

**WILL COUNTY METROPOLITAN EXPOSITION AND  
AUDITORIUM AUTHORITY  
JOLIET, ILLINOIS  
(A MUNICIPAL CORPORATION)**

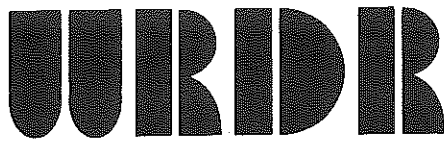
**COMPONENT UNIT  
BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**



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WERMER, ROGERS, DORAN & RUZON LLC CERTIFIED PUBLIC ACCOUNTANTS

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Board of Directors  
Will County Metropolitan Exposition  
And Auditorium Authority  
Joliet, Illinois 60432

### **Independent Auditor's Report**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Will County Metropolitan Exposition And Auditorium Authority, a component unit of the City of Joliet, as of and for the year ended June 30, 2006, which collectively comprise Will County Metropolitan Exposition And Auditorium Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Will County Metropolitan Exposition And Auditorium Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Will County Metropolitan Exposition And Auditorium Authority, as of June 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages three through ten are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Will County Metropolitan Exposition And Auditorium Authority's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Wernier, Rogers, Osborn + Ruppert, LLC*

December 15, 2006

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

## Management's Discussion And Analysis For The Year Ended June 30, 2006

Our discussion and analysis of the Will County Metropolitan Exposition And Auditorium Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2006. Please read it in conjunction with the Authority's financial statements, which begin on page 11.

### **FINANCIAL HIGHLIGHTS**

The Authority's net assets increased by \$853 thousand, or 18 percent as a result of this year's operations. Net assets of our governmental activities increased by \$958 thousand, or 208 percent while net assets of our business-type activities decreased by \$105 thousand, or 2 percent.

During the year, the Authority's governmental activities had revenues of \$1.4 million as compared to revenues of \$214 thousand in the prior year. This represented increases in revenues of \$1.2 million or 543 percent. The Authority's governmental activities had expenditures of \$91 thousand for both the current and prior year.

In the Authority's business-type activities, revenues increased from \$4.5 million to \$4.7 million or 5 percent while expenses increased from \$4.6 million to \$5.1 million or 12 percent.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets (on page 11) and the Statement of Activities (on page 12) provide information about the activities of the Authority as a whole and present a long-term view of the Authority's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's most significant funds. The remaining statements provide financial information about the activities for which the Authority acts solely as a trustee or agent for the benefit of those outside of the government.

### **The Statement Of Net Assets And The Statement Of Activities**

Our analysis of the Authority as a whole begins on page 5. One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Authority as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's *net assets* and changes in them. You can think of the Authority's net assets (the difference between assets and liabilities) as one way to measure the Authority's financial health, or *financial position*. Over time, *increases or decreases* in the Authority's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Authority's revenue base and the condition of the Authority's buildings, to assess the *overall health* of the Authority.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

## Management's Discussion And Analysis For The Year Ended June 30, 2006

In the Statement of Net Assets and the Statement of Activities, we divide the Authority into two kinds of activities:

- 1) Governmental Activities – Most of the Authority's basic services are reported here, including general administrative, development and sustaining, capital campaign and endowment, and fundraising. Grants and contributions finance most of these activities.
- 2) Business-Type Activities – The Authority charges fees to patrons to help it cover all or most of the costs of certain services it provides. The Authority's operations of the Rialto Square Theatre, the Rialto Office Complex, Two Rialto Square, and the Renaissance Center are reported here.

### **Reporting The Authority's Most Significant Funds**

#### **Fund Financial Statements**

Our analysis of the Authority's major funds begins on page 8. The fund financial statements begin on page 13 and provide detailed information about the most significant funds – not the Authority as a whole. Some funds are required to be established by State law and by bond covenants. However, the Authority Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain grants, and other money. The Authority's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

*Governmental Funds* – Most of the Authority's administration and management services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Authority's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources than can be spent in the near future to finance the Authority's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation to the right of fund financial statements.

*Proprietary Funds* – When the Authority charges patrons and tenants for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Authority's enterprise fund (a proprietary fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.



# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Management's Discussion And Analysis  
For The Year Ended June 30, 2006

## The Authority As Trustee

### Reporting The Authority's Fiduciary Responsibility

The Authority is the trustee, or fiduciary, for the Volunteers Fund. All of the Authority's fiduciary activities are reported in separate Statement of Fiduciary Net Assets on page 18. We exclude these activities from the Authority's other financial statements because the Authority cannot use these assets to finance its operations. The Authority is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### THE AUTHORITY AS A WHOLE

The Authority's combined net assets increased by about 18 percent – from \$4.68 million to \$5.54 million. Increases were seen in the governmental activities while decreases were seen in the business-type activities. Business-type activities decreased by about 2 percent while the governmental activities increased by about 208 percent. The decrease in business type activity can be attributed to the operations of the Rialto Square Theatre, School of The Arts and Two Rialto Square. The increase in the governmental activities can be attributed to the first full year of the capital campaign, a large bequest, and endowment contributions. The increases were \$519 thousand, \$188 thousand, and \$206 thousand respectively. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Authority's governmental and business-type activities:

Table 1 Net Assets (In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Reporting Entity</u>	
	2006	2005	2006	2005	2006	2005
Current And Other Assets	\$ 1,209	\$ 542	\$ 761	\$ 961	\$ 1,970	\$ 1,503
Noncurrent Assets	266	-	999	999	1,265	999
Capital Assets (Net)	-	-	3,448	3,614	3,448	3,614
<b>Total Assets</b>	<b>1,475</b>	<b>542</b>	<b>5,208</b>	<b>5,574</b>	<b>6,683</b>	<b>6,116</b>
Long-Term Debt Outstanding	-	-	-	156	-	156
Other Liabilities	57	82	1,090	1,195	1,147	1,277
<b>Total Liabilities</b>	<b>57</b>	<b>82</b>	<b>1,090</b>	<b>1,351</b>	<b>1,147</b>	<b>1,433</b>
Net Assets						
Invested In Capital Assets, Net Of Related Debt	-	-	3,448	3,342	3,448	3,342
Permanently Restricted	420	211	-	-	420	211
Temporarily Restricted	372	-	-	-	372	-
Unrestricted	626	249	670	881	1,296	1,130
<b>Total Net Assets</b>	<b>\$ 1,418</b>	<b>\$ 460</b>	<b>\$ 4,118</b>	<b>\$ 4,223</b>	<b>\$ 5,536</b>	<b>\$ 4,683</b>

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

## Management's Discussion And Analysis For The Year Ended June 30, 2006

The net assets of the Authority's governmental activities increased by \$958 thousand. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased by \$377 thousand. This increase is attributable to a single bequest of \$188 thousand as well as net fundraising revenue.

The net assets of the Authority's business-type activities decreased by 2 percent (\$4.1 million compared to \$4.2 million). Unrestricted net assets decreased by \$211 thousand or 24 percent. The Authority generally can only use these net assets to finance the continuing operations of the Rialto Square Theatre, the Rialto Office Complex, Two Rialto Square, and the Renaissance Center.

Table 2 Changes In Net Assets (In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Reporting Entity</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges For Services	\$ 1	\$ 2	\$ 3,933	\$ 3,703	\$ 3,934	\$ 3,705
Operating Grants And Contributions	827	188	779	774	1,606	962
Capital Grants And Contributions	519	-	-	-	519	-
<b>General Revenues:</b>						
Interest And Investment Earnings	<u>22</u>	<u>24</u>	<u>10</u>	<u>7</u>	<u>32</u>	<u>31</u>
Total Revenues	<u>1,369</u>	<u>214</u>	<u>4,722</u>	<u>4,484</u>	<u>6,091</u>	<u>4,698</u>
<b>Program Expenses</b>						
General Administration	12	9	-	-	12	9
Development And Sustaining	1	2	-	-	1	2
Corporate Circle	-	9	-	-	-	9
Fundraising	45	71	-	-	45	71
Capital Campaign And Endowment	33	-	-	-	33	-
Rialto Square Theatre	-	-	3,766	3,303	3,766	3,303
Rialto Office Complex	-	-	372	478	372	478
School Of The Arts	-	-	178	-	178	-
Two Rialto Square	-	-	754	718	754	718
Renaissance Center	-	-	77	97	77	97
Total Expenses	<u>91</u>	<u>91</u>	<u>5,147</u>	<u>4,596</u>	<u>5,238</u>	<u>4,687</u>
<b>Excess Revenues Over (Under)</b>						
Expenses Before Transfers	1,278	123	(425)	(112)	853	11
<b>Transfers</b>	<u>(320)</u>	<u>(58)</u>	<u>320</u>	<u>58</u>	<u>-</u>	<u>-</u>
<b>Change In Net Assets</b>	958	65	(105)	(54)	853	11
<b>Net Assets Beginning</b>	<u>460</u>	<u>395</u>	<u>4,223</u>	<u>4,277</u>	<u>4,683</u>	<u>4,672</u>
<b>Net Assets Ending</b>	<u>\$ 1,418</u>	<u>\$ 460</u>	<u>\$ 4,118</u>	<u>\$ 4,223</u>	<u>\$ 5,536</u>	<u>\$ 4,683</u>

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

## Management's Discussion And Analysis For The Year Ended June 30, 2006

The Authority's total revenues increased by \$1.4 million or 30 percent. The total costs of all programs and services increased by \$551 thousand or 12 percent. Our analysis that follows separately considers the operations of governmental and business-type activities.

### **Governmental Activities**

Revenues for the Authority's governmental activities increased by \$1.2 million or 543 percent while total expenses remained about the same.

Table 3 presents the cost of each of the Authority's four activity categories – general administration, development and sustaining, capital campaign and endowment, and fundraising, – as well as each category's *net* cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the Authority by each of these functions.

The general administrative category included professional fees, office expenses, trust fees, newspaper publications, and other miscellaneous expenses. Development and sustaining includes development expense and sustaining fund expense. Capital Campaign and endowment includes all expenses related to the capital campaign and endowment acquisition. Fundraising includes School of the Arts Fundraising Expenses.

Table 3 Governmental Activities (In Thousands)

	Total Cost Of Services		Net Cost Of (Surplus From) Services	
	2006	2005	2006	2005
General Administrative	\$ 12	\$ 9	\$ 528	\$ (71)
Development And Sustaining	1	2	-	(1)
Capital Campaign & Endowment	33	9	691	9
Fundraising	45	71	37	(36)
Totals	\$ 91	\$ 91	\$ 1,256	\$ (99)

### **Business-Type Activities**

Revenues of the Authority's business-type activities (see Table 2) increased by \$238 thousand or 5 percent while expenses increased by \$551 thousand or 12 percent. The Authority's business-type activities are comprised of five separate and distinct activities: these activities are Rialto Square Theatre, Rialto Office Complex, School of the Arts, Two Rialto Square, and Renaissance Center.

Program revenues from the Rialto Square Theatre increased by \$413 thousand or 15 percent, while operating costs increased by \$466 thousand or 14 percent. The revenue increase is mostly attributable to ticket income which increased from \$1.8 million to \$2.2 million. The expense increase is mostly attributable to other production expenses which increased from \$61 thousand to \$298 thousand. This is due to the increase in co-promoted events.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

## Management's Discussion And Analysis For The Year Ended June 30, 2006

Program revenues from the Rialto Office Complex decreased by \$13 thousand or 1 percent while expenses decreased by \$110 thousand or 23 percent. The revenue decrease is mostly attributable to decreased office and commercial rents which decreased from \$121 thousand to \$102 thousand. The cost decrease is mostly attributable to reduced custodial and maintenance costs from \$83 thousand to \$47 thousand. In addition, utilities decreased from \$79 thousand to \$54 thousand and finally, depreciation reduced from \$80 thousand to \$56 thousand.

Program revenues from Two Rialto Square decreased by \$142 thousand or 23 percent while expenses increased by \$36 thousand or 5 percent. The cost increase is mostly attributable to increases in custodial and maintenance expense which increased from \$100 thousand to \$136 thousand.

Program revenues for the Renaissance Center decreased from \$140 thousand to \$70 thousand while expenses decreased by \$19 thousand. The program revenue decrease is attributable to a decrease in office and commercial rent. The expense decrease is due to a reduction in depreciation expense.

### THE AUTHORITY'S FUNDS

As the Authority completed the year, its governmental funds (as presented in the balance sheet on page 13) reported a *combined* fund balance of \$1.4 million, which is above last year's total of \$460 thousand. The Authority also experienced an increase in its cash and investments by a combined total of \$348 thousand.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### **Capital Assets**

At June 30, 2006, the Authority had \$3.4 million invested in a broad range of capital assets, including land, buildings, building improvements, and furniture and equipment. (See Table 4 below.) This amount represents a net decrease (including additions and deductions) of approximately \$167 thousand or 5 percent under last year.

Table 4 Capital Assets At Year End (Net Of Depreciation, In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Reporting Entity</u>	
	2006	2005	2006	2005	2005	2004
Land	\$ -	\$ -	\$ 581	\$ 581	\$ 581	\$ 581
Buildings	-	-	1,164	1,581	1,164	1,581
Building Improvements	-	-	976	960	976	960
Furniture And Equipment	-	-	626	492	626	492
Construction In Progress	-	-	101	1	101	1
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,448</u>	<u>\$ 3,615</u>	<u>\$ 3,448</u>	<u>\$ 3,615</u>

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

## Management's Discussion And Analysis For The Year Ended June 30, 2006

This year's major additions included the following (in thousands):

Stage Lighting Project	\$	173
Dressing Room Project		93
	\$	266

More detailed information about the Authority's capital assets is presented in Note 5 to the financial statements.

### Debt

At year-end, the Authority had no outstanding debt versus \$271 thousand last year – a decrease of 100 percent – as shown in Table 5.

Table 5 Outstanding Debt, At Year End (In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Taxable Debt						
Certificate	\$ -	\$ -	\$ -	\$ 268	\$ -	\$ 268
Commercial Loans	-	-	-	3	-	3
Totals	\$ -	\$ -	\$ -	\$ 271	\$ -	\$ 271

More detailed information about the Authority's long-term debt is presented in Note 6 to the financial statements.

### ECONOMIC FACTORS

The Authority's business-type activities have operated at a loss for several years. Subsidies received in the form of grants from the City of Joliet offset a substantial portion of these losses. The City of Joliet appropriates support to the Authority on a year-to-year basis with no commitments extending beyond the current year. The Authority therefore continues to remain economically dependent on the City of Joliet.



# **WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY**

Management's Discussion And Analysis  
For The Year Ended June 30, 2006

## **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Authority's administrative office, 15 East Van Buren Street, Joliet, Illinois 60432.

### **Component Unit**

*Rialto Square Theatre Corporation*

Separate financial statements may be obtained at the Authority's administrative office, 15 East Van Buren Street, Joliet, Illinois 60432.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

## Statement Of Net Assets June 30, 2006

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	\$ 273,321	\$ 652,607	\$ 925,928
Investments	620,349	-	620,349
Accounts Receivable	-	32,800	32,800
Pledges Receivable - Current	106,000	-	106,000
Accrued Interest Receivable	355	531	886
Due From Fiduciary Funds	-	7,120	7,120
Prepaid Expenses	-	228,646	228,646
Grant Advance	15,717	-	15,717
Internal Balances	192,984	( 192,984)	-
Inventory	-	32,749	32,749
	<u>1,208,726</u>	<u>761,469</u>	<u>1,970,195</u>
Total Current Assets			
<b>Noncurrent Assets:</b>			
Pledges Receivable - Non Current	265,807	-	265,807
Due From City Of Joliet	-	998,936	998,936
Capital Assets (Net)			
Land	-	580,737	580,737
Buildings	-	1,163,848	1,163,848
Building Improvements	-	976,194	976,194
Furniture And Equipment	-	626,050	626,050
Construction In Progress	-	101,345	101,345
	<u>265,807</u>	<u>4,447,110</u>	<u>4,712,917</u>
Total Noncurrent Assets			
Total Assets	<u>\$ 1,474,533</u>	<u>\$ 5,208,579</u>	<u>\$ 6,683,112</u>

See Accompanying Notes To The Basic Financial Statements.



	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable And Accrued Expenses	\$ -	\$ 168,117	\$ 168,117
Accrued Payroll And Benefits	-	112,017	112,017
Accrued Interest Payable	56,355	-	56,355
Deferred Revenue	98	691,159	691,257
Due To Fiduciary Funds	-	4,272	4,272
Other	-	114,576	114,576
	<u>56,453</u>	<u>1,090,141</u>	<u>1,146,594</u>
Total Liabilities			
	<u>56,453</u>	<u>1,090,141</u>	<u>1,146,594</u>
 <b>NET ASSETS</b>			
Investment In Capital Assets, Net Of Related Debt	-	3,448,174	3,448,174
Restricted For Permanent Funds	420,308	-	420,308
Temporarily Restricted	371,807	-	371,807
Unrestricted	625,965	670,264	1,296,229
	<u>1,418,080</u>	<u>4,118,438</u>	<u>5,536,518</u>
Total Net Assets			
	<u>1,418,080</u>	<u>4,118,438</u>	<u>5,536,518</u>
Total Liabilities And Net Assets	<u>\$ 1,474,533</u>	<u>\$ 5,208,579</u>	<u>\$ 6,683,112</u>

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement Of Activities  
For The Year Ended June 30, 2006

<b>Functions / Programs</b>	<b>Expenses</b>	<b>Program Charges For Services</b>
Governmental Activities:		
General Administration	\$ 12,020	\$ -
Development And Sustaining	782	790
Capital Campaign And Endowment	33,745	
Fundraising	44,520	-
Total Governmental Activities	91,067	790
Business-Type Activities:		
Rialto Square Theatre	3,765,567	3,240,603
Rialto Office Complex	371,903	110,917
School Of The Arts	178,455	47,904
Two Rialto Square	754,305	463,996
Renaissance Center	77,410	69,777
Total Business-Type Activities	5,147,640	3,933,197
Total	\$ 5,238,707	\$ 3,933,987

See Accompanying Notes To The Basic Financial Statements.

**Net (Expense) Revenue And  
Changes In Net Assets**

<b>Revenues</b>				
<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ 539,983	\$ -	\$ 527,963	\$ -	\$ 527,963
-	-	8	-	8
206,000	519,198	691,453	-	691,453
81,164	-	36,644	-	36,644
<u>827,147</u>	<u>519,198</u>	<u>1,256,068</u>	<u>-</u>	<u>1,256,068</u>
8,287	-	-	( 516,677)	( 516,677)
770,492	-	-	509,506	509,506
-	-	-	( 130,551)	( 130,551)
-	-	-	( 290,309)	( 290,309)
-	-	-	( 7,633)	( 7,633)
<u>778,779</u>	<u>-</u>	<u>-</u>	<u>( 435,664)</u>	<u>( 435,664)</u>
<u>\$ 1,605,926</u>	<u>\$ 519,198</u>	<u>1,256,068</u>	<u>( 435,664)</u>	<u>820,404</u>
General Revenues:				
Interest And Investment Earnings		22,008	10,501	32,509
Transfers		( 320,272)	320,272	-
Total General Revenues And Transfers		( 298,264)	330,773	32,509
Change In Net Assets		957,804	( 104,891)	852,913
Net Assets - Beginning		460,276	4,223,329	4,683,605
Net Assets - Ending		<u>\$ 1,418,080</u>	<u>\$ 4,118,438</u>	<u>\$ 5,536,518</u>

## WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Governmental Funds  
Balance Sheet  
June 30, 2006

	General Fund	Debt Service Fund	Other Governmental Funds
<b>ASSETS</b>			
Cash	\$ 160,226	\$ 86,108	\$ 26,987
Investments	186,517	-	433,832
Pledges Receivable	371,807		-
Accrued Interest Receivable	-	347	8
Grant Advance	15,717		-
Internal Receivables	368,814	-	19,892
Total Assets	\$ 1,103,081	\$ 86,455	\$ 480,719
<b>LIABILITIES</b>			
Interest Payable	\$ -	\$ 56,355	\$ -
Deferred Revenue	-	-	98
Internal Payables	195,722	-	-
Total Liabilities	195,722	56,355	98
<b>FUND BALANCES</b>			
Restricted For Endowments	-	-	420,308
Unreserved, Reported In:			
General Fund	907,359	-	-
Special Revenue Fund	-	-	60,313
Debt Service Fund	-	30,100	-
Total Fund Balance	907,359	30,100	480,621
Total Liabilities And Fund Balance	\$ 1,103,081	\$ 86,455	\$ 480,719

See Accompanying Notes To The Basic Financial Statements.

Reconciliation Of Governmental Funds Balance Sheet  
To Statement Of Net Assets  
June 30, 2006

<b>Total Governmental Funds</b>																																												
<table border="0" style="width: 100%;"> <tr><td style="width: 5%;">\$</td><td style="width: 10%;">273,321</td><td></td></tr> <tr><td></td><td>620,349</td><td></td></tr> <tr><td></td><td>371,807</td><td></td></tr> <tr><td></td><td>355</td><td></td></tr> <tr><td></td><td>15,717</td><td></td></tr> <tr><td></td><td>388,706</td><td></td></tr> <tr><td colspan="2"><hr/></td><td></td></tr> <tr><td>\$</td><td>1,670,255</td><td></td></tr> </table>	\$	273,321			620,349			371,807			355			15,717			388,706		<hr/>			\$	1,670,255		<p>Total Fund Balance - Governmental Funds <span style="float: right;">1,418,080</span></p> <p><i>Amounts reported for governmental activities in the Statement Of Net Assets are currently the same as amounts reported in this statement</i></p> <p style="text-align: right;"><hr/>-</p> <p>Net Assets Of Governmental Activities <span style="float: right;">\$ <u>1,418,080</u></span></p>																			
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# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement Of Revenue, Expenditures, And  
Changes In Fund Balance  
Governmental Funds  
For The Year Ended June 30, 2006

	<b>General Fund</b>	<b>Debt Service Fund</b>
<b>Revenue</b>		
Fundraiser	\$ 77,844	\$ -
Grants	6,400	-
Matching Gifts	100	-
Government Grants	295,606	-
Sponsorship	6,500	-
Sustaining Fund	42,896	-
Donations	188,432	-
Endowment Donations	-	-
Improvement Donations	519,198	-
Preservation Dues	-	-
Dividends	681	-
Other Income	1,607	-
Interest	2,485	3,764
Unrealized Gain (Loss) On Investments	( 3,112)	-
Reimbursements	-	-
	<u>1,138,637</u>	<u>3,764</u>
Total Revenue		
<b>Expenditures</b>		
Fundraising	44,520	-
Capital Campaign Expense	33,746	-
Professional Fees	3,250	-
Office Supplies	2,416	-
Development Expense	775	-
Sustaining Fund Expense	7	-
Miscellaneous	1,779	-
Trust Fees	823	-
	<u>87,316</u>	<u>-</u>
Total Expenditures		
Excess Of Revenue Over Expenditures	<u>1,051,321</u>	<u>3,764</u>
<b>Other Financing (Uses)</b>		
Transfers	( 320,272)	-
	<u>( 320,272)</u>	<u>-</u>
Total Other Financing (Uses)		
Excess Of Revenue Over Expenditures And Other Financing Uses	<u>731,049</u>	<u>3,764</u>
<b>Fund Balance, Beginning Of Year</b>	<u>176,310</u>	<u>26,336</u>
<b>Fund Balance, End Of Year</b>	<u>\$ 907,359</u>	<u>\$ 30,100</u>

See Accompanying Notes To The Basic Financial Statements.

Reconciliation Of The Statement Of Revenues,  
Expenditures And Changes In Fund Balance Of  
Governmental Funds To The Statement Of Activities  
For The Year Ended June 30, 2006

Other Governmental Funds	Total Governmental Funds		
\$ -	\$ 77,844	Net Change In Fund Balance - Governmental Funds	\$ 957,804
-	6,400		
-	100		
-	295,606		
-	6,500		
-	42,896		
50	188,482		
206,000	206,000		
-	519,198		
3,320	3,320		
1,262	1,943		
-	1,607		
164	6,413	<i>Amounts reported for governmental activities in the Statement Of Activities are currently the same as amounts reported in this statement.</i>	-
7,069	3,957		
8,878	8,878		
226,743	1,369,144	Change In Net Assets Of Governmental Funds	\$ 957,804
-	44,520		
-	33,746		
-	3,250		
10	2,426		
-	775		
-	7		
-	1,779		
3,742	4,565		
3,752	91,068		
222,991	1,278,076		
-	( 320,272)		
-	( 320,272)		
222,991	957,804		
257,630	460,276		
\$ 480,621	\$ 1,418,080		

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

## Statement Of Net Assets Proprietary Fund June 30, 2006

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash And Cash Equivalents	\$ 652,607
Receivables - Trade	32,800
- Accrued Interest	531
Due From Fiduciary Funds	7,120
Prepaid Expenses	228,646
Internal Receivables	189,722
Inventory	32,749
Total Current Assets	1,144,175
<b>Noncurrent Assets</b>	
<b>Capital Assets</b>	
Land	580,737
Buildings	12,876,299
Building Improvements	1,900,738
Furniture And Equipment	861,388
Construction In Progress	101,345
	16,320,507
Accumulated Depreciation	12,872,333
Total Capital Assets	3,448,174
<b>Other Assets</b>	
Due From City Of Joliet	998,936
Total Noncurrent Assets	4,447,110
Total Assets	\$ 5,591,285

See Accompanying Notes To The Basic Financial Statements.



**Business-Type  
Activities**  

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**Enterprise  
Fund**  

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**LIABILITIES**

**Current Liabilities**

Accounts Payable And Accrued Expenses	\$ 168,117
Accrued Payroll And Benefits	112,017
Deferred Revenue	691,159
Due To Fiduciary Funds	4,272
Internal Payables	382,706
Other	<u>114,576</u>
 Total Current Liabilities	 <u>1,472,847</u>

**NET ASSETS**

Invested In Capital Assets, Net Of Related Debt	3,448,174
Unrestricted	<u>670,264</u>
 Total Net Assets	 <u>4,118,438</u>
 Total Liabilities And Net Assets	 <u>\$ 5,591,285</u>



# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement Of Revenue, Expense, And Changes In Net Assets  
 Proprietary Fund  
 For The Year Ended June 30, 2006

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
<b>Operating Revenue</b>	
Rentals And Reimbursements - Office And Commercial	\$ 636,740
Theatre Related Revenue	3,251,526
Other	38,283
Total Operating Revenue	3,926,549
<b>Operating Expense</b>	
Salaries	1,265,287
Benefits	251,753
Professional Services	64,200
Advertising And Promotion	423,119
Administrative	61,794
Insurance	198,767
Real Estate Expense	745
Custodial And Maintenance	258,444
Utilities	271,028
Artist Fees	1,062,374
House Expense	237,615
Production Expense	509,635
Bad Debt Expense	5,511
Depreciation	531,867
Total Operating Expense	5,142,139
Operating (Loss)	( 1,215,590)
<b>Non Operating Revenue (Expense)</b>	
Interest Income	17,149
Support From City Of Joliet	770,492
In-Kind Contributions	8,287
Interest Expense	( 5,501)
Total Non Operating Revenue (Expense)	790,427
Net (Loss) Before Transfers	( 425,163)
<b>Transfer In</b>	320,272
Net (Loss)	( 104,891)
<b>Total Net Assets, Beginning Of Year</b>	4,223,329
<b>Total Net Assets, End Of Year</b>	\$ 4,118,438

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement Of Cash Flows  
Proprietary Fund  
For The Year Ended June 30, 2006

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
<b>Cash Flows From Operating Activities</b>	
Cash Received From Customers	\$ 4,024,395
Cash Paid To Suppliers For Goods And Services	( 3,168,380)
Cash Payments For Employees Services	( 1,487,718)
Net Payments From Other Funds	<u>1,888</u>
Net Cash (Used In) Operating Activities	<u>( 633,591)</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Support From The City Of Joliet	770,492
Transfers From Other Funds	<u>320,272</u>
Net Cash Provided By Noncapital Financing Activities	<u>1,090,764</u>
<b>Cash Flows From Capital And Related Financing Activities</b>	
Loan Repayments	( 3,398)
Additions To Buildings And Building Improvements	( 365,913)
Principal Paid On Taxable Debt Certificates	( 268,400)
Interest Paid	<u>5,501</u>
Net Cash (Used In) Capital And Related Financing Activities	<u>( 643,212)</u>
<b>Cash Flows From Investing Activities</b>	
Interest Received On Investments	<u>17,221</u>
Net Cash Provided By Investing Activities	<u>17,221</u>
Net (Decrease) In Cash	( 168,818)
<b>Cash, Beginning Of Year</b>	<u>821,425</u>
<b>Cash, End Of Year</b>	<u>\$ 652,607</u>

See Accompanying Notes To The Basic Financial Statements.

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
Reconciliation Of Operating (Loss) To Net Cash (Used In) Operating Activities	
Operating (Loss)	(\$ 1,215,590)
Adjustments To Reconcile Operating (Loss) To Net Cash (Used In) Operating Activities	
Depreciation	531,867
In-Kind Contributions	8,287
Changes In Assets And Liabilities	
Receivables	15,022
Due From Fiduciary Funds	( 2,014)
Prepaid Expenses	( 25,292)
Internal Receivables	( 65,747)
Inventory	( 13,053)
Accounts Payable And Accrued Expenses	( 46,757)
Accrued Payroll And Benefits	29,323
Deferred Revenue	26,510
Due To Fiduciary Funds	126
Internal Payables	122,061
Other Payables	1,666
Total Adjustments	581,999
Net Cash (Used In) Operating Activities	(\$ 633,591)

**WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY**

Statement Of Net Assets  
Fiduciary Funds  
June 30, 2006

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash	\$ 139,348
Inventory	7,299
Due From WCMEAA	<u>4,272</u>
Total Assets	<u>\$ 150,919</u>
<b>LIABILITIES</b>	
Due To WCMEAA	\$ 7,120
Due To Volunteers	<u>143,799</u>
Total Liabilities	<u>\$ 150,919</u>

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## 1. Summary Of Significant Accounting Policies

### *Introduction*

The Will County Metropolitan Exposition And Auditorium Authority (the Authority) was created under Illinois Public Act 80-909. The original purpose of the Authority was to rehabilitate and restore a historic building, the Rialto Square Theatre. Duties of the Authority consisted of promoting, operating and maintaining expositions and conventions in the metropolitan area for industrial, cultural, educational, theatrical, sports, trade and scientific exhibits and to construct, equip and maintain auditoriums and exposition buildings for such purposes. In 1982, the Act was amended to allow the Authority to lease property as an owner and change the Authority name from Joliet to Will County Metropolitan Exposition and Auditorium Authority.

The financial statements of the Authority are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (USGAAP). USGAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the Authority the option of electing to apply FASB pronouncements issued after November 30, 1989. The Authority has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

### *Financial Reporting Entity*

Accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board, defines a financial reporting entity and other entities that qualify as potential component units. The criterion for an entity to be a component unit of another entity (primary government) is for that primary government entity to have responsibility to oversee, this responsibility includes but is not limited to the following considerations: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; accountability for fiscal matters; the scope of an organization's public service; and/or special financing relationships.

Based on the above criterion, the Will County Metropolitan Exposition And Auditorium Authority, for the year ended June 30, 2006, has met the definition as a component unit of the City of Joliet. The considerations for the Will County Metropolitan Exposition And Auditorium Authority to be a component unit of the City of Joliet are: selection of governing authority; ability to significantly influence operations; and accountability for financial matters.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## *Blended Component Units*

These component units are legally separate entities from the Authority, but are so intertwined with the Authority that they are, in substance, the same as the Authority. The component unit's funds are blended into those of the Authority's by appropriate activity type to compose the reporting entity presentation.

## *Discretely Presented Component Units*

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the Authority has no discretely presented component units.

## **Blended Component Unit**

The blended component unit included in this report was selected using positive criteria. The Rialto Square Theatre Corporation (Corporation) is included as a blended component unit due to the Authority's ability to significantly influence operations, fiscal accountability, and substantially the same governing board. The Authority did not omit from the financial statements any board or agency that met any inclusion criteria.

## ***Basis Of Presentation***

### *Government-wide Financial Statements*

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and nonexchange revenue. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

### *Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Authority's funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Authority (General Fund) or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and



# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

- b) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

## *Governmental Funds*

Governmental funds are those through which most governmental functions of the Authority are financed. The Authority's expendable financial resources (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Authority's governmental funds:

**General Fund (Major Fund)** - The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

**Debt Service Fund (Major Fund)** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**Endowment Fund Non-expendable Portion (Nonmajor Fund)**- The Board of Directors of the RSTC established the Rialto Square Theatre Endowment Fund on January 1, 1989. The fund is to be supported through public gifts and contributions. Principal cannot be used or invaded for any purpose other than those specified by the donor. This fund is classified as a permanent fund.

**Endowment Fund Expendable Fund (Nonmajor Fund)** - This fund is used to account for the unrestricted portion of the Rialto Square Theatre Endowment Fund. The balance in this fund represents earnings on the endowment fund that have not been expended or transferred to another fund. This fund is classified as a special revenue fund.

## *Proprietary Funds*

Proprietary funds are used to account for the Authority's ongoing organizations and activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income.

**Enterprise Fund** - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## *Fiduciary Funds (Not Included In Government-wide Statements)*

Fiduciary funds are used to account for assets held by the Authority in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

**Agency Funds** - Agency Funds are used to account for assets held by the Authority as an agent for individuals, private organizations, other governmental units, and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The following are included as agency funds:

### *Volunteers Fund*

The Board of Directors of the Rialto Square Theatre Corporation (RSTC) established the Rialto Square Theatre Volunteers Organization and Fund. The purpose of the organization is to provide volunteer manpower and to promote and support the programs of the Rialto Square Theatre. The income generated is transferred to the Will County Metropolitan Exposition And Auditorium Authority to be used as directed by the Volunteer Board of Directors.

## ***Measurement Focus And Basis Of Accounting***

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

### *Measurement Focus*

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement or the "economic resources" measurement is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## *Basis Of Accounting*

### Government-wide Financial Statements

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the Authority and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the Authority.

Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

### Fund Financial Statements

Fund financial statements report detailed information about the Authority. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting on funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

### Governmental Funds

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonable estimate the amount. Available means collectable within sixty days or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

## Notes To Basic Financial Statements June 30, 2006

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

Charges for services, and miscellaneous revenues (except for investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Revenues from Federal and State grants and similar programs are recognized when the Authority has done everything necessary to establish its right to the revenue. Usually this is at the time an expenditure has been incurred for an authorized purpose.

### Proprietary Funds

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resources focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

### *Capital Assets*

Capital assets are stated on the basis of historical cost. Major capital asset additions are financed primarily from bond proceeds. Assets acquired through gifts or donations are recorded at their estimated fair value at the time of acquisition. The Authority has established a capitalization threshold of \$2,500 for buildings and improvements and \$2,500 for furniture and equipment.

Depreciation of all exhaustible property, plant and equipment used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheet. Depreciation has been provided over the estimated useful lives of 5 to 23 years using the straight-line method.

### *Budgets*

State statute does not require the Authority to adopt a budget, therefore, budgetary information is not presented in the financial statements.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## *Cash And Cash Equivalents*

For the purpose of the statement of cash flows, the proprietary fund type considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Supplemental disclosure of cash flow information - cash paid during the year for:

Interest	\$5,501
----------	---------

## *Investments*

Investments of the Authority are stated at fair value (See note 2). Short-term investments are reported at costs, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

## *Inventory*

Inventory is carried at cost. Cost being determined on the first in first out basis.

## *Deferred Revenue*

Deferred revenue at June 30, 2006 consists of theatre deposits, rotunda deposits, gift certificates, tickets on account, and ticket sales for future events.

## *Advertising Costs*

It is the Authority's policy to include in prepaid expenses amounts spent for advertising which relate to future performances. These amounts are then expensed when the related revenue is recognized. All other advertising costs are expensed when incurred.

## *Use Of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## 2. Cash And Investments

### *Deposits*

At June 30, 2006, the carrying amount of the Authority's deposit was \$859,707 and the bank balance was \$800,007. Excluded from these amounts is cash on hand consisting of \$5,150.

Custodial Credit Risk – this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of June 30, 2006, all of the Authority's bank balances were insured or fully collateralized.

Concentration of Credit Risk. – The Authority places no limit on the amount it may invest in any one issuer. At June 30, 2006, the Authority held investments in five mutual funds (three of which represent 5 percent or more of the total investments as depicted in the schedule on the following page).

Interest Rate Risk – The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Authority's investment policy requires that short-term investments may only be invested in:

- 1) Certificates of deposit issued by the state and national banks, savings and loan associations, and credit unions domiciled in Joliet, IL, that are: a) guaranteed or insured by the Federal Deposit Insurance Corporation, other deposit insurance agencies, or their successors; or b) secured by the pledge of securities in the same manner as is required by the depository bank.
- 2) Obligations of the United States or its agencies and instrumentalities.
- 3) Direct obligations of the State of Illinois or its agencies.
- 4) Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Illinois or the United States.
- 5) Fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described above.
- 6) Money market funds regulated by the Securities and Exchange Commission.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## *Investments*

Investments are carried at fair value. Unrealized gains for the endowment fund were \$3,958. All investments are expected to be held until maturity.

	Fair Value	% Of Total Investments
U.S. Treasury Money Market Fund	\$ 49,865	6.08%
Harris Government Money Market Fund	184,755	22.51%
Harris Insight Money Market Fund	15,667	1.91%
First Midwest Fixed Income Common Fund	225,918	27.53%
First Midwest Equity Common Fund	344,563	41.98%
 Total Investments	 \$ 820,768	 100.00%

A reconciliation of the Authority's cash and investment balances as reported in the statements of net assets and the deposits and investments presented in this note is as follows:

	Deposits	Investments	Total
Reported As Cash:			
Savings And Demand			
Deposit Accounts	\$ 656,031	\$ -	\$ 656,031
Certificates Of Deposit	42,399	-	42,399
Money Market Funds	161,277	200,419	361,696
Cash On Hand	-	-	5,150
Total Reported As Cash	859,707	200,419	1,065,276
 Reported As Investments:			
U.S. Treasury Money Market	-	49,867	49,867
Mutual Funds	-	570,482	570,482
Total Reported As Investments	-	620,349	620,349
 Total Cash And Investments	 \$ 859,707	 \$ 820,768	 \$ 1,685,625

### **3. Due From City Of Joliet**

The Intergovernmental receivable of \$998,936 represents a beneficial interest from the City of Joliet for the top floor of Deck A and Deck B (parking facilities).

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## 4. Compensated Absences

Employees of the Authority are entitled to paid vacation, sick and personal days off. Sick and personal time does not accrue from year to year and is only paid if used. The liability for earned but unpaid vacation of \$57,669 has been recorded in the accompanying financial statements.

## 5. Capital Assets

Capital assets activity for the year ended June 30, 2006 was as follows:

	Balances July 1, 2005	Additions	Deletions	Balances June 30, 2006
<b>Business-Type Activities</b>				
<i>Not Being Depreciated</i>				
Land	\$ 580,737	\$ -	\$ -	\$ 580,737
Construction In Process	1,053	101,345	1,053	101,345
Subtotal	581,790	101,345	1,053	682,082
<i>Other Capital Assets</i>				
Buildings	14,962,218	-	2,085,919	12,876,299
Building Improvements	1,808,185	92,553	-	1,900,738
Furniture And Equipment	688,320	173,068	-	861,388
Total At Historical Cost	18,040,513	366,966	2,086,972	16,320,507
Less Accumulated Depreciation For:				
Buildings	13,381,217	417,153	2,085,919	11,712,451
Building Improvements	848,437	76,107	-	924,544
Furniture And Equipment	196,730	38,608	-	235,338
Total Accumulated Depreciation	14,426,384	531,868	2,085,919	12,872,333
Net Property And Equipment	\$ 3,614,129	\$ (164,902)	\$ 1,053	\$ 3,448,174

## 6. Long-Term Debt

### *Taxable Debt Certificate*

The following is a summary of taxable debt certificate transactions of the authority for the year ended June 30, 2006:

Taxable Debt Certificate Payable At July 1, 2005	\$ 268,400
Principal Paid On Taxable Debt Certificate	<u>268,400</u>
 Taxable Debt Certificate Payable At June 30, 2006	 <u>\$ -</u>



# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## 7. Renaissance Center - Lease Agreement And Intergovernmental Agreement

On May 5, 1983, the Authority formally entered into a lease agreement with the Joliet Junior College Foundation to lease the property, known as the Louis Joliet Renaissance Center, owned by the Foundation.

The Authority paid the Foundation the minimum lease payment of \$1.6 million, paid at inception of the lease representing prepayment of all rents due during the term of the lease, which ends December 31, 2005.

Based on the terms of the lease, the Authority has elected to classify the lease as a sales-type (the lease transaction is considered a purchase transaction), which is concurrent with accounting principles generally accepted in the United States of America. Currently, Joliet Junior College is subleasing this space from the Authority. Due to the expiration of the lease agreement and the intergovernmental agreement in the current year, the capital asset values associated with these agreements have been removed from the balance sheet.

## 8. Retirement Fund

The Authority contributes to the Central Pension Fund (CPF), a defined benefit pension program, for employees who are members of the International Union of Operating Engineers.

The Authority contributed \$1.50 per hour through January 1, 2006 and then \$1.65 per hour through June 30, 2006 up to 40 hours a week, for the participants, and payments to CPF totaled \$13,589.

## 9. Going Concern

The Authority's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. However, the Authority has sustained substantial operating losses in recent years.

The management of the Authority is currently taking action to improve the profitability of the Authority. Management's plans include: cost containment polices, corporate sponsorship programs, development of annual budget, rate revisions and expansion of the Preservation Society. Management believes that these endeavors along with others will provide the opportunity for the Authority to continue as a going concern.

## 10. Grants And Awards

The Authority receives a substantial amount of its support from the City of Joliet. A significant reduction in the level of this support, if this were to occur, may have an effect on the Authority's programs and activities.

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## 11. Leases

The Authority is the lessor under operating leases expiring in various years.

Following is a summary of property on lease at June 30, 2006:

Buildings	\$ 6,653,151
Leaseholds Improvements	<u>797,832</u>
	7,450,983
Less Accumulated Depreciation	<u>5,790,607</u>
	<u>\$ 1,660,376</u>

Minimum future rentals to be received on non-cancelable leases as of June 30, 2006 for each of the next five years and in the aggregate are:

2007	\$ 500,416
2008	262,770
2009	<u>42,761</u>
	<u>\$ 805,947</u>

Rent expense for the year ending June 30, 2006 was \$100,690.

## 12. Segment Information For Enterprise Fund

### *Condensed Statement Of Net Assets*

Current Assets	\$ 761,469
Due From City Of Joliet	998,936
Capital Assets (Net)	<u>3,448,174</u>
 Total Assets	 <u>\$ 5,208,579</u>
 Current Liabilities	 \$ 1,090,141
Noncurrent Liabilities	<u>-</u>
 Total Liabilities	 <u>1,090,141</u>
 Net Assets:	
Invested In Capital Assets, Net Of Related Debt	3,448,174
Unrestricted	<u>670,264</u>
 Total Net Assets	 <u>4,118,438</u>
 Total Liabilities And Net Assets	 <u>\$ 5,208,579</u>

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes To Basic Financial Statements  
June 30, 2006

## **Condensed Statement Of Revenues, Expenses And Changes In Net Assets**

Operating Revenue	\$ 3,926,549
Operating Expenses	4,610,272
Depreciation	531,867
	<u>5,142,139</u>
Operating (Loss)	(1,215,590)
Nonoperating Revenue (Expenses)	790,427
Transfers In	320,272
	<u>                    </u>
Change In Net Assets	(104,891)
Net Assets, Beginning Of Year	<u>4,223,329</u>
Net Assets, End Of Year	<u>\$ 4,118,438</u>

## **Condensed Statement Of Cash Flows**

Net Cash Provided By (Used In)	
Operating Activities	\$ (633,591)
Noncapital Financing Activities	1,090,764
Capital And Related Financing Activities	(643,212)
Investing Activities	17,221
	<u>                    </u>
Net (Decrease) In Cash	(168,818)
Cash, Beginning Of Year	<u>821,425</u>
Cash, End Of Year	<u>\$ 652,607</u>

## **Goods And Services Provided**

The Enterprise Fund provides for the operation of the Rialto Square Theatre and for the leasing of commercial property in the downtown Joliet area.

**WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY**

Notes To Basic Financial Statements  
June 30, 2006

**13. Interfund Balances And Transfers**

At June 30, 2006, interfund balances were as follows:

<u>Fund</u>	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
<b>Major Funds:</b>		
<b>General Fund:</b>		
Enterprise Fund	\$ 189,722	\$ 382,706
<b>Enterprise Fund:</b>		
General Fund	368,814	195,722
<b>Nonmajor Funds:</b>		
<b>Endowment Fund (Nonexpendable Portion):</b>		
Enterprise Fund	<u>19,892</u>	<u>-</u>
Grand Total	<u>\$ 578,428</u>	<u>\$ 578,428</u>

Interfund Transfers during the year ended June 30, 2006 were as follows:

<u>Fund</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
<b>General Fund:</b>		
Enterprise Fund	\$ -	\$ 320,272
<b>Enterprise Fund</b>		
General Fund	<u>320,272</u>	<u>-</u>
Grand Total	<u>\$ 320,272</u>	<u>\$ 320,272</u>

**WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY**

Combining Balance Sheet  
All Nonmajor Governmental Funds  
June 30, 2006

	<u>Special Revenue Funds</u>	<u>Permanent Funds</u>	
	<u>Endowment Fund Expendable Portion</u>	<u>Endowment Fund Nonexpendable Portion</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 8,867	\$ 18,120	\$ 26,987
Investments	51,536	382,296	433,832
Interest Receivable	8	-	8
Internal Receivables	-	19,892	19,892
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 60,411	\$ 420,308	\$ 480,719
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Deferred Revenue	\$ 98	\$ -	\$ 98
	<hr/>	<hr/>	<hr/>
Total Liabilities	98	-	98
	<hr/>	<hr/>	<hr/>
<b>Fund Balance</b>			
Restricted For Endowments	-	420,308	420,308
Unreserved	60,313	-	60,313
	<hr/>	<hr/>	<hr/>
Total Fund Balance	60,313	420,308	480,621
	<hr/>	<hr/>	<hr/>
Total Liabilities And Fund Balance	\$ 60,411	\$ 420,308	\$ 480,719
	<hr/>	<hr/>	<hr/>



# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Combining Statement Of Revenue, Expenditures, And  
Changes In Fund Balance  
All Nonmajor Governmental Funds  
For The Year Ended June 30, 2006

	<b>Special Revenue Funds</b>	<b>Permanent Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Endowment Fund Expendable Portion</b>	<b>Endowment Fund Nonexpendable Portion</b>	
<b>Revenue</b>			
Donations	\$ -	\$ 209,370	\$ 209,370
Investment Earnings	10,304	-	10,304
Unrealized Gain On Investments	7,069	-	7,069
Total Revenue	17,373	209,370	226,743
<b>Expenditures</b>			
Trust Fees	3,752	-	3,752
Total Expenditures	3,752	-	3,752
Excess Of Revenue Over Expenditures	13,621	209,370	222,991
<b>Fund Balance, Beginning Of Year</b>	46,692	210,938	257,630
<b>Fund Balance, End Of Year</b>	\$ 60,313	\$ 420,308	\$ 480,621

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Schedule Of Revenue And Expense  
Enterprise Fund  
For The Year Ended June 30, 2006

	Rialto Square Theatre	Rialto Office Complex
Operating Revenue		
Office And Commercial Rent	\$ -	\$ 96,497
Utility Reimbursement	-	5,270
Theatre Rent	119,728	-
Rotunda Rent	113,199	-
Theatre Rental Reimbursement	85,395	-
Rotunda Rental Reimbursement	15,434	-
Preservation Fees	170,025	-
Ticket Income	2,163,534	-
Bar Income	265,710	-
Commissions Income	58,322	-
Tour Income	20,848	-
Box Office Handling Fees	56,426	-
Participant Income	73,959	-
Show Program Advertising	12,200	-
Dinner Packages	52,330	-
Tuition	-	-
Donations	-	-
Other Income	33,493	2,502
	3,240,603	104,269
Total Operating Revenue		
Operating Expense		
Salaries		
Administrative	311,164	40,001
Engineer	97,486	56,439
Maintenance	43,622	4,376
Instructors	-	-
Temporary Help	385	10,608
Office	166,608	6,575
Theatre House	124,894	-
Theatre Stage	221,770	-
	965,929	117,999
Total Salaries		



<b>School Of The Arts</b>	<b>Total Rialto Complex</b>	<b>Two Rialto Square</b>	<b>Renaissance Center</b>	<b>Total Enterprise Fund</b>
\$ 1,200	\$ 97,697	\$ 463,267	\$ 69,777	\$ 630,741
-	5,270	729	-	5,999
-	119,728	-	-	119,728
-	113,199	-	-	113,199
-	85,395	-	-	85,395
-	15,434	-	-	15,434
-	170,025	-	-	170,025
-	2,163,534	-	-	2,163,534
-	265,710	-	-	265,710
-	58,322	-	-	58,322
-	20,848	-	-	20,848
-	56,426	-	-	56,426
-	73,959	-	-	73,959
-	12,200	-	-	12,200
-	52,330	-	-	52,330
44,227	44,227	-	-	44,227
189	189	-	-	189
2,288	38,283	-	-	38,283
<u>47,904</u>	<u>3,392,776</u>	<u>463,996</u>	<u>69,777</u>	<u>3,926,549</u>
8,783	359,948	40,001	-	399,949
8,235	162,160	39,350	-	201,510
1,581	49,579	8,964	-	58,543
45,763	45,763	-	-	45,763
-	10,993	-	-	10,993
16,799	189,982	8,862	-	198,844
261	125,155	-	-	125,155
2,760	224,530	-	-	224,530
<u>84,182</u>	<u>1,168,110</u>	<u>97,177</u>	<u>-</u>	<u>1,265,287</u>

(Continued)

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Schedule Of Revenue And Expense  
Enterprise Fund  
For The Year Ended June 30, 2006

	Rialto Square Theatre	Rialto Office Complex
Benefits		
State U/C Tax	\$ 5,841	\$ 522
Pension (Union)	6,858	3,927
Employer FICA	73,951	9,230
Health Insurance	95,923	22,769
Total Benefits	182,573	36,448
Professional Services		
Booking Consultant	17,500	-
Accounting And Legal	8,660	775
Other	32,975	300
Total Professional Services	59,135	1,075
Advertising And Promotion		
Public Relations	565	-
Marketing/Rental Property	2,256	22
Institutional Advertising	51,900	98
Show Program Expense	11,023	-
Event Marketing	330,230	-
In Kind Advertising	8,287	-
Tour Expense	3,931	-
Total Advertising And Promotion	408,192	120
Administrative Expense		
Office Supply (Non Print)	10,214	1,266
Small Equipment	3,600	1,778
Equipment Rental	1,488	411
Postage And Freight	3,313	311
Travel	11,752	410
License And Permits	1,800	-
Computer Supplies	12,211	934
Other	1,979	-
Membership Fees	2,972	104
Total Administrative Expense	49,329	5,214

<b>School Of The Arts</b>	<b>Total Rialto Complex</b>	<b>Two Rialto Square</b>	<b>Renaissance Center</b>	<b>Total Enterprise Fund</b>
\$ 613	\$ 6,976	\$ 359	\$ -	\$ 7,335
162	10,947	2,643	-	13,590
2,826	86,007	7,363	-	93,370
567	119,259	18,199	-	137,458
<hr/> 4,168	<hr/> 223,189	<hr/> 28,564	<hr/> -	<hr/> 251,753
-	17,500	-	-	17,500
120	9,555	1,555	240	11,350
375	33,650	1,700	-	35,350
<hr/> 495	<hr/> 60,705	<hr/> 3,255	<hr/> 240	<hr/> 64,200
8,816	9,381	3,539	-	12,920
-	2,278	190	-	2,468
2,025	54,023	237	-	54,260
-	11,023	-	-	11,023
-	330,230	-	-	330,230
-	8,287	-	-	8,287
-	3,931	-	-	3,931
<hr/> 10,841	<hr/> 419,153	<hr/> 3,966	<hr/> -	<hr/> 423,119
1,010	12,490	1,297	-	13,787
131	5,509	450	-	5,959
68	1,967	24	-	1,991
499	4,123	330	-	4,453
757	12,919	1,003	-	13,922
-	1,800	-	-	1,800
300	13,445	1,080	-	14,525
-	1,979	-	-	1,979
198	3,274	104	-	3,378
<hr/> 2,963	<hr/> 57,506	<hr/> 4,288	<hr/> -	<hr/> 61,794

(Continued)

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Schedule Of Revenue And Expense  
Enterprise Fund  
For The Year Ended June 30, 2006

	<b>Rialto Square Theatre</b>	<b>Rialto Office Complex</b>
Insurance		
Insurance	\$ 89,939	\$ 50,928
Total Insurance	89,939	50,928
Real Estate Expense		
Real Estate Taxes	-	-
Total Real Estate Expense	-	-
Custodial And Maintenance		
Custodial Supplies	12,191	2,484
General Maintenance/Repairs	23,659	33,691
Cleaning Service	19,850	10,876
Total Custodial And Maintenance	55,700	47,051
Utilities		
Electricity	45,874	28,808
Water	2,247	2,513
Gas	21,735	16,621
Telephone	21,213	5,750
Total Utilities	91,069	53,692
Artists Fees		
Regular Artist Fees	1,042,474	-
Opening Acts Artist Fees	6,750	-
Contracted Musicians	13,150	-
Total Artists Fees	1,062,374	-

<u>School Of The Arts</u>	<u>Total Rialto Complex</u>	<u>Two Rialto Square</u>	<u>Renaissance Center</u>	<u>Total Enterprise Fund</u>
\$ 10,469	\$ 151,336	\$ 47,431	\$ -	\$ 198,767
10,469	151,336	47,431	-	198,767
-	-	745	-	745
-	-	745	-	745
198	14,873	7,479	-	22,352
18,847	76,197	104,185	-	180,382
708	31,434	24,276	-	55,710
19,753	122,504	135,940	-	258,444
10,011	84,693	83,273	-	167,966
1,761	6,521	2,531	-	9,052
23,743	62,099	-	-	62,099
1,121	28,084	3,827	-	31,911
36,636	181,397	89,631	-	271,028
-	1,042,474	-	-	1,042,474
-	6,750	-	-	6,750
-	13,150	-	-	13,150
-	1,062,374	-	-	1,062,374

(Continued)

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Schedule Of Revenue And Expense  
Enterprise Fund  
For The Year Ended June 30, 2006

	Rialto Square Theatre	Rialto Office Complex
House Expense		
Liquor And Beer	\$ 46,388	\$ -
Beverage	8,906	-
Bar Supplies	6,285	-
Bar / Souvenir Salaries	7,796	-
Sales Tax	25,009	-
Ticketing Expense	10,935	-
Credit Card Charges	64,543	-
Security	10,355	-
Reimbursement / Rental Expense	19,197	-
Concessions Expense	40	-
Dinner Package Expense	30,442	-
Rotunda Equipment Rent Events	1,190	-
Volunteer Program Expense	5,357	-
Other	430	-
	236,873	-
Total House Expense		
Production Expense		
Royalties	15,810	-
Transportation Artist	14,785	-
Accommodations Artist	7,251	-
Food Artist	15,229	-
Instrument Tuning	325	-
Supplies	5,521	-
Musical Instrument Rental	9,607	-
Production Equipment Rental	83,588	-
Rotunda Equipment Purchase	27,520	-
Production Equipment Purchase	1,708	-
Theatre Rental Reimbursement Expense	21,730	-
Production Expense Other	298,355	-
	501,429	-
Total Production Expense		

School Of The Arts	Total Rialto Complex	Two Rialto Square	Renaissance Center	Total Enterprise Fund
\$ -	\$ 46,388	\$ -	\$ -	\$ 46,388
-	8,906	-	-	8,906
-	6,285	-	-	6,285
-	7,796	-	-	7,796
-	25,009	-	-	25,009
64	10,999	-	-	10,999
377	64,920	-	-	64,920
301	10,656	-	-	10,656
-	19,197	-	-	19,197
-	40	-	-	40
-	30,442	-	-	30,442
-	1,190	-	-	1,190
-	5,357	-	-	5,357
-	430	-	-	430
<u>742</u>	<u>237,615</u>	<u>-</u>	<u>-</u>	<u>237,615</u>
-	15,810	-	-	15,810
-	14,785	-	-	14,785
-	7,251	-	-	7,251
165	15,394	-	-	15,394
25	350	-	-	350
494	6,015	-	-	6,015
6,057	15,664	-	-	15,664
375	83,963	-	-	83,963
-	27,520	-	-	27,520
-	1,708	-	-	1,708
-	21,730	-	-	21,730
<u>1,090</u>	<u>299,445</u>	<u>-</u>	<u>-</u>	<u>299,445</u>
<u>8,206</u>	<u>501,429</u>	<u>-</u>	<u>-</u>	<u>509,635</u>

(Continued)

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Schedule Of Revenue And Expense  
Enterprise Fund  
For The Year Ended June 30, 2006

	<b>Rialto Square Theatre</b>	<b>Rialto Office Complex</b>
Bad Debt Expense	\$ 2,498	\$ 3,013
Total Operating Expense Before Depreciation	3,705,040	315,540
Operating Income (Loss) Before Depreciation	( 464,437)	( 211,271)
Depreciation	60,460	56,355
Operating Income (Loss)	( 524,897)	( 267,626)
<b>Non-Operating Revenue (Expense)</b>		
Interest Income	4,831	6,648
Support From City Of Joliet	-	770,492
In-Kind Contributions	8,287	-
Interest Expense	( 67)	( 8)
Total Non-Operating Revenue (Expense)	13,051	777,132
Net Income (Loss) Before Transfers	( 511,846)	509,506
<b>Transfers</b>	320,272	-
Net Income (Loss)	(\$ 191,574)	\$ 509,506



<u>School Of The Arts</u>	<u>Total Rialto Complex</u>	<u>Two Rialto Square</u>	<u>Renaissance Center</u>	<u>Total Enterprise Fund</u>
\$ -	\$ 5,511	\$ -	\$ -	\$ 5,511
178,455	4,199,035	410,997	240	4,610,272
( 130,551)	( 806,259)	52,999	69,537	( 683,723)
-	116,815	337,882	77,170	531,867
( 130,551)	( 923,074)	( 284,883)	( 7,633)	( 1,215,590)
-	11,479	5,670	-	17,149
-	770,492	-	-	770,492
-	8,287	-	-	8,287
-	( 75)	( 5,426)	-	( 5,501)
-	790,183	244	-	790,427
( 130,551)	( 132,891)	( 284,639)	( 7,633)	( 425,163)
-	320,272	-	-	320,272
(\$ 130,551)	\$ 187,381	(\$ 284,639)	(\$ 7,633)	(\$ 104,891)

## WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Data Required By The Revenue Bond Ordinances  
(Unaudited)  
June 30, 2006

In accordance with the Revenue Bond Ordinances the following additional data is required.

a. Below is a schedule of the Authority's insurance in effect at June 30, 2006.

<u>Insurance</u>	<u>Carrier</u>	<u>Expiration Date</u>
Property	- <u>Hartford Insurance Group</u>	4/2/07
\$ 46,569,100	- Property Coverage - Rialto Building, Terminal Building, Joliet Building, Annex Building	
\$ 425,800	- Business Personal Property	
\$ 50,000	- Personal Property Of Others	
\$ 450,000	- Business Income	
\$ 100,000	- Fidelity Bond	
\$ 20,000	- Theft, Premises, Messenger And Safe	
Liability	- St. Paul Travelers	4/2/07
\$ 2,000,000	- Liability Coverage	
Comprehensive Umbrella Liability	- <u>St. Paul Travelers</u>	
\$ 5,000,000	- Primary Umbrella Liability	4/2/07
	- <u>Ohio Casualty Company</u>	
\$ 5,000,000	- Excess Umbrella Liability	4/2/07
Workmen's Compensation And Employer's Liability	- <u>Liberty Mutual Insurance Company</u>	10/16/06
\$ 100,000	- Bodily Injury By Accident - Each Accident	
\$ 100,000	- Bodily Injury By Disease - Each Employee	
\$ 500,000	- Bodily Injury By Disease - Policy Limit	

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Data Required By The Revenue Bond Ordinances  
(Unaudited)  
June 30, 2006

<u>Insurance</u>	<u>Carrier</u>	<u>Expiration Date</u>
Liquor Liability	<u>St. Paul Travelers</u>	04/2/07
\$1,000,000	Bodily Injury, Means Of Support And Property Damage Combined	
AD & D	Fortis Benefits Insurance Co.	Monthly
Medical	Blue Cross Blue Shield of Illinois	Monthly
Life	Fort Dearborn Life Insurance Company	Monthly
Sexual Harassment/ Molestation	1st Nonprofit Mutual Insurance Co.	10/9/07
\$1,000,000	Bodily Injury/Property Damage Liability	
\$1,000,000	Sexual Abuse Or Sexual Molestation Liability	
\$1,000,000	Personal And Advertising Injury Liability	
\$1,000,000	Non-Owned And hired Auto Liability	
\$100,000	Fire And Water Damage	
\$5,000	Each Personal Medical Limit	
\$25,000	Each Occurrence Medical Payment Limit	

b. <u>Building</u>	<u>Number Of Tenants</u>
Two Rialto Square	13
Rialto Office Complex	13

# WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Schedule Of Organization Data  
June 30, 2006

## Board Of Directors

Chairman	David Hacker
Vice Chairman	James Smith
Secretary	Rosalie D'Andrea
Treasurer - Appointed	Randall Green
Member	Mary Babich
Member	LeeAnn Goodson
Member	Robert Rogina
Member	David Thornton