business travelers, several new hotels opened in the City in 2018 with additional hotels planning to open in 2019.



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.

CAPITAL IMPROVEMENT PROJECTS

West Chatham Park Athletic Field —

West Chatham Park lies in the western portion of Chicago's south side Chatham community. West Chatham Park's new field is artificial turf, with sports lighting, and was designed to accommodate soccer, football, baseball, and softball. The baseball and softball portion has a 300 foot outfield. The field was designed to be used by the community and local high school. The multi-purpose facility allows for expanded Park District summer sports camp opportunities and host CPS practices and competitive matches for a wide range of sport. Athletic facilities investments are a key component of Building on Burnham, the Mayor's comprehensive plan to invest in the Lakefront, the Chicago River, natural areas and recreational opportunities in neighborhoods across the city.



Ford Calumet Environmental Center Construction in progress — Located in the 278 acre Big Marsh Park, the roughly 9,300 square foot Ford Calumet Environmental Center will serve as a multi-functional environmental center as well as Big Marsh's base of operations. The Center will include two large multi-purpose community rooms, educational exhibit displays, a concession space, office support, and public rest rooms. Educational and recreational programming will be offered out of the Center with a focus on nature, eco-recreation, and the industrial history in the Calumet Region. The Center will incorporate bird-safe design and will use locally-sourced and reclaimed materials to the greatest extent possible.

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.

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

Statue Stories

The Chicago Park District houses some of the most famous, original, and historic statues in Chicago. In 2015, the District began collaboration with the Statue Stories Chicago program. Funded by the Richard H. Driehaus Foundation and produced by Sing London, the project aims to make selected celebrated statues come to life. Located in parks throughout the city, park visitors can swipe a smartphone on the attached tags, and get a call back from the statue's subject. Voiced by noted Chicago actors, writers, and artists, and using drama, humor, and location technology, this interactive installation is a new and unique way to experience the Park District's vast collection of public art.



Leif Erikson, Humboldt Park



Benjamin Franklin, Lincoln Park



World's Fair Bison, Humboldt Park



Abraham Lincoln, Lincoln Park



Nicolaus Copernicus, Northerly Island



Jonathan Peter Altgeld, Lincoln Park



Cowardly Lion, Oz Park



Spirit of Music, Grant Park



Fountain Girl, Lincoln Park

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
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.