

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2006

Prepared by

Donna L. Wilson  
Director of Finance and Personnel

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 ARLINGTON HEIGHTS, ILLINOIS  
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## INTRODUCTORY SECTION



410 N. Arlington Heights Road / Arlington Heights, Illinois 60004  
(847) 577-3000 / Fax: (847) 577-3050 / www.ahpd.org

August 18, 2006

Board of Park Commissioners and Citizens of the  
Arlington Heights Park District  
410 North Arlington Heights Road  
Arlington Heights, Illinois 60004

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended April 30, 2006.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Sikich Gardner & Co, LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the Arlington Heights Park District’s financial statements for the year ended April 30, 2006. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### ***Profile of the Arlington Heights Park District***

The Arlington Heights Park District, incorporated in June 1925, is located in northern Cook County, and is 25 miles northwest of downtown Chicago. The Park District serves a population of approximately 76,943. The Park District provides a full range of recreational activities, a public open space system, recreational facilities and special events for its citizens. The Arlington Heights Park District is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The Park District has operated under a Board-Manager form of government since 1925. Policy-making authority is vested in a governing board (Board of Commissioners) consisting of the President and four other members, all elected on a non-partisan basis. The Board of Commissioners appoints the government’s executive director, who in turn appoints the heads of the various departments. Board members are elected at large and serve four-year terms, with elections every two years.

Services include recreation programs, park management, capital development, and general administration. Recreational facilities operated by the Park District include 58 parks, totaling 715.08 acres, with one indoor and five outdoor swimming pools, five community centers, a cultural arts center, historical museum, Forest View Racquet and Fitness Club, Heritage Tennis Club, Arlington Lakes Golf Club, Nickol Knoll Golf Club, Lake Arlington, Melas Park Sports Complex, and an assortment of softball diamonds, football and soccer fields, playgrounds, and picnic areas.

The Park District participates in the Illinois Municipal Retirement Fund (IMRF), the Northwest Special Recreation Association (NWSRA), and the Park District Risk Management Agency (PDRMA). These organizations are separate governmental units because: (1) they are organized entities, (2) have governmental character, and (3) are substantially autonomous. Audited financial statements for these organizations are not included in this report. However, such statements are available upon request from their respective business offices.

The Board of Commissioners is required to adopt a final budget by no later than three months after the close of the fiscal year. This annual budget serves as the foundation for the Arlington Heights Park District's financial planning and control. The budget is prepared by fund and state law prohibits further appropriation at anytime within the same fiscal year. The Board of Commissioners has the authority after the first six months of the fiscal year, to make transfers between various items in any fund in the appropriation ordinance with a two-thirds vote. Transfers cannot exceed 10%, in the aggregate, of the total amount appropriated for the fund or item that is having funds reallocated.

### *Local Economy*

The Arlington Heights Park District is located in northern Cook County. The District serves most of Arlington Heights and small portions of Palatine, Mt. Prospect, Prospect Heights and Rolling Meadows. It encompasses an area of a little over 16 square miles. The Village of Arlington Heights estimates the population to be 76,943, an increase of less than 1% from that of 2000. According to the 2000 U.S. Census data, Arlington Heights is the third largest suburb in Cook County, the eighth largest suburb in the Chicago Metropolitan area and the twelfth largest community in the State of Illinois.

The Village of Arlington Heights has a well-established reputation as a preeminent community located in the northwestern corridor of the Chicago metropolitan area. There is little undeveloped land in the Village, however the Village's economic base is diversified and strong income and housing indices are above State levels. The Village maintains an aggressive economic development program. This results in higher employment rates, a vibrant economy and a stable economic base. Arlington Heights also enjoys a thriving downtown area, which contains a mix of multi-story housing office space, restaurants, retailers, specialty stores and business services. A Tax Increment Financing District has been instrumental in creating this vital commercial area, and development activities are still occurring in the downtown area.

The Arlington Heights Park District continues its efforts to monitor economic and population changes, and alters programs and services to meet the needs of the community. The increased demand on existing facilities and parks also pointed the District toward redevelopment. Gradually, the District is analyzing its parks and facilities, making changes to accommodate changing and existing needs.

### ***Long-term Financial Planning***

Facility renovation, park expansion, and equipment replacement are scheduled for completion within the Park District's Comprehensive Plan. The Comprehensive Plan is a five-year capital improvement program that includes a five-year funding projection. It was developed to coordinate all facets of the Park District's operation including community needs, land acquisition, programs, facilities, budget and personnel in an effort to maximize existing resources. The Comprehensive Plan and Capital Improvement Plan are integral parts of the District's long-term financial planning.

### ***Major Initiatives***

**Pioneer Project** – The community centers because of their designs do not meet the current recreational needs of the residents. The Park Board recognizes the need to modernize the facilities and selected Pioneer Community Center to be replaced. Plans are to demolish the existing maintenance service garage and move that operation out of the residential area, demolish the existing community center, and construct a new facility. Construction will begin in Fall 2006, with completion targeted for October 2007.

**Davis Street II** – On July 8, 2003, the Park District approved a real estate contract to purchase 1440 E. Davis Street. The property is located in an industrial area, adjacent to property currently owned by the Park District. Pioneer Service Center, located in a residential neighborhood, will be moved to this location. The remainder of the building will be used as a warehouse facility for Park District equipment. The building will require some remodeling prior to relocation targeted for February 2007.

**Sunset Meadows Athletic Field Development** – The Park District purchased a parcel of land at 1701 Kirchoff Road, in 2003/04 for \$925,000. In January 2005 the Village of Arlington Heights donated approximately two acres at the other end of the block. Both parcels are adjacent to Sunset Meadows driving range and athletic fields. The property is scheduled to be developed into athletic fields. The first phase which includes site preparation, grading and seeding, was completed in Fall 2005 for \$230,500. The plan is to complete the playground, landscaping, fencing, irrigation, lights and parking lot in Fall 2006.

**Land Acquisition** - The Park District is interested in increasing park acreage within the Park District and continues to pursue property adjacent to existing parks. Newly acquired land must meet the goals of the Park District (it is best if the land can be programmed to provide a source of revenue for its operation). Large parcels or parcels adjoining existing parks provide the best flexibility to the Park District for future needs.

**Maintenance of Facilities** - The Park District anticipates continuing its program of renovating and updating facilities, structures, tennis courts and playgrounds, and general infrastructure under its current schedule of improvements. An audit of all facilities was conducted to determine ADA requirements. The implementation of capital projects is dependent on available financing.



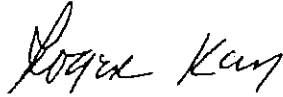
### *Award's and Acknowledgements*

The Government Finance Officers Association of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the Park District for the year ended April 30, 2005. This was the nineteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the Park District had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

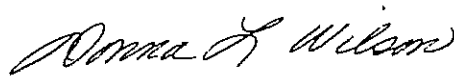
A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the requirements of the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department, and the cooperation and assistance rendered by staff in other operating departments of the Park District. We express our appreciation to all of those employees who assisted and contributed to its preparation. We thank the Board of Commissioners for their leadership and support in planning and conducting the financial operations of the District in a responsible and prudent manner.

Respectfully Submitted,



Roger Key  
Executive Director



Donna L. Wilson  
Director of Finance and Personnel

FINANCIAL SECTION



998 Corporate Boulevard • Aurora, IL 60502

*Members of American Institute of  
Certified Public Accountants &  
Illinois CPA Society*

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners  
Arlington Heights Park District  
Arlington Heights, Illinois

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 the Arlington Heights Park District, Arlington Heights, Illinois, as of and for the year ended April 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the management of the Arlington Heights Park District, Arlington Heights, Illinois. Our responsibility is to express opinions on these basic 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 the Arlington Heights Park District, Arlington Heights, Illinois as of April 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 and other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Arlington Heights Park District, Arlington Heights, Illinois' basic financial statements. The combining and individual fund financial statements and schedules and supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical information listed in the accompanying table of contents was not audited by us, and accordingly, we do not express an opinion thereon.

A handwritten signature in black ink that reads "Sipich LLP". The signature is written in a cursive, flowing style.

Aurora, Illinois  
June 21, 2006

**Arlington Heights Park District  
Management's Discussion and Analysis  
For The Year Ended April 30, 2006**

This discussion and analysis is intended to be an easily readable overview of the Arlington Heights Park District's financial activities for the year ended April 30, 2006, based on currently known facts, decisions and conditions. This analysis focuses on current year activities and operations, which should be read in combination with the transmittal letter and the basic financial statements that follow.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

**Financial Highlights**

- The Park District's financial status continues to be strong. Despite the impact of higher health insurance and energy costs, the Park District concluded the year with a positive balance. Overall revenues for all funds this past year were \$21,768,218 and expenses were \$ 20,701,884 for a positive net of \$1,066,334.
- Assets exceeded liabilities by \$42,345,576 (net assets) at the close of the fiscal year. Of this amount, \$19,645,801 is unrestricted and available to meet ongoing and future obligations.
- The change in total net assets of the Park District is an increase of \$1,185,714 for governmental activities and a decrease of \$119,380 for business-type activities.
- Total governmental funds reported an end of the year fund balance of \$21.2 million; this represents an overall increase of \$9.8 million. The majority of the increase was the net result of bond proceeds and capital expenditures activity.
- Governmental funds reported a combined total of \$19,601,917 of revenues, and \$19,853,751 in expenditures. After offsetting transfers, debt proceeds and prior period adjustments, the resulting combined increase in the fund balance of all governmental funds on April 30, 2006, was \$9,806,266. The combined fund balance of all governmental funds on April 30, 2006, was \$21,278,778.
- The General Fund's total revenue of \$4,695,997 was more than budgeted revenue by \$288,459. The fund balance had a net increase of \$567,222. The expenses in the fund were less than budgeted, which helped the fund perform better than planned. This activity resulted in an April 30, 2006 fund balance of \$4,594,084.
- The Recreation Fund's total revenue of \$8,298,981 exceeded budgeted revenue by \$199,686. Recreation program registrations and fees were \$4,461,894, an increase of \$150,808 over last year. Recreation expenditures were \$7,814,189 compared to the prior year for an increase of \$120,399. The fund balance had a net increase of \$484,792, which was favorable by \$420,330, compared to the budgeted net increase of \$64,462. This activity resulted in an April 30, 2006 fund balance of \$4,934,595.

## **Using the Annual Report/Report Layout**

As a result of the implementation of GASB Statement No. 34 in 2004, this report is significantly different from years prior to 2004. Besides the MD&A, the report consists of government-wide statements, fund financial statements and notes to the financial statements.

The government-wide statements are highly condensed and present information about the Park District's finances and operations as a whole, with a longer-term view. Within this view, all Park District operations are categorized and reported as either governmental or business-type activities.

The fund financial statements indicate how we financed our governmental activities in the short-term, as well as what remains for future spending. The fund financial statements also report the Park District's operations in more detail than the government-wide financial statements by providing information about the Park District's major funds.

## **Reporting the Park District as a Whole**

The accompanying government-wide financial statements include two statements that present financial data for the Park District as a whole. The Statement of Net Assets and the Statement of Activities report information about the Park District as a whole and its activities. The statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private – sector companies. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

### *Statement of Net Assets*

The Statement of Net Assets presents the assets, liabilities and resulting net assets of the Park District's governmental and business-type activities. Since 2004, governmental activities reflect capital assets and long-term liabilities. Business-type activities have long reported capital assets and long-term liabilities.

Net assets, the difference between assets and liabilities, provide a measure of the Park District's financial strength, or financial position. Over time, increases or decreases in net assets are an indicator of improving or deteriorating financial health. It is important to consider other non-financial factors such as changes in the Park District's property tax base, or the condition of parks to accurately assess the overall health of the Park District.

### *Statement of Activities*

The Statement of Activities presents expenses of major programs (functions) and matches direct program revenues with each. To the extent that direct charges and grants do not recover a program's cost, it is paid from general taxes and other resources. The statement simplifies the user's analysis to determine what extent programs are self-supporting and/or subsidized by general revenues.

## **Reporting the Park District's Most Significant Funds**

The analysis of the Park District's major funds statements reinforce information in the government-wide financial statements or provide additional information. The Park District's major funds are presented in a separate column in the fund financial statements, and the remaining funds are combined into a column titled "Other Governmental Funds." For each major special revenue fund, a Budgetary Comparison Statement is also presented. Users who want to obtain information on non-

major funds can find it in the Combining and Individual Fund Statements and Schedules section of the Comprehensive Annual Financial Report (CAFR).

Most of the Park District's activities are reported in governmental funds, which focus on how money flows into and out of funds, and the remaining balances 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 Park District's general government operations and the basic services it provides. Governmental activities include recreation and general government administration. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements of the governmental funds.

Proprietary funds have historically used the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the Park District as a whole. Proprietary fund activity consists of golf course and tennis club operations.

### The Park District as a Whole Government-Wide Financial Statements

#### Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. On April 30, 2006, net assets for the Park District were \$42,345,576. A condensed version of the Statement of Net Assets at April 30, 2006, follows:

**Table 1**  
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 29,753	19,633	1,699	1,842	31,452	21,475
Capital assets	46,786	47,666	5,063	5,024	51,849	52,690
Total assets	<u>76,539</u>	<u>67,299</u>	<u>6,762</u>	<u>6,866</u>	<u>83,301</u>	<u>74,165</u>
<b>Liabilities:</b>						
Current and other liabilities	8,677	8,457	128	110	8,805	8,567
Long-term liabilities:						
Due within one year	2,353	2,745	30	22	2,383	2,767
Due in more than one year	29,650	21,424	117	128	29,767	21,552
Total liabilities	<u>40,680</u>	<u>32,626</u>	<u>275</u>	<u>260</u>	<u>40,955</u>	<u>32,886</u>
<b>Net Assets:</b>						
Invested in capital assets, net of debt	15,591	24,179	5,062	5,023	20,653	29,202
Restricted	2,047	1,722	-	-	2,047	1,722
Unrestricted	18,221	8,772	1,425	1,583	19,646	10,355
Total Net Assets	<u>\$ 35,859</u>	<u>34,673</u>	<u>6,487</u>	<u>6,606</u>	<u>42,346</u>	<u>41,279</u>

The largest portion of the Park District's net assets (71%) reflects its investment in capital assets (e.g. land, buildings, improvements and equipment); less any related debt used to acquire those capital assets that is still outstanding. The Park District uses these assets to provide services to citizens; consequently these assets are not available for future spending. Although the Park District's

investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provide from other sources, since the capital assets themselves cannot be used to liquidate theses liabilities.

There are restrictions on \$2,046,703 of net assets for governmental activities. These restrictions represent legal or contractual obligations on how the assets may be expended, specifically for the repayment of debt. The remaining 25% or \$19.6 million represents unrestricted assets and may be used to meet the Park District's ongoing obligations to citizens and creditors.

The end of the year total net assets for business-type activities of \$6.49 million, represent an \$119,380 decrease from the beginning year balance. This decrease is the result of the Park District's golf operations revenue declining and the loss realized on the roof replacement at Heritage Tennis Club.

### *Changes in Net Assets*

A summary of the government-wide statement of changes in net assets for the year ended April 30, 2006 follows:

**Table 2**  
**Governmental and Business-type Activities**  
**Changes in Net Assets**  
**(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 7,012	6,856	2,134	2,126	9,146	8,982
Operating grants and contributions	37	-	-	-	37	-
Capital grants and contributions	244	66	-	-	244	66
General Revenues:						
Taxes	11,636	11,430	-	-	11,636	11,430
Investment Income	572	218	-	-	572	218
Donations and miscellaneous	75	54	58	50	133	104
Total Revenues	<u>19,576</u>	<u>18,624</u>	<u>2,192</u>	<u>2,176</u>	<u>21,768</u>	<u>20,800</u>
<b>Expenses</b>						
Program Expenses:						
General Government	10,784	9,455	-	-	10,784	9,455
Culture and Recreation	6,551	6,247	-	-	6,551	6,247
Interest	1,055	1,140	-	-	1,055	1,140
Golf and Tennis operations	-	-	2,311	2,204	2,311	2,204
Total Expenses	<u>18,390</u>	<u>16,842</u>	<u>2,311</u>	<u>2,204</u>	<u>20,701</u>	<u>19,046</u>
Excess/(deficit) before transfers	<u>1,186</u>	<u>1,782</u>	<u>(119)</u>	<u>(28)</u>	<u>1,067</u>	<u>1,754</u>
Net Assets, May 1	<u>37,744</u>	<u>26,879</u>	<u>6,606</u>	<u>6,751</u>	<u>44,350</u>	<u>33,630</u>
Prior period adjustment	<u>(3,071)</u>	<u>9,083</u>	<u>-</u>	<u>(117)</u>	<u>(3,071)</u>	<u>8,966</u>
Net Assets, May, restated	<u>34,673</u>	<u>35,962</u>	<u>6,606</u>	<u>6,634</u>	<u>41,279</u>	<u>42,596</u>
Change in Net Assets	<u>\$ 35,859</u>	<u>37,744</u>	<u>6,487</u>	<u>6,606</u>	<u>42,346</u>	<u>44,350</u>

For 2005/06, changes in net assets decreased \$2,004,652 to \$42,345,576. The primary reason was an adjustment to the beginning balance of capital assets used in the operation of the governmental funds



was restated by \$3,070,986 to reflect an inventory valuation and the changes in class and lives of structures. Without this adjustment net assets increased \$1,066,334, which is attributed to an increase in charges for services, investment income, property taxes and land dedication contributions.

Total revenue government-wide increased \$967,790 to \$21,768,218 for 2005/06. The increase in revenue reflects a \$ 158,387 increase in property tax revenue and a \$353,974 increase in investment income. Charges for services (42.0%) and property tax revenue (53.5%) accounted for 95.5% of the total 2005/06 revenue. The total cost of providing all programs and services for the Park District was reported at \$20.7 million compared to \$19 million in 2004/05. Of this 2005/06 total, general government expenditures captured 52.1% and culture and recreation expenditures accounted for 31.6% of total costs.

### ***Governmental Activities***

Revenues for governmental activities increased \$ .95 million to 19.6 million for fiscal 2005/06 reflecting higher property tax revenue and increased charges for services. Property tax revenue represented the largest portion of the revenue base, generating 59.4% of the total. Property taxes fund governmental activities including but not limited to, the Park District's contribution to the Illinois Municipal Retirement Fund, Social Security, Audit, Special Recreation and Museum funds.

Charges for services accounted for 35.8% of total revenues. Because the Park District does not receive 100% of its funding through property tax revenue it must charge a fee for programs and services that it provides to its residents in order to cover all costs associated with that program offerings. Pricing of programs is evaluated each year before the preparation of the following fiscal year budget.

The cost of all governmental activities this year was \$18.4 million. General government expenses, which primarily reflect the support services needed to provide the recreational program and services accounted for 58.6% of total expense or \$10.8 million. Culture and recreation expenses captured 35.6% of the total expenses or \$6.6 million. Culture and recreation expenses reflect expenses associated with providing recreation programming and services.

In the table below, we presented the cost of each of the Park District's largest functions, as well as program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden was placed on the Park District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**  
**Governmental Activities**  
**(in thousands)**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2006	2005	2006	2005
General Government	\$ 10,784	9,455	10,373	9,202
Culture and Recreation	6,551	6,247	(331)	(422)
Interest	1,055	1,140	1,055	1,140
Total Expenses	<u>\$ 18,390</u>	<u>16,842</u>	<u>11,097</u>	<u>9,920</u>

### ***Business-type Activities***

The Park District's business-type programs only encompass the operation of Arlington Lakes Golf Club and Heritage Tennis Club.

Revenues of the Park District's business-type activities were \$2,133,565 for fiscal year 2005/06. Charges for services primarily reflect Arlington Lakes Golf Club greens fees, cart fees, driving range fees, merchandise sales and food service and Heritage Tennis Clubs memberships, court fees, league fees, lessons and merchandise sales. The cost of providing all business-type activities this year was \$2,252,945, comprised of \$2,080,629 million in operating expenditures and \$172,295 in depreciation expense. This resulted in a decrease in net assets for the fiscal year of \$119,380.

### **Financial Analysis of the Park District's Funds**

The Park District's uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

#### ***Governmental Funds***

Governmental funds reported a combined total of \$19,601,917 of revenues and \$19,853,751 in expenditures. After offsetting transfers and debt proceeds, the resulting combined increase in the fund balance of all governmental funds at April 30, 2006, was \$9,806,266. The combined fund balance of all governmental funds at April 30, 2006, was \$21,278,778.

The focus on the Park District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$21.3 million, reflecting an increase of \$9.8 million from the prior fiscal year. Of this increase, the General Fund increased \$567,222, and the Recreation Fund increased \$484,792. The Capital Projects Fund increased \$8.6 million due to the issuance of \$10 million in general obligation bonds, which was partially offset by a \$1.76 million in expenses for capital projects.

The fund balance increase within the General Fund was largely due to increased investment income of \$252,416. The major increase in fund balance in the Recreation fund is attributed to a combined increase in charges for recreation programs and swimming pool revenue of \$195,143.

#### ***Proprietary Funds***

The Park District's proprietary fund provides the same type of information found in the government-wide financial statements.

The Park District reports its golf operations at Arlington Lakes Golf Club and its tennis operations at the Heritage Tennis Club as major proprietary funds. The Arlington Lakes Golf Club Fund accounts for all of the operations of an 18-hole course and driving range. The Heritage Tennis Club Fund accounts for the operations and maintenance of an indoor tennis facility.

These operations are fully supported by user fees. The goal of the operation is to be profitable, as retained earnings are consistently reinvested into both clubs. For fiscal 2006, the clubs produced a \$119,380 deficit, thus decreasing its fund equity to \$6.5 million. Although the fund equity is primarily composed of fixed assets (\$5.1 million), the operations have \$1,424,368 in unrestricted fund equity.

## Capital Assets and Debt Administration

### Capital Assets

As of April 30, 2006, the Park District had approximately \$52 million in capital assets (net of accumulated depreciation), as reflected in the following table. This is a \$3.1 million decrease from 2005. The primary reason was an adjustment to the beginning balance of capital assets used in the operation of the governmental funds was restated by \$3,070,986 to reflect an inventory valuation and the changes in class and lives of structures.

**Table 4**  
**Capital Assets (net of depreciation) at April 30, 2006**

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land and improvements	\$ 13,134,278	13,923,502	2,394,726	2,389,637	15,529,004	16,313,139
Buildings	8,499,577	7,102,785	2,103,639	1,984,347	10,603,216	9,087,132
Improvements other buildings	20,872,092	25,106,090	349,070	387,064	21,221,162	25,493,154
Machinery and equipment	4,279,673	4,605,033	214,821	262,369	4,494,494	4,867,402
Net Capital Assets	<u>\$ 46,785,620</u>	<u>50,737,410</u>	<u>5,062,256</u>	<u>5,023,417</u>	<u>51,847,876</u>	<u>55,760,827</u>

Major capital highlights for 2005/06 included the following:

- Playground renovations at Camelot, Carriage Walk, Cronin, Klehm and Westgate Parks
- New gym floor and floor heat at Frontier Park
- Pathway repaving at Frontier and Lake Arlington
- Parking lot renovations at Heritage Park and Olympic Indoor Swim Center
- Backstop and Sideline Fencing at Ball Fields at Methodist Park
- Indoor court lighting at Forest View Racquet and Fitness Club
- Vehicle and Fleet Replacements

These projects were started and the major portion will be completed in fiscal year 2006/07.

- Sunset Meadows Athletic Field Development
- Davis Street II Service Center Renovations
- Pioneer Community Center Revitalization
- Recreation Park Pool Deck Improvements

For more information on the Park District's capital assets, see Note 4 in the notes to the financial statements.

### ***Debt Administration***

As of year-end, governmental-type debt outstanding was \$31.2 million, compared to \$23.5 million last year.

**Table 5  
Governmental Activities  
Outstanding Debt at April 30, 2006**

	<b>Governmental Activities</b>	
	<b>2006</b>	<b>2005</b>
General obligation bonds	\$ 29,671,804	21,774,231
Installment contract certificates	233,000	272,000
Debt certificates	1,290,000	1,441,500
Total outstanding debt	<u>\$ 31,194,804</u>	<u>23,487,731</u>

As of April 30, 2006, the Park District had total outstanding bonded debt of \$31.2 million as compared to \$23.5 million in 2005, reflecting a 32.8% increase. This increase reflects a \$10 million issue in September, 2005, while partially offset by principal repayments on the outstanding issues. Proceeds of the 2005 issue will be used to partially fund its capital plan over a three year period.

Moody's Investors Service assigned a Aa2 rating to the Park District's (IL) \$10 million General Obligation Limited Park Bonds, Series 2005. Concurrently, Moody's upgraded to Aa2 from Aa3, the remaining \$24.8 million of its outstanding debt.

The total outstanding debt includes \$29.6 million in general obligation bonds backed by the full faith and credit of the Park District. The debt service on the general obligation bonds is paid with property taxes. In addition, the Park District has a total of \$1.5 million of installment contract certificates and debt certificates. Proceeds from the installment contract were issued to purchase a building adjacent to Frontier Park and debt certificates were used to purchase land at Sunset Meadows Park and another building in an industrial area for a park maintenance facility.

Additional information on the Park District's long-term debt is found in Note 7 to the financial statements.

### **Budgets and Rates for 2006/07**

The 2006/07 fiscal year total budget is \$21,281,101, a seven percent increase over the fiscal year 2005/06 results. This is due to the increases in commodities, pension, contractual services and capital outlay. The Park District's 2005 equalized assessed valuation increased 6% and is currently \$2.6 billion. The 2006/07 budget reflects a 8.2% increase in property taxes.

Included in the 2006/07 capital budget are planned capital expenditures of \$7.6 million. The capital budget includes major projects such as:

- Sunset Meadows Athletic Field Development
- Davis Street II Service Center Renovations
- Pioneer Community Center Revitalization
- Recreation Park Pool Deck Improvements
- Land Acquisition
- Vehicle and Fleet Replacements
- Lake Arlington Pathway Repaving
- Arlington Lakes Golf Club Irrigation System

### **Decisions Expected To Have an Effect on Future Operations**

Many trends and economic factors can affect the future operations of the Park District, which are considered during budgeting and long range planning of these factors. Private sector development of competitive facilities and comparable services in the area, trends in facility usage, and the availability for acquisition of open space and facilities are constant considerations. There are several additional major factors that the Park District is dealing with and will address in the upcoming budget year as well:

- The continuing negative effect of the tax cap on the Park District's property tax revenue.
- The current State of Illinois budget situation which has slowed grant funding.
- Rising group health insurance costs.

### **Financial Contact**

The Park District's financial statements are designed to present users (citizens, taxpayers, investors, customers and creditors) with a general overview of the Park District's finances and to demonstrate the Park District's accountability. If you have questions about the report or need additional financial information, please contact the Park District's Director of Finance and Personnel, Donna L. Wilson, 410 North Arlington Heights Road, Arlington Heights, IL 60004.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2006

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 22,845,414	\$ 1,578,110	\$ 24,423,524
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	6,452,569	-	6,452,569
Accrued interest	43,778	-	43,778
Other	254,970	15,703	270,673
Merchandise inventory	25,482	94,984	120,466
Prepaid expenses	75,188	10,536	85,724
Deferred charges	56,056	-	56,056
Capital assets not being depreciated	13,134,278	2,394,726	15,529,004
Capital assets (net of accumulated depreciation)	33,651,342	2,667,530	36,318,872
<b>Total assets</b>	<b>76,539,077</b>	<b>6,761,589</b>	<b>83,300,666</b>
<b>LIABILITIES</b>			
Accounts payable	914,355	93,224	1,007,579
Accrued interest	261,762	-	261,762
Accrued liabilities	111,994	23,554	135,548
Unearned revenue	7,388,917	10,740	7,399,657
Noncurrent liabilities			
Due within one year	2,353,456	30,480	2,383,936
Due in more than one year	29,649,641	116,967	29,766,608
<b>Total liabilities</b>	<b>40,680,125</b>	<b>274,965</b>	<b>40,955,090</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	15,590,816	5,062,256	20,653,072
Restricted for			
Debt service	128,381	-	128,381
Special recreation	165,278	-	165,278
Specific purposes	566,831	-	566,831
Park development/improvements	918,694	-	918,694
Tort	267,519	-	267,519
Unrestricted	18,221,433	1,424,368	19,645,801
<b>TOTAL NET ASSETS</b>	<b>\$ 35,858,952</b>	<b>\$ 6,486,624</b>	<b>\$ 42,345,576</b>

See accompanying notes to financial statements.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2006

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
<b>PRIMARY GOVERNMENT</b>				
Governmental activities				
General government	\$ 10,784,308	\$ 166,635	\$ -	\$ 244,553
Culture and recreation	6,551,240	6,845,797	36,720	-
Interest	1,055,220	-	-	-
Total governmental activities	18,390,768	7,012,432	36,720	244,553
Business-type activities				
Golf course and recreation	1,431,944	1,269,743	-	-
Tennis	879,172	863,822	-	-
Total business-type activities	2,311,116	2,133,565	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 20,701,884</b>	<b>\$ 9,145,997</b>	<b>\$ 36,720</b>	<b>\$ 244,553</b>

	Net (Expense) Revenue and Change in Net Assets		
	Governmental Activities	Business-Type Activities	Total
	\$ (10,373,120)	\$ -	\$ (10,373,120)
	331,277	-	331,277
	(1,055,220)	-	(1,055,220)
	(11,097,063)	-	(11,097,063)
	-	(162,201)	(162,201)
	-	(15,350)	(15,350)
	-	(177,551)	(177,551)
	(11,097,063)	(177,551)	(11,274,614)
General revenues			
Taxes			
Property	11,424,004	-	11,424,004
Replacement	211,844	-	211,844
Donations	74,988	-	74,988
Investment income	571,941	-	571,941
Miscellaneous	-	58,171	58,171
Total	12,282,777	58,171	12,340,948
CHANGE IN NET ASSETS	1,185,714	(119,380)	1,066,334
NET ASSETS, MAY 1	37,744,224	6,606,004	44,350,228
Prior period adjustment	(3,070,986)	-	(3,070,986)
NET ASSETS, MAY 1, RESTATED	34,673,238	6,606,004	41,279,242
NET ASSETS, APRIL 30	\$ 35,858,952	\$ 6,486,624	\$ 42,345,576

See accompanying notes to financial statements.



ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2006

	General	Recreation	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and investments	\$ 4,619,389	\$ 5,451,158	\$ 131,738	\$ 11,019,064	\$ 1,624,065	\$ 22,845,414
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	2,222,724	1,304,288	1,716,960	-	1,208,597	6,452,569
Accrued interest	41,466	-	-	2,082	230	43,778
Other	6,217	51,190	-	-	197,563	254,970
Inventory	-	7,954	-	-	17,528	25,482
Prepaid items	39,836	31,700	-	-	3,652	75,188
Advance to other funds	-	613,871	-	-	-	613,871
<b>TOTAL ASSETS</b>	<b>\$ 6,929,632</b>	<b>\$ 7,460,161</b>	<b>\$ 1,848,698</b>	<b>\$ 11,021,146</b>	<b>\$ 3,051,635</b>	<b>\$ 30,311,272</b>

	General	Recreation	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 65,947	\$ 232,382	\$ -	\$ 378,642	\$ 237,384	\$ 914,355
Accrued liabilities	46,877	54,735	-	-	10,382	111,994
Accrued interest payable	-	-	3,357	-	-	3,357
Advance from other funds	-	-	-	-	613,871	613,871
Unearned revenue	2,222,724	2,238,449	1,716,960	-	1,210,784	7,388,917
<b>Total liabilities</b>	<b>2,335,548</b>	<b>2,525,566</b>	<b>1,720,317</b>	<b>378,642</b>	<b>2,072,421</b>	<b>9,032,494</b>
<b>FUND BALANCES</b>						
Reserved for inventory	-	7,954	-	-	17,528	25,482
Reserved for prepaid items	39,836	31,700	-	-	3,652	75,188
Reserved for advances	-	613,871	-	-	-	613,871
Reserved for debt service	-	-	128,381	-	-	128,381
Reserved for special recreation	-	-	-	-	165,278	165,278
Reserved for specific purposes	-	-	-	-	566,831	566,831
Reserved for park developments and improvements	-	-	-	-	918,694	918,694
Reserved for tort	267,519	-	-	-	-	267,519
Unreserved						
General fund	4,286,729	-	-	-	-	4,286,729
Special revenue funds (deficit)	-	4,281,070	-	-	(692,769)	3,588,301
Capital projects funds	-	-	-	10,642,504	-	10,642,504
<b>Total fund balances</b>	<b>4,594,084</b>	<b>4,934,595</b>	<b>128,381</b>	<b>10,642,504</b>	<b>979,214</b>	<b>21,278,778</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>						
	\$ 6,929,632	\$ 7,460,161	\$ 1,848,698	\$ 11,021,146	\$ 3,051,635	\$ 30,311,272

See accompanying notes to financial statements.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2006

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 21,278,778
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	46,785,620
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Interest payable	(258,405)
Compensated absences payable	(750,193)
Bonds payable	(31,194,804)
Bond premiums are other financing sources in governmental funds in the year of issuance but are capitalized and amortized on the statement of net assets	(58,100)
Issuance costs are expenditures in governmental funds but are capitalized and amortized on the statement of net assets	<u>56,056</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 35,858,952</u>

See accompanying notes to financial statements.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2006

	General	Recreation	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes, net	\$ 3,953,783	\$ 2,325,504	\$ 3,099,255	-	\$ 2,045,462	\$ 11,424,004
Other taxes	211,844	-	-	-	-	211,844
Intergovernmental	-	36,720	-	-	-	36,720
Charges for recreation programs	-	4,461,894	-	-	734,325	5,196,219
Swimming pool revenue	-	1,439,976	-	-	-	1,439,976
Sales and rental revenue	107,075	-	-	59,560	209,602	376,237
Investment income	402,102	-	-	159,965	9,874	571,941
Miscellaneous	-	-	-	-	244,553	244,553
Developer contributions	-	-	-	-	2,263	2,263
Donations and miscellaneous revenue	21,193	34,887	-	42,080	-	100,423
<b>Total revenues</b>	<b>4,695,997</b>	<b>8,298,981</b>	<b>3,099,255</b>	<b>261,605</b>	<b>3,246,079</b>	<b>19,601,917</b>
<b>EXPENDITURES</b>						
Current						
General government	4,076,064	3,740,975	-	248,787	1,417,456	9,483,282
Recreation	-	4,072,881	-	-	1,401,747	5,474,628
Capital outlay	-	333	-	1,314,312	194,338	1,508,983
Debt service						
Principal retirement	39,000	-	2,480,000	151,500	-	2,670,500
Interest	13,711	-	653,968	48,679	-	716,358
<b>Total expenditures</b>	<b>4,128,775</b>	<b>7,814,189</b>	<b>3,133,968</b>	<b>1,763,278</b>	<b>3,013,541</b>	<b>19,853,751</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>567,222</b>	<b>484,792</b>	<b>(34,713)</b>	<b>(1,501,673)</b>	<b>232,538</b>	<b>(251,834)</b>

	General	Recreation	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCE (USES)						
Bonds issued	\$ -	\$ -	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000
Premium on bonds issued	-	-	-	58,100	-	58,100
Total other financing sources (uses)	-	-	-	10,058,100	-	10,058,100
NET CHANGE IN FUND BALANCES	567,222	484,792	(34,713)	8,556,427	232,538	9,806,266
FUND BALANCES, MAY 1	4,026,862	4,449,803	163,094	2,086,077	746,676	11,472,512
FUND BALANCES, APRIL 30	\$ 4,594,084	\$ 4,934,595	\$ 128,381	\$ 10,642,504	\$ 979,214	\$ 21,278,778

See accompanying notes to financial statements.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2006

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NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 9,806,266
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures however, they are capitalized and depreciated in the in the statement of activities	1,762,964
The repayment of the principle portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	2,670,500
The issuance of long-term debt is reported as another financing source in governmental funds but as an increase of principal outstanding in the statement of activities	
Bonds issued at par	(10,000,000)
Premium on bonds issued	(58,100)
Accretion of bonds and accrual of interest are reported as interest expense on the statement of activities	(282,806)
Some expenses in the statement of activities (e.g. depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(2,528,855)
Loss on disposal of capital assets	(114,913)
The change in compensated absences payable is shown as an expense on the statement of activities	(69,342)
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,185,714</u>

See accompanying notes to financial statements.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS

April 30, 2006

	Arlington Lakes Golf Club	Heritage Tennis Club	Total
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 887,739	\$ 690,371	\$ 1,578,110
Receivables			
Other	3,010	12,693	15,703
Merchandise inventory	78,390	16,594	94,984
Prepaid expenses	5,455	5,081	10,536
<b>Total current assets</b>	<b>974,594</b>	<b>724,739</b>	<b>1,699,333</b>
<b>NONCURRENT ASSETS</b>			
Capital assets			
Land	2,250,000	139,637	2,389,637
Buildings	1,314,052	1,795,106	3,109,158
Improvements other than building	970,826	25,494	996,320
Equipment	891,609	92,270	983,879
Construction in progress	5,089	-	5,089
Accumulated depreciation	(1,826,244)	(595,583)	(2,421,827)
<b>Net capital assets</b>	<b>3,605,332</b>	<b>1,456,924</b>	<b>5,062,256</b>
<b>Total assets</b>	<b>4,579,926</b>	<b>2,181,663</b>	<b>6,761,589</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	75,030	18,194	93,224
Accrued liabilities	16,579	6,975	23,554
Unearned revenue	10,740	-	10,740
Employee vacation and sick leave	15,716	14,764	30,480
<b>Total current liabilities</b>	<b>118,065</b>	<b>39,933</b>	<b>157,998</b>
<b>LONG-TERM LIABILITIES</b>			
Employee vacation and sick leave	81,017	35,950	116,967
<b>Total liabilities</b>	<b>199,082</b>	<b>75,883</b>	<b>274,965</b>
<b>NET ASSETS</b>			
Invested in capital assets	3,605,332	1,456,924	5,062,256
Unrestricted	775,512	648,856	1,424,368
<b>TOTAL NET ASSETS</b>	<b>\$ 4,380,844</b>	<b>\$ 2,105,780</b>	<b>\$ 6,486,624</b>

See accompanying notes to financial statements.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2006

	Arlington Lakes Golf Club	Heritage Tennis Club	Total
<b>OPERATING REVENUES</b>			
Charges for service			
Restaurant and merchandise sales	\$ 199,941	\$ 50,336	\$ 250,277
Less cost of goods sold - restaurants and merchandise	114,112	34,690	148,802
Gross profit	85,829	15,646	101,475
Memberships	-	114,435	114,435
Court time	-	164,896	164,896
Lessons	10,895	485,814	496,709
League fees	-	82,014	82,014
Green fees	870,062	-	870,062
Equipment rentals	302,957	1,017	303,974
Total operating revenues	1,269,743	863,822	2,133,565
<b>OPERATING EXPENSES</b>			
Personal services	1,032,102	596,144	1,628,246
Commodities and supplies	230,919	108,421	339,340
Contractual services	44,234	27,477	71,711
Total operating expenses	1,307,255	732,042	2,039,297
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(37,512)	131,780	94,268
DEPRECIATION	122,795	49,521	172,316
OPERATING INCOME (LOSS)	(160,307)	82,259	(78,048)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Loss on sale of property, plant and equipment	-	(91,643)	(91,643)
Other expenses	(1,894)	(5,966)	(7,860)
Miscellaneous income	23,549	34,622	58,171
Total nonoperating revenues (expenses)	21,655	(62,987)	(41,332)
CHANGES IN NET ASSETS	(138,652)	19,272	(119,380)
NET ASSETS, MAY 1	4,519,496	2,086,508	6,606,004
NET ASSETS, APRIL 30	\$ 4,380,844	\$ 2,105,780	\$ 6,486,624

See accompanying notes to financial statements.



ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2006

	Arlington Lakes Golf Club	Heritage Tennis Club	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,383,509	\$ 894,508	\$ 2,278,017
Receipts from miscellaneous revenues	23,549	34,622	58,171
Payments to suppliers	(383,931)	(173,782)	(557,713)
Payments to employees	(1,037,239)	(593,291)	(1,630,530)
Net cash from operating activities	(14,112)	162,057	147,945
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
None	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Additions to property, plant and equipment	(16,623)	(286,135)	(302,758)
Net cash from capital and related financing activities	(16,623)	(286,135)	(302,758)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
None	-	-	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(30,695)	(124,078)	(154,773)
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	918,474	814,449	1,732,923
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<u>\$ 887,779</u>	<u>\$ 690,371</u>	<u>\$ 1,578,150</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (160,307)	\$ 82,259	\$ (78,048)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	122,795	49,521	172,316
Other expenses	(1,894)	(5,966)	(7,860)
Miscellaneous income	23,549	34,622	58,171
Changes in assets and liabilities			
Other receivables	(345)	(4,005)	(4,350)
Merchandise inventory	(5,224)	(1,764)	(6,988)
Prepaid expenses	399	(725)	(326)
Accounts payable	11,153	5,082	16,235
Accrued liabilities	920	180	1,100
Deferred revenue	19	-	19
Employee vacation and sick leave	(5,137)	2,853	(2,284)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ (14,072)</u>	<u>\$ 162,057</u>	<u>\$ 147,985</u>

See accompanying notes to financial statements.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2006

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Arlington Heights Park District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

The District was incorporated June 9, 1925. The District operates under a Board-Manager form of government and provides services which include: preservation of open space and programming of recreation activities and operating recreational facilities, including five outdoor and one indoor swimming pools; five community centers; a cultural arts center; Historical Museum; Heritage Tennis Club; Forest View Racquet and Fitness Club; Arlington Lakes Golf Club; Lake Arlington; Nickol Knoll Golf Club; and an assortment of softball diamonds, football and soccer fields, playgrounds, and picnic areas.

The accompanying basic financial statements present the District only since the District does not have component units. The District has a separately elected board, the power to levy taxes, the authorization to expend funds, the responsibility to designate management, and the ability to prepare and modify the annual budget and issue debt. Therefore, the District is not included as a component unit of any other entity.

b. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental and proprietary.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Governmental funds are used to account for all or most of a District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), the servicing of general long-term debt (debt service funds) and the management of funds held in trust that can be used for governmental services (permanent fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the District has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of material inter-fund activity has been eliminated from these statements except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The Recreation Fund accounts for the operation of the District's recreation fund and is financed by a specific annual property tax levy to the extent user charges are not sufficient.

The Debt Service Fund is used to account for the payment of principal and interest on the District's general obligation bonds.

The Capital Projects Fund accounts for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The District reports the following major proprietary funds:

The Arlington Lakes Golf Club Fund is used to account for the operations and maintenance of an 18-hole golf course and the Arlington Lakes Restaurant. Operations include golf activities, food sales and sales of related services, and merchandise. Financing is provided by the proceeds from user charges.

The Heritage Tennis Club Fund is used to account for the operations and maintenance of an indoor tennis facility. Operations include the rental of the tennis courts and related programs. Financing is provided by the proceeds from user charges and program revenue.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Nonoperating revenue/expenses are incidental to the operations of these funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, usually 60 days. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, licenses, interest revenue and charges for services.

In applying the susceptible-to-accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The District reports deferred or unearned revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet the "measurable", "available" or "earned" and earned criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

In accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, non-negotiable certificates of deposit and investments with maturity of less than one year at date of purchase are stated at amortized cost. All other investments are recorded at fair value.

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

g. Inventories

Inventories are valued at cost. Cost has been determined using the first-in, first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

Improvements other than buildings	10-50 years
Building	10-50 years
Machinery and equipment	5-10 years

j. Accumulated Unpaid Vacation and Sick Leave

Vacation leave is provided to full-time employees at the rate of ten days annually in years one and two, 12 days annually in years three and four, 15 days annually in years five through nine and 20 days annually thereafter. Vacation leave earned may not be utilized until the following year. Vacation leave in excess of two years' accrued vacation credits is forfeited. Accumulated vacation leave is paid upon termination of employment.

Sick leave is provided to full-time employees at the rate of one day for each month that employment is completed. Sick leave credit for any full-time employee may not exceed 90 days at any one time. Any full-time employee who has been employed by the District for more than five years may be reimbursed for one-half of the employee's accumulated sick leave, not to exceed 45 days, upon termination of employment.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Accumulated Unpaid Vacation and Sick Leave (Continued)

Vested or accumulated vacation leave, including related social security and medicare, that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements and the remainder is reported in long-term debt. Vested or accumulated vacation leave and vested sick leave of proprietary funds at both levels and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

k. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

l. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.



ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The following funds had a deficit in fund balances at April 30, 2006:

Fund	Deficit
IMRF and Social Security	\$ 139,259
Nickol Knoll Club	164,088
Forest View Racquet and Fitness Club	369,652

The Nickol Knoll Club Fund and Forest View Racquet and Fitness Club Fund deficits are expected to be eliminated through future fee adjustments and increased budgetary control of expenditures.

3. DEPOSITS AND INVESTMENTS

The District's investment policy authorizes the District to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value). The District's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

The District maintains a cash and investment pool that is available for use by all funds. In addition, investments are separately held by several of the District's funds.

ARLINGTON HEIGHTS PARK DISTRICT  
 ARLINGTON HEIGHTS, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the District or an independent third party.

b. Investments

The following table presents the investments and maturities of the District's debt securities as of April 30, 2006:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
Commercial paper	\$ 546,261	\$ 446,211	\$ 100,050	\$ -	\$ -
U.S. Agency obligations	9,461,434	5,811,019	3,650,415	-	-
Negotiable certificates of deposit	5,114,642	5,114,642	-	-	-
Money market mutual fund	4,190,754	4,190,754	-	-	-
Illinois Funds	4,552,411	4,552,411	-	-	-
	<u>\$ 23,865,502</u>	<u>\$ 20,115,037</u>	<u>\$ 3,750,465</u>	<u>\$ -</u>	<u>\$ -</u>

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools. Illinois Funds are rated AAA. The U.S. Agency Obligations range in ratings from AAA to A-1+.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold.

ARLINGTON HEIGHTS PARK DISTRICT  
 ARLINGTON HEIGHTS, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held in a custodial account with the trust department of an approved financial institution. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has a high percentage of their investments invested in one type of investment. At April 30, 2006, the District had greater than five percent of its overall portfolio invested in U.S. Agency Obligations and Negotiable Certificates of Deposit. The District's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2006 was as follows:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 12,521,692	\$ 3,090	\$ -	\$ 12,524,782
Construction in progress	372,807	602,690	366,001	609,496
Total capital assets not being depreciated	12,894,499	605,780	-	13,134,278
Capital assets being depreciated				
Buildings	19,313,983	106,515	-	19,420,498
Improvements other than buildings	30,351,547	905,180	190,194	31,066,533
Machinery and equipment	9,237,080	511,490	138,149	9,610,421
Total capital assets being depreciated	58,902,610	1,523,185	328,343	60,097,452
Less accumulated depreciation for				
Buildings	10,556,527	364,394	-	10,920,921
Improvements other than buildings	8,754,303	1,535,235	95,097	10,194,441
Machinery and equipment	4,819,855	629,226	118,333	5,330,748
Total accumulated depreciation	24,130,685	2,528,855	213,430	26,446,110
Total capital assets being depreciated, net	34,771,925	(1,005,670)	114,913	33,651,342
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 47,666,424	\$ (399,890)	\$ 480,914	\$ 46,785,620

ARLINGTON HEIGHTS PARK DISTRICT  
 ARLINGTON HEIGHTS, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

The beginning balance of capital assets used in the operation of governmental funds was restated by (\$3,070,986) to reflect an inventory valuation and the changes in class and lives of structures.

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,389,637	\$ -	\$ -	\$ 2,389,637
Construction in progress	-	5,089	-	5,089
Total capital assets not being depreciated	<u>2,389,637</u>	<u>5,089</u>	<u>-</u>	<u>2,394,726</u>
Capital assets being depreciated				
Buildings	2,966,903	286,136	143,881	3,109,158
Improvements other than buildings	984,786	11,534	-	996,320
Machinery and equipment	989,973	-	6,094	983,879
Total capital assets being depreciated	<u>4,941,662</u>	<u>297,670</u>	<u>149,975</u>	<u>5,089,357</u>
Less accumulated depreciation for				
Buildings	982,556	75,219	52,256	1,005,519
Improvements other than buildings	597,722	49,528	-	647,250
Machinery and equipment	727,604	47,548	6,094	769,058
Total accumulated depreciation	<u>2,307,882</u>	<u>172,295</u>	<u>58,350</u>	<u>2,421,827</u>
Total capital assets being depreciated, net	<u>2,633,780</u>	<u>125,375</u>	<u>91,625</u>	<u>2,667,530</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 5,023,417</u>	<u>\$ 130,464</u>	<u>\$ 91,625</u>	<u>\$ 5,062,256</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 1,479,261
Recreation	1,049,594
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<u>\$ 2,528,855</u>

5. PROPERTY TAXES

The District's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes collected are recorded as revenue.

The County Assessor is responsible for assessment of all taxable real property within Cook County, except for certain railroad property, which is assessed directly by the state. One-third of Cook County is reassessed each year on a repeating triennial schedule established by the County Assessor.

5. PROPERTY TAXES (Continued)

The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in Cook County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill and is one-half of the prior year's tax bill. The second installment is based on the current levy, assessment, and equalization, and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December of the levy year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

The 2005 property tax levy is recorded as a receivable, net of estimated uncollectibles approximating 1%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, is recognized as revenue. Such time thereafter does not exceed 60 days. Net taxes receivable, less the amount expected to be collected during a period not exceeding 60 days after the end of the fiscal year, are reflected as deferred revenue.

The 2006 tax levy, which attached as an enforceable lien on property as of January 1, 2006, has not been recorded as a receivable as of April 30, 2006 as the tax has not yet been levied by the District and is not be levied until December 2006, and therefore, the levy is not measurable at April 30, 2006.

6. RISK MANAGEMENT

The District is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees and natural disasters.

Park District Risk Management Agency (PDRMA)

The District participates in the Park District Risk Management Agency (PDRMA). PDRMA is a public entity risk pool whose members are Illinois governments. PDRMA manages and funds first party property losses, third party liability claims, boiler and machinery claims, workers' compensation claims and public officials' liability claims of its members. The District's payments to PDRMA are displayed on the financial statements as expenditures in the Tort Immunity Fund.

6. RISK MANAGEMENT (Continued)

Park District Risk Management Agency (PDRMA) (Continued)

Each member assumes the first \$1,000 of property claims each occurrence and has self-insurance retentions at various amounts.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer.

The District does not exercise any control over the activities of PDRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's expenditures as defined in the bylaws of PDRMA, assessment factors based on past member experience, and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure that adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

At December 31, 2005, the total equity of PDRMA was \$33,348,107. For the year ended December 31, 2005, the net income of PDRMA was \$768,681. The District made \$310,795 of payments to PDRMA during the year ended April 30, 2006.

In the event of a liability loss exceeding \$16,500,000 per occurrence, self-insured and reinsurance limit, the members would be responsible for funding the excess amount.

Health Insurance

The District purchases employee health insurance from third party insurance company providers.

7. LONG-TERM DEBT

a. General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds.

ARLINGTON HEIGHTS PARK DISTRICT  
 ARLINGTON HEIGHTS, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Governmental Activities

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
*1997B Refunding Limited Tax Capital Appreciation Park Bonds - \$4,675,000; due in annual installments of \$309,880 to \$460,576 through December 1, 2008; interest at 4.70% to 5.30%. Funded by Debt Service Fund property tax levies.	Debt Service	\$ 2,517,809	\$ 129,974	\$ 585,000	\$ 2,062,783	\$ 556,613
*1997E Refunding General Obligation Capital Appreciation Park Bonds - \$2,959,550; due in one installment of \$7,220,000 on December 1, 2013; interest at 5.60%. Funded by Debt Service Fund property tax levies.	Debt Service	4,421,422	247,599	-	4,669,021	-
Series 2001 General Obligation Park Bonds - \$15,000,000; due in annual installments of \$510,000 to \$1,545,000 through December 1, 2016; interest at 3.00% to 5.00%. Funded by Debt Service Fund property tax levies.	Debt Service	13,360,000	-	675,000	12,685,000	725,000
Series 2002 General Obligation Limited Park Bonds - \$4,995,000; due in annual installments of \$255,000 to \$1,185,000 through December 1, 2006; interest at 1.65% to 3.40%. Funded by Debt Service Fund property tax levies.	Debt Service	1,475,000	-	1,220,000	255,000	255,000

ARLINGTON HEIGHTS PARK DISTRICT  
 ARLINGTON HEIGHTS, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Governmental Activities (Continued)

Issue	Fund Debt Retired by	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
Series 2005 General Obligation Limited Park Bonds - \$10,000,000; due in annual installments of \$550,000 to \$1,740,000 through December 1, 2020; interest at 3.85% to 4.25%. Funded by Debt Service Fund property tax levies.	Debt Service	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 550,000
<b>TOTAL</b>		<b>\$ 21,774,231</b>	<b>\$ 10,377,573</b>	<b>\$ 2,480,000</b>	<b>\$ 29,671,804</b>	<b>\$ 2,086,613</b>

\* Additions represent accretion on capital appreciation bonds.

b. Installment Contracts/Debt Certificates

Governmental Activities

The District enters into installment contracts/debt certificates payable to provide funds for the acquisition of capital assets. Installment contracts/debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
2000 Installment Contract Certificates - \$400,000; due in semi-annual installments of \$22,000 to \$52,000 through October 1, 2010; interest at 5.43%. Funded by General Fund property tax levies.	General	\$ 272,000	\$ -	\$ 39,000	\$ 233,000	\$ 42,000
2002 Debt Certificates - \$825,000; due in annual installments of \$70,500 to \$97,000 through January 15, 2013; interest at 3.78%. Funded by General Fund property tax levies.	Capital Projects	682,500	-	74,500	608,000	77,500
2004A Debt Certificates - \$835,000; due in annual installments of \$76,000 to \$93,000 through December 1, 2013; interest at 3.25%. Funded by General Fund property tax levies.	Capital Projects	759,000	-	77,000	682,000	78,000
<b>TOTAL</b>		<b>\$ 1,713,500</b>	<b>\$ -</b>	<b>\$ 190,500</b>	<b>\$ 1,523,000</b>	<b>\$ 197,500</b>



ARLINGTON HEIGHTS PARK DISTRICT  
 ARLINGTON HEIGHTS, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30	General Obligation Bonds		Installment Contracts	
	Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2007	\$ 1,530,000	\$ 1,040,995	\$ 197,500	\$ 55,873
2008	1,665,000	935,852	204,500	48,931
2009	1,815,000	869,252	211,500	41,485
2010	950,000	796,652	219,500	33,413
2011	1,020,000	757,702	229,000	24,755
2012	1,155,000	714,862	183,000	17,070
2013	1,230,000	667,508	190,000	10,540
2014	1,320,000	606,008	88,000	3,432
2015	1,485,000	540,008	-	-
2016	1,590,000	465,758	-	-
2017	3,085,000	386,258	-	-
2018	1,605,000	243,558	-	-
2019	1,675,000	175,345	-	-
2020	1,740,000	107,508	-	-
2021	1,075,000	41,387	-	-
<b>TOTAL</b>	<b>\$ 22,940,000</b>	<b>\$ 8,348,653</b>	<b>\$ 1,523,000</b>	<b>\$ 235,499</b>

The annual requirements to amortize to maturity capital appreciation bonds outstanding as of April 30, 2006 are as follows:

Years Ending April 30,	Interest	
	Principal	Accretion
2007	\$ 556,613	\$ 289,852
2008	528,597	332,511
2009	501,753	374,816
2010	475,820	417,077
2011	-	325,139
2012	-	343,348
2013	-	362,574
2014	4,669,021	382,879
<b>TOTAL</b>	<b>\$ 6,731,804</b>	<b>\$ 2,828,196</b>

ARLINGTON HEIGHTS PARK DISTRICT  
 ARLINGTON HEIGHTS, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term liabilities.

	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 21,774,231	\$ 10,377,573	\$ 2,480,000	\$ 29,671,804	\$ 2,086,613
Installment contracts/debt certificates	1,713,500	-	190,500	1,523,000	197,500
Unamortized premiums	-	58,100	-	58,100	-
Compensated absences*	680,851	448,842	379,500	750,193	69,343
<b>TOTAL</b>	<b>\$ 24,168,582</b>	<b>\$ 10,884,515</b>	<b>\$ 3,050,000</b>	<b>\$ 32,003,097</b>	<b>\$ 2,353,456</b>
BUSINESS-TYPE ACTIVITIES					
Compensated absences	\$ 149,731	\$ 82,858	\$ 85,142	\$ 147,447	\$ 30,480

\* Compensated absences are funded by the general and recreation funds.

e. Legal Debt Margin

2004 equalized assessed valuation (most recent available)	<u>\$2,437,564,371</u>
Debt limitation - 2.875% of assessed valuation	<u>\$ 70,079,976</u>
Amount of debt applicable to debt limit	
Park Bond Series of 1997B	2,062,783
Park Bond Series of 1997E	4,669,021
Park Bond Series of 2001	12,685,000
Park Bond Series of 2002	255,000
Park Bond Series of 2005	10,000,000
Installment Contract of 2000	233,000
Debt Certificates of 2002	608,000
Debt Certificates of 2003	<u>682,000</u>
Total debt	<u>31,194,804</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>\$ 38,885,172</u></u>

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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7. LONG-TERM DEBT (Continued)

e. Legal Debt Margin (Continued)

Chapter 70, Section 1205/6-2 of the Illinois Compiled Statutes provides, “. . . for the payment of land condemned or purchased for parks or boulevards, for the building, maintaining, improving and protecting of the same and for the payment of the expenses incident thereto, or for the acquisition of real estate and lands to be used as a site for an armory, any Government is authorized to issue the bonds or notes of such Government and pledge its property and credit therefore to an amount including existing indebtedness of such district so that the aggregate indebtedness of such district does not exceed 2.875% of the value of the taxable property therein, to be ascertained by the last assessment for state and county taxes previous to the issue from time to time of such bonds or notes or, until January 1, 1983, if greater, the sum that is produced by multiplying the District’s 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, if a petition, signed by voters in number equal to not less than 2% of the voters of the District, who voted at the last general election in the District, asking that the authorized aggregate indebtedness of the District be increased to not more than 5.75% of the value of the taxable property therein, is presented to the board and such increase is approved by the voters of the district at a referendum held on the question.”

8. CONTINGENT LIABILITIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District’s attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

9. JOINT VENTURE

Northwest Special Recreation Association

The District is a member of the Northwest Special Recreation Association (the Association), which was organized by sixteen area park districts in order to provide special recreation programs to the physically and mentally handicapped within their districts and to share the expenses of such programs on a cooperative basis. Each member park district’s 2005 contribution was determined based upon the ratio of the members’ assessed valuations and the amounts were as follows:

ARLINGTON HEIGHTS PARK DISTRICT  
 ARLINGTON HEIGHTS, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. JOINT VENTURE (Continued)

Northwest Special Recreation Association (Continued)

Arlington Heights	\$ 339,729
Bartlett	155,333
Buffalo Grove	212,648
Elk Grove	237,332
Hanover Park	94,087
Hoffman Estates	198,877
Inverness	24,849
Mount Prospect	236,738
Palatine	306,152
Prospect Heights	52,692
River Trails	72,868
Rolling Meadows	105,807
Salt Creek	31,508
Schaumburg	473,990
Streamwood	105,834
Wheeling	<u>156,979</u>
 TOTAL	 <u>\$ 2,805,423</u>

The Association's Board of Directors consists of one representative from each participating park district. The Board of Directors is the governing body of the Association and is responsible for establishing all major policies and changes therein and for approving all budgets, capital outlay, programming and master plans. This cooperative association, however, is considered a separate reporting entity by the District's administration. The District does not have financial accountability for the Association, and accordingly, the Association has not been included in the accompanying general purpose financial statements. To obtain the Association's financial statements, contact their administrative offices at 3000 W. Central Road, Suite 205, Rolling Meadows, Illinois 60008.

10. INTERFUND SCHEDULE

Advance To/From Other Funds

Receivable Fund	Payable Fund	Amount
Recreation	Nonmajor Governmental	\$ 93,012
Recreation	Nonmajor Governmental	157,234
Recreation	Nonmajor Governmental	<u>363,625</u>
 TOTAL		 <u>\$ 613,871</u>

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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10. INTERFUND SCHEDULE (Continued)

Advance To/From Other Funds (Continued)

The purposes of the advance to/from other funds are as follows:

- \$93,021 due to the Recreation Fund from the IMRF and Social Security Fund to support the operations of the Nickol Knoll Golf Club Fund.
- \$157,234 due to the Recreation Fund from the Nickol Knoll Golf Club Fund to support the operations of the Nickol Knoll Golf Club Fund.
- \$363,625 due to the Recreation Fund from the Forest View Racquet and Fitness Club Fund to support the operations of the Forest View Racquet and Fitness Club Fund.

11. RETIREMENT FUND COMMITMENTS

a. Plan Descriptions

Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in the IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005 was 10.53% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

ARLINGTON HEIGHTS PARK DISTRICT  
 ARLINGTON HEIGHTS, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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11. RETIREMENT FUND COMMITMENTS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

For December 31, 2005, the District's annual pension cost of \$635,393 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 0.4% to 11.6% per year, and (c) 3% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.00%. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2005 was 27 years.

Employer annual required contribution (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

For Calendar Year	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
2003	\$ 392,000	100.00%	\$ -
2004	563,996	100.00%	-
2005	635,393	100.00%	-

b. Summary of Significant Accounting Policies and Plan Asset Matters

Significant Investments - There are no investments (other than U.S. government and U.S. government - guaranteed obligations) in any one organization that represents 5% or more of net assets available for benefits.

ARLINGTON HEIGHTS PARK DISTRICT  
 ARLINGTON HEIGHTS, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	Calendar Year	Amount
Annual Required Contribution (ARC)	2003	\$ 392,000
	2004	563,996
	2005	635,393
Actual Contribution	2003	\$ 392,000
	2004	563,996
	2005	635,393
Percentage of ARC Contributed	2002	100.00%
	2003	100.00
	2004	100.00
NPO (Asset)	2002	\$ -
	2003	-
	2004	-

12. REAL ESTATE PROPERTY LEASE AGREEMENTS

The District leases real estate properties purchased by the District that it is not in the position to convert into immediate use by the District. The residences are leased under operating leases that expire during the next eight years. Rental payments are paid monthly by the tenants.

The following is a schedule by years of minimum future rental income on noncancelable operating leases as of April 30, 2006:

Fiscal Year Ending April 30	Amount
2007	\$ 120,948
2008	27,613
2009	29,084
2010	30,372
2011	31,790
2012-2013	39,167
NET RECEIVABLE	<u>\$ 278,974</u>

REQUIRED SUPPLEMENTARY INFORMATION



ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes			
General corporate levy	\$ 3,641,040	\$ 3,641,040	\$ 3,670,621
Public liability levy	281,960	281,960	283,162
Other taxes	170,000	170,000	211,844
Investment income	185,400	185,400	402,102
Sales and rental revenue	113,807	113,807	107,075
Miscellaneous	15,331	15,331	21,193
	<u>4,407,538</u>	<u>4,407,538</u>	<u>4,695,997</u>
<b>EXPENDITURES</b>			
General government			
Salaries and wages	2,537,202	2,537,202	2,479,683
Insurance	662,825	662,825	622,890
Commodities	464,392	464,392	432,375
Utilities	172,901	172,901	190,507
Contractual services	215,340	215,340	211,451
Maintenance and repairs	134,286	134,286	92,521
Other	65,354	65,354	46,637
	<u>4,252,300</u>	<u>4,252,300</u>	<u>4,076,064</u>
Debt service			
Principal on contracts	39,000	39,000	39,000
Interest on contracts	13,712	13,712	13,711
	<u>52,712</u>	<u>52,712</u>	<u>52,711</u>
	<u>4,305,012</u>	<u>4,305,012</u>	<u>4,128,775</u>
NET CHANGE IN FUND BALANCE	<u>\$ 102,526</u>	<u>\$ 102,526</u>	567,222
FUND BALANCE, MAY 1			<u>4,026,862</u>
FUND BALANCE, APRIL 30			<u>\$ 4,594,084</u>

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
RECREATION FUND

For the Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 2,326,750	\$ 2,326,750	\$ 2,325,504
Intergovernmental	-	-	36,720
Charges for recreation programs	4,340,092	4,340,092	4,461,894
Swimming pool revenue	1,348,583	1,348,583	1,439,976
Miscellaneous	83,870	83,870	34,887
Total revenues	<u>8,099,295</u>	<u>8,099,295</u>	<u>8,298,981</u>
<b>EXPENDITURES</b>			
General government			
Salaries and wages	2,141,034	2,141,034	2,039,296
Insurance	260,633	260,633	234,564
Commodities	286,590	286,590	357,998
Utilities	615,519	615,519	659,320
Contractual services	367,784	367,784	345,247
Maintenance and repairs	92,430	92,430	75,965
Other	135,161	135,161	28,585
Total general government	<u>3,899,151</u>	<u>3,899,151</u>	<u>3,740,975</u>
Recreation			
Salaries and wages	742,495	742,495	816,747
Commodities	14,777	14,777	12,422
Programs	3,271,492	3,271,492	3,243,712
Total recreation	<u>4,028,764</u>	<u>4,028,764</u>	<u>4,072,881</u>
Capital outlay	<u>213,100</u>	<u>213,100</u>	<u>333</u>
Total expenditures	<u>8,141,015</u>	<u>8,141,015</u>	<u>7,814,189</u>
<b>EXCESS (DEFICIENCIES) OF REVENUES OVER EXPENDITURES</b>	<u>(41,720)</u>	<u>(41,720)</u>	<u>484,792</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>106,182</u>	<u>106,182</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 64,462</u>	<u>\$ 64,462</u>	<u>484,792</u>
FUND BALANCE, MAY 1			<u>4,449,803</u>
FUND BALANCE, APRIL 30			<u>\$ 4,934,595</u>

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2006

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (2) - (1)	(5) Covered Payroll	Unfunded (Overfunded) AAL As a Percentage of Covered Payroll (4) / (5)
2000	\$ 13,199,589	\$ 11,664,029	113.16%	\$ (1,535,560)	\$ 5,041,464	(30.46%)
2001	14,008,634	13,191,330	106.20%	(817,304)	5,301,394	(15.42%)
2002	12,395,931	13,584,356	91.25%	1,188,425	5,640,400	21.07%
2003	11,713,985	13,603,358	86.11%	1,889,373	5,482,513	34.46%
2004	12,282,174	15,034,370	81.69%	2,752,196	5,720,045	48.11%
2005	13,506,912	16,316,699	82.78%	2,809,787	6,034,122	46.56%

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2006

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<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2000	\$ 413,904	\$ 413,904	100.00%
2001	353,073	353,073	100.00%
2002	286,532	286,532	100.00%
2003	392,000	392,000	100.00%
2004	563,996	563,996	100.00%
2005	635,393	635,393	100.00%

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2006

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LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service. All annual appropriations lapse at fiscal year end.

Budgetary Data

The Board of Commissioners followed these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to March 1, the Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public meetings are conducted to obtain taxpayer comments.
- c. Prior to August 1 of the following year, the budget is legally enacted through the passage of a Budget and Appropriation Ordinance. The Budget and Appropriation Ordinance prescribes the maximum amount to be disbursed for each of the District's funds. The legal level of control is the fund. The appropriation amount is approximately 10% higher than the budget amount. The appropriated budget amounts are used for budget to actual comparisons in the financial statements.
- d. Amendments to the Budget and Appropriation Ordinance:

Amendments to the Budget and Appropriation Ordinance must be made in the same manner as its original enactment through an amending ordinance.

Amendments can only be made after six months of the fiscal year, by a two-thirds vote of the Board. The Board of Commissioners may transfer any appropriation item it anticipates to be unexpended to any other appropriation item. Such transfers, in the aggregate, may not exceed 10% of the total amount appropriated in such fund.

- e. All appropriations are made at the fund level and lapse at year end. The level of control (level at which expenditures may not exceed budget) is the individual fund.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

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LEGAL COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Data (Continued)

- f. Budgets for the general, special revenue and debt service funds are adopted on a basis consistent with generally accepted accounting principles. The proprietary funds and capital projects funds do not have legally adopted budgets. The District is not legally required to adopt a budget for the proprietary funds or to report on them. All budgets are prepared based on the annual fiscal year of the District. The District does not use the encumbrance method of accounting. Budgetary funds are controlled by an integrated budgetary accounting system in accordance with various legal requirements which govern the District. All revisions to the budget must be approved by the Board of Commissioners.
- g. Budget amounts are as originally adopted.
- h. The following fund had an excess of actual expenditures/expenses over budget for the fiscal year of:

Fund	Amount
IMRF and Social Security	\$ 155,444

COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for proceeds from specific revenue sources that are legally restricted to expenditures for specified purposes.

**Illinois Municipal Retirement and Social Security Fund** - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for employer contributions, which are fixed by law and subsequently paid to the state-sponsored Illinois Municipal Retirement Fund or Social Security Administration.

**Public Audit Fund** - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the annual audit of the District.

**Museum Fund** - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the maintenance and operations of the museum.

**Special Recreation Fund** - to account for revenues derived from a specific annual property tax levy and expenditures of these monies to the Northwest Special Recreation Association to provide special recreation programs for the physically and mentally handicapped.

**Nickol Knoll Golf Club Fund** - to account for the operations and maintenance of a nine-hole golf course. Operations include golf activities, food sales, and sale of related services and merchandise. Financing is provided by the proceeds from user charges.

**Forest View Racquet and Fitness Club** - to account for the operations and maintenance of indoor racquet facilities and fitness equipment. Operations include the rental of racquet courts and memberships to use the fitness facilities. Financing is provided by the proceeds from user charges and program revenue.

### CAPITAL PROJECTS FUND

Capital Projects Fund are used to account for capital improvements financed from the District's general obligation issues, donations, developer contributions, interest income and other specific revenues.

**Land Dedication Fund** - to account for cash contributions received from developers in lieu of land for the development or improvement of parks in the area or development within the District. Financing is provided only through cash contributions received in accordance with a Village of Arlington Heights ordinance.

**Pool Renovations Fund** - to accounts for the renovation of three outdoor pools and one indoor pool.



ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2006

	Special Revenue		
	IMRF and Social Security	Public Audit	Museum
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 40,278	\$ 130,028
Receivables			
Property taxes	608,668	15,217	50,269
Accrued interest	-	-	-
Other	162	-	2,089
Prepaid items	-	-	1,410
Merchandise inventory	-	-	-
TOTAL ASSETS	\$ 608,830	\$ 55,495	\$ 183,796
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 46,409	\$ -	\$ 3,245
Accrued liabilities	-	-	1,685
Advance from other funds	93,012	-	-
Deferred revenue	608,668	15,217	52,456
Total liabilities	748,089	15,217	57,386
<b>FUND BALANCES</b>			
Reserved for inventory	-	-	-
Reserved for prepaid items	-	-	1,410
Reserved for specific purposes	-	40,278	125,000
Reserved for special recreation	-	-	-
Reserved for park development/improvements	-	-	-
Unreserved			
Undesignated	(139,259)	-	-
Total fund balances	(139,259)	40,278	126,410
TOTAL LIABILITIES AND FUND BALANCES	\$ 608,830	\$ 55,495	\$ 183,796

Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
Special Recreation	Nickol Knoll Golf Club	Forest View Racquet and Fitness Club	Land Dedication	Pool Renovations	
\$ 566,831	\$ -	\$ -	\$ 642,231	\$ 244,697	\$ 1,624,065
534,443	-	-	-	-	1,208,597
-	-	-	-	230	230
-	950	6,615	187,747	-	197,563
-	641	1,601	-	-	3,652
-	5,614	11,914	-	-	17,528
<u>\$ 1,101,274</u>	<u>\$ 7,205</u>	<u>\$ 20,130</u>	<u>\$ 829,978</u>	<u>\$ 244,927</u>	<u>\$ 3,051,635</u>
\$ -	\$ 11,075	\$ 20,444	\$ -	\$ 156,211	\$ 237,384
-	2,984	5,713	-	-	10,382
-	157,234	363,625	-	-	613,871
534,443	-	-	-	-	1,210,784
534,443	171,293	389,782	-	156,211	2,072,421
-	5,614	11,914	-	-	17,528
-	641	1,601	-	-	3,652
-	-	-	-	-	165,278
566,831	-	-	-	-	566,831
-	-	-	829,978	88,716	918,694
-	(170,343)	(383,167)	-	-	(692,769)
566,831	(164,088)	(369,652)	829,978	88,716	979,214
<u>\$ 1,101,274</u>	<u>\$ 7,205</u>	<u>\$ 20,130</u>	<u>\$ 829,978</u>	<u>\$ 244,927</u>	<u>\$ 3,051,635</u>

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2006

	<u>Special Revenue</u>		
	<u>IMRF and Social Security</u>	<u>Public Audit</u>	<u>Museum</u>
REVENUES			
Taxes	\$ 1,026,015	\$ 27,196	\$ 89,670
Charges for recreation programs	-	-	47,979
Sales and equipment rental	-	-	-
Miscellaneous	-	-	-
Investment income	-	-	-
	<hr/>		
Total revenues	1,026,015	27,196	137,649
	<hr/>		
EXPENDITURES			
Current			
General government	468,024	23,786	13,756
Recreation	673,498	-	139,371
Capital outlay	-	-	-
	<hr/>		
Total expenditures	1,141,522	23,786	153,127
	<hr/>		
NET CHANGE IN FUND BALANCES	(115,507)	3,410	(15,478)
	<hr/>		
FUND BALANCES (DEFICIT), MAY 1	(23,752)	36,868	141,888
	<hr/>		
FUND BALANCES (DEFICIT), APRIL 30	<u>\$ (139,259)</u>	<u>\$ 40,278</u>	<u>\$ 126,410</u>

Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
Special Recreation	Nickol Knoll Golf Club	Forest View Racquet and Fitness Club	Land Dedication	Pool Renovations	
\$ 902,581	\$ -	\$ -	\$ -	\$ -	\$ 2,045,462
-	-	686,346	-	-	734,325
-	209,602	-	-	-	209,602
-	-	2,263	244,553	-	246,816
-	-	-	-	9,874	9,874
902,581	209,602	688,609	244,553	9,874	3,246,079
-	242,639	667,383	1,868	-	1,417,456
588,878	-	-	-	-	1,401,747
-	-	-	58,548	135,790	194,338
588,878	242,639	667,383	60,416	135,790	3,013,541
313,703	(33,037)	21,226	184,137	(125,916)	232,538
253,128	(131,051)	(390,878)	645,841	214,632	746,676
\$ 566,831	\$ (164,088)	\$ (369,652)	\$ 829,978	\$ 88,716	\$ 979,214

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
IMRF AND SOCIAL SECURITY FUND

For the Year Ended April 30, 2006

---

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 950,231	\$ 950,231	\$ 1,026,015
EXPENDITURES			
Pension fund contributions	986,078	986,078	1,141,522
NET CHANGE IN FUND BALANCE	<u>\$ (35,847)</u>	<u>\$ (35,847)</u>	(115,507)
FUND BALANCE (DEFICIT), MAY 1			<u>(23,752)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (139,259)</u>

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
PUBLIC AUDIT FUND

For the Year Ended April 30, 2006

---

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 26,640	\$ 26,640	\$ 27,196
EXPENDITURES			
General government			
Contractual services	24,100	24,100	23,786
NET CHANGE IN FUND BALANCE	<u>\$ 2,540</u>	<u>\$ 2,540</u>	3,410
FUND BALANCE, MAY 1			<u>36,868</u>
FUND BALANCE, APRIL 30			<u>\$ 40,278</u>

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
MUSEUM FUND

For the Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 88,207	\$ 88,207	\$ 89,670
Charges for recreation programs	48,550	48,550	47,979
Miscellaneous	5,000	5,000	-
Total revenues	<u>141,757</u>	<u>141,757</u>	<u>137,649</u>
<b>EXPENDITURES</b>			
General government			
Insurance	4,945	4,945	4,426
Commodities	2,575	2,575	3,562
Utilities	2,900	2,900	2,811
Contractual services	860	860	920
Other	2,450	2,450	2,037
Total general government	<u>13,730</u>	<u>13,730</u>	<u>13,756</u>
Recreation			
Salaries and wages	110,172	110,172	111,811
Programs	35,450	35,450	27,560
Total recreation	<u>145,622</u>	<u>145,622</u>	<u>139,371</u>
Total expenditures	<u>159,352</u>	<u>159,352</u>	<u>153,127</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (17,595)</u></u>	<u><u>\$ (17,595)</u></u>	<u>(15,478)</u>
FUND BALANCE, MAY 1			<u>141,888</u>
FUND BALANCE, APRIL 30			<u><u>\$ 126,410</u></u>

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL RECREATION FUND

For the Year Ended April 30, 2006

---

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 900,000	\$ 900,000	\$ 902,581
EXPENDITURES			
Recreation - programs	604,611	604,611	588,878
NET CHANGE IN FUND BALANCE	<u>\$ 295,389</u>	<u>\$ 295,389</u>	313,703
FUND BALANCE, MAY 1			<u>253,128</u>
FUND BALANCE, APRIL 30			<u>\$ 566,831</u>

(See independent auditor's report.)



ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
NICKOL KNOLL GOLF CLUB FUND

For the Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Sales and equipment rental	\$ 234,225	\$ 234,225	\$ 209,602
Total revenues	234,225	234,225	209,602
<b>EXPENDITURES</b>			
General government			
Salaries and wages	130,194	130,194	128,257
Insurance	7,952	7,952	7,160
Commodities	38,135	38,135	37,350
Utilities	36,189	36,189	35,785
Contractual services	7,637	7,637	6,796
Maintenance and repairs	6,933	6,933	11,120
Cost of goods sold	15,530	15,530	11,225
Other	2,300	2,300	4,946
Total expenditures	244,870	244,870	242,639
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (10,645)</b>	<b>\$ (10,645)</b>	<b>(33,037)</b>
<b>FUND BALANCE (DEFICIT), MAY 1</b>			<b>(131,051)</b>
<b>FUND BALANCE (DEFICIT), APRIL 30</b>			<b>\$ (164,088)</b>

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
FOREST VIEW RACQUET AND FITNESS CLUB FUND

For the Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Restaurant and merchandise sales	\$ 36,610	\$ 36,610	\$ 33,551
Memberships	113,000	113,000	112,190
Court time	152,573	152,573	155,767
Lessons	330,877	330,877	323,761
League fees	22,695	22,695	15,133
Miscellaneous recreation programs	61,937	61,937	45,944
Miscellaneous	500	500	2,263
Total revenues	<u>718,192</u>	<u>718,192</u>	<u>688,609</u>
<b>EXPENDITURES</b>			
General government			
Personal services	482,180	482,180	464,978
Commodities and supplies	167,308	167,308	150,140
Contractual services	28,432	28,432	20,990
Cost of goods sold	29,106	29,106	29,016
Other	3,300	3,300	2,259
Total expenditures	<u>710,326</u>	<u>710,326</u>	<u>667,383</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 7,866</u>	<u>\$ 7,866</u>	21,226
<b>FUND BALANCE (DEFICIT), MAY 1</b>			<u>(390,878)</u>
<b>FUND BALANCE (DEFICIT), APRIL 30</b>			<u>\$ (369,652)</u>

(See independent auditor's report.)

SUPPLEMENTARY FINANCIAL INFORMATION

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND

For the Year Ended April 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 3,132,768	\$ 3,132,768	\$ 3,099,255
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	2,376,281	2,376,281	2,480,000
Interest and fees	758,587	758,587	653,968
Total expenditures	<u>3,134,868</u>	<u>3,134,868</u>	<u>3,133,968</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,100)</u>	<u>\$ (2,100)</u>	(34,713)
<b>FUND BALANCE, MAY 1</b>			<u>163,094</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 128,381</u>

(See independent auditor's report.)

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE  
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2006

---

REVENUES	
Sales and rental income	\$ 59,560
Investment income	159,965
Miscellaneous	<u>42,080</u>
Total revenues	<u>261,605</u>
EXPENDITURES	
General government	
Commodities	159,803
Contractual services	85,647
Maintenance and repairs	3,337
Capital outlay	1,314,312
Debt service	
Principal retirement	151,500
Interest and fees	<u>48,679</u>
Total expenditures	<u>1,763,278</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,501,673)
OTHER FINANCING SOURCE (USES)	
Bonds issued	10,000,000
Premium on bonds issued	<u>58,100</u>
Total other financing sources (uses)	10,058,100
NET CHANGE IN FUND BALANCE	8,556,427
FUND BALANCE, MAY 1	<u>2,086,077</u>
FUND BALANCE, APRIL 30	<u><u>\$ 10,642,504</u></u>

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the Arlington Heights Park District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have been changed over time.	55-60
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	61-64
<b>Debt Capacity</b> The schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	65-67
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	68
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	69-71

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information include information beginning in that year.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

NET ASSETS BY COMPONENT  
(in thousands)

Last Three Fiscal Years  
(accrual basis of accounting)

Fiscal Year	2004	2005	2006
<b>GOVERNMENTAL ACTIVITIES</b>			
Invested in capital assets net of related debt	\$ 15,291	\$ 24,179	\$ 15,591
Restricted	74	1,722	2,047
Unrestricted	11,514	8,772	18,221
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 26,879</b>	<b>\$ 34,673</b>	<b>\$ 35,859</b>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Invested in capital assets net of related debt	\$ 5,644	\$ 5,023	\$ 5,062
Restricted	-	-	-
Unrestricted	1,107	1,583	1,424
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 6,751</b>	<b>\$ 6,606</b>	<b>\$ 6,486</b>
<b>PRIMARY GOVERNMENT</b>			
Invested in capital assets net of related debt	\$ 20,935	\$ 29,202	\$ 20,653
Restricted	74	1,722	2,047
Unrestricted	12,621	10,355	19,646
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 33,630</b>	<b>\$ 41,279</b>	<b>\$ 42,346</b>

NOTE: The District implemented GASB Statement No. 34 for the year ended April 30, 2004.

Data Source

Audited Financial Statements

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

CHANGE IN NET ASSETS  
(in thousands)

Last Three Fiscal Years  
(accrual basis of accounting)

Fiscal Year	2004	2005	2006
<b>EXPENSES</b>			
Governmental activities			
General government	\$ 9,587	\$ 9,455	\$ 10,784
Culture and recreation	4,957	6,247	6,551
Interest	1,187	1,140	1,055
Total governmental activities expenses	<u>15,731</u>	<u>16,842</u>	<u>18,390</u>
Business-type activities			
Golf and tennis operations	3,021	2,204	2,311
Total business-type activities expenses	<u>3,021</u>	<u>2,204</u>	<u>2,311</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>\$ 18,752</u>	<u>\$ 19,046</u>	<u>\$ 20,701</u>
<b>PROGRAM REVENUES</b>			
Governmental activities			
Charges for services	\$ 5,153	\$ 6,856	\$ 7,013
Operating grants and contributions	8	-	36
Capital grants and contributions	-	66	244
Total governmental activities program revenues	<u>5,161</u>	<u>6,922</u>	<u>7,293</u>
Business-type activities			
Charges for services	2,761	2,126	2,134
Total business-type activities program revenues	<u>2,761</u>	<u>2,126</u>	<u>2,134</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM ACTIVITIES</b>	<u>\$ 7,922</u>	<u>\$ 9,048</u>	<u>\$ 9,427</u>
<b>NET (EXPENSE) REVENUE</b>			
Governmental activities	\$ (10,570)	\$ (9,920)	\$ (11,097)
Business-type activities	(260)	(78)	(177)
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<u>\$ (10,830)</u>	<u>\$ (9,998)</u>	<u>\$ (11,274)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>			
Governmental activities			
Taxes	\$ 9,799	\$ 11,430	\$ 11,636
Investment earnings	247	218	572
Donations	127	83	75
Contributions for developers	16	-	-
Miscellaneous	206	(1)	-
Loss on sale of property, plant and equipment	-	(28)	-
Total governmental activities	<u>10,395</u>	<u>11,702</u>	<u>12,283</u>



ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

CHANGE IN NET ASSETS (Continued)  
(in thousands)

Last Three Fiscal Years  
(accrual basis of accounting)

Fiscal Year	2004	2005	2006
<b>GENERAL REVENUES AND OTHER</b>			
<b>CHANGES IN NET ASSETS (Continued)</b>			
Business-type activities			
Miscellaneous	\$ 101	\$ 51	\$ 58
Loss on sale of property, plant and equipment	-	(1)	-
Total business-type activities	<u>101</u>	<u>50</u>	<u>58</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 10,496</u>	<u>\$ 11,752</u>	<u>\$ 12,341</u>
<b>EXCESS (DEFICIT) BEFORE TRANSFERS</b>			
Governmental activities	\$ (175)	\$ 1,782	\$ 1,186
Business-type activities	(159)	(28)	(119)
<b>TOTAL EXCESS (DEFICIT) BEFORE TRANSFERS</b>	<u>\$ (334)</u>	<u>\$ 1,754</u>	<u>\$ 1,067</u>
<b>CHANGE IN NET ASSETS</b>			
Net assets, May 1			
Governmental activities	\$ 27,054	\$ 26,879	\$ 37,744
Business-type activities	7,122	6,751	6,606
Net assets, May 1	<u>34,176</u>	<u>33,630</u>	<u>44,350</u>
Prior period adjustment			
Prior period adjustment governmental activities	-	9,083	(3,071)
Prior period adjustment business-type activities	(212)	(117)	-
Total prior period adjustment	<u>(212)</u>	<u>8,966</u>	<u>(3,071)</u>
Net assets, May restated			
Governmental activities	27,054	35,962	34,673
Business-type activities	6,910	6,634	6,606
Net assets, May restated	<u>33,964</u>	<u>42,596</u>	<u>41,279</u>
<b>TOTAL PRIMARY GOVERNMENT</b>			
<b>CHANGE IN NET ASSETS</b>	<u>\$ 33,630</u>	<u>\$ 44,350</u>	<u>\$ 42,346</u>

NOTE: The District implemented GASB Statement No. 34 for the year ended April 30, 2004.

Data Source

Audited Financial Statements

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS  
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(accrual basis of accounting)

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>GENERAL FUND</b>										
Reserved										
Reserved for prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,404	\$ 32,821	\$ 35,144	\$ 39,836
Reserved for tort	-	-	-	-	-	-	-	-	267,519	267,519
Unreserved in General Fund	2,025,360	2,559,876	3,138,092	3,554,131	3,976,006	4,011,324	3,546,453	3,573,274	3,724,199	4,286,729
<b>TOTAL GENERAL FUND</b>	<b>\$ 2,025,360</b>	<b>\$ 2,559,876</b>	<b>\$ 3,138,092</b>	<b>\$ 3,554,131</b>	<b>\$ 3,976,006</b>	<b>\$ 4,011,324</b>	<b>\$ 3,574,857</b>	<b>\$ 3,606,095</b>	<b>\$ 4,026,862</b>	<b>\$ 4,594,084</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved										
Reserved for inventory	3,016	1,726	1,979	17,771	18,313	16,432	15,372	11,833	24,693	25,482
Reserved for prepaid items	-	-	-	-	-	-	23,714	64,275	21,537	35,352
Reserved for advances	-	-	-	-	-	-	-	-	511,965	613,871
Reserved for debt service	1,188,756	528,737	633,873	492,651	440,546	231,351	132,775	74,689	163,094	128,381
Reserved for special recreations	-	-	-	-	-	-	-	-	178,394	165,278
Reserved for specific purposes	-	-	-	-	-	-	-	-	253,128	566,831
Reserved for park development\ improvements	-	-	-	-	-	-	-	-	860,473	918,694
Unreserved, reported in										
Special revenue funds	2,205,661	2,484,932	2,799,605	3,094,591	3,458,874	3,698,956	3,813,228	4,217,020	3,346,289	3,588,301
Capital project funds	7,354,182	7,685,008	4,882,336	3,097,440	1,847,393	13,354,548	11,466,228	4,496,710	2,086,077	10,642,504
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 10,751,615</b>	<b>\$ 10,700,403</b>	<b>\$ 8,317,793</b>	<b>\$ 6,702,453</b>	<b>\$ 5,765,126</b>	<b>\$ 17,301,287</b>	<b>\$ 15,451,317</b>	<b>\$ 8,864,527</b>	<b>\$ 7,445,650</b>	<b>\$ 16,684,694</b>

Data Source

Audited Financial Statements

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(accrual basis of accounting)

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>REVENUES</b>										
Taxes	\$ 8,029,734	\$ 7,246,899	\$ 9,065,257	\$ 9,469,410	\$ 9,552,696	\$ 9,827,897	\$ 9,370,972	\$ 9,669,844	\$ 11,265,617	\$ 11,424,004
Other taxes	149,356	161,043	164,781	179,220	173,250	151,133	129,606	129,158	164,178	211,844
Intergovernmental	-	-	-	-	-	-	-	-	-	36,720
Charges for recreation programs	2,208,580	2,272,756	2,560,288	2,886,707	3,096,024	3,195,594	3,528,051	3,901,149	5,052,141	5,196,219
Swimming pool revenue	798,881	746,617	762,594	839,550	893,346	975,491	1,132,682	859,734	1,395,641	1,439,976
Sales and rental revenue	56,232	264,896	281,282	285,474	276,772	258,536	255,268	309,209	408,627	376,237
Interest income	596,460	773,559	721,186	557,806	681,124	515,462	384,360	246,872	217,966	571,941
Miscellaneous										
Developer contributions	73,513	169,673	265,580	437,790	299,956	13,992	146,847	16,277	66,196	244,553
Donations and miscellaneous revenue	456,704	389,310	479,287	564,275	437,414	516,765	473,179	423,483	102,627	100,423
State grants	-	-	-	-	250,000	1,210,000	-	-	-	-
<b>Total revenues</b>	<b>12,369,460</b>	<b>12,024,753</b>	<b>14,300,255</b>	<b>15,220,232</b>	<b>15,660,582</b>	<b>16,664,870</b>	<b>15,420,965</b>	<b>15,555,726</b>	<b>18,672,993</b>	<b>19,601,917</b>
<b>EXPENDITURES</b>										
General government	5,134,497	5,313,607	5,791,325	6,167,133	6,473,716	6,925,735	7,347,267	7,438,368	9,077,821	9,483,282
Recreation	2,597,917	2,762,241	2,890,739	3,306,162	3,366,208	3,602,431	3,838,664	4,013,531	5,128,072	5,474,628
Pension fund contributions	797,189	635,452	919,852	841,031	795,236	789,983	853,816	917,467	-	-
Capital outlay	1,655,108	2,065,662	3,702,022	3,397,197	2,503,806	10,259,329	3,296,062	7,749,024	1,777,622	1,508,983
Debt service									2,540,000	
Principal retirement	1,850,000	1,845,000	3,125,000	3,054,000	3,136,000	3,367,000	2,378,000	2,551,500	772,978	2,670,500
Interest	801,482	469,487	555,711	414,010	301,671	207,048	818,593	804,605	-	716,358
<b>Total expenditures</b>	<b>12,836,193</b>	<b>13,091,449</b>	<b>16,984,649</b>	<b>17,179,533</b>	<b>16,576,637</b>	<b>25,151,526</b>	<b>18,532,402</b>	<b>23,474,495</b>	<b>19,296,493</b>	<b>19,853,751</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(466,733)</b>	<b>(1,066,696)</b>	<b>(2,684,394)</b>	<b>(1,959,301)</b>	<b>(916,055)</b>	<b>(8,486,656)</b>	<b>(3,111,437)</b>	<b>(7,918,769)</b>	<b>(623,500)</b>	<b>(251,834)</b>

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of installment contract	\$ -	\$ -	\$ -	\$ 760,000	\$ 400,603	\$ 20,058,135	\$ -	\$ 835,000	\$ -	\$ -
Transfers in	463,170	51,918	4,620	26,749	3,535	-	-	-	401,595	-
Transfers (out)	(463,170)	(51,918)	(4,620)	(26,749)	(3,535)	-	-	-	(401,595)	-
Proceeds of bond issuances	-	-	-	-	-	-	825,000	-	-	10,000,000
Premium on bonds issued	-	-	-	-	-	-	-	-	-	58,100
Proceeds of refunding bonds	-	17,022,908	880,000	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(17,022,908)	-	-	-	-	-	-	-	-
Proceeds of general obligation bonds	3,445,000	1,550,000	-	-	-	-	-	-	-	-
Total other financing sources (uses)	3,445,000	1,550,000	880,000	760,000	400,603	20,058,135	825,000	835,000	-	10,058,100
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,978,267</b>	<b>483,304</b>	<b>(1,804,394)</b>	<b>(1,199,301)</b>	<b>(515,452)</b>	<b>11,571,479</b>	<b>(2,286,437)</b>	<b>(7,083,769)</b>	<b>(623,500)</b>	<b>9,806,266</b>
<b>FUND BALANCES, MAY 1</b>	<b>9,798,708</b>	<b>12,776,975</b>	<b>13,260,279</b>	<b>11,455,885</b>	<b>10,256,584</b>	<b>9,741,132</b>	<b>21,312,611</b>	<b>19,026,174</b>	<b>13,173,381</b>	<b>11,472,512</b>
Prior period adjustment	-	-	-	-	-	-	-	528,217	(1,077,369)	-
<b>FUND BALANCES, MAY 1, RESTATED</b>	<b>9,798,708</b>	<b>12,776,975</b>	<b>13,260,279</b>	<b>11,455,885</b>	<b>10,256,584</b>	<b>9,741,132</b>	<b>21,312,611</b>	<b>19,554,391</b>	<b>12,096,012</b>	<b>11,472,512</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 12,776,975</b>	<b>\$ 13,260,279</b>	<b>\$ 11,455,885</b>	<b>\$ 10,256,584</b>	<b>\$ 9,741,132</b>	<b>\$ 21,312,611</b>	<b>\$ 19,026,174</b>	<b>\$ 12,470,622</b>	<b>\$ 11,472,512</b>	<b>\$ 21,278,778</b>

<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	24%	21%	28%	25%	24%	24%	21%	21%	4%	18%
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Note: In fiscal year 2005, the District restated its financial statements moving the Forest View Racquet and Fitness Club from an Enterprise Fund to a Special Revenue Fund. This change in measurement focus created a prior period adjustment to remove capital assets and compensated balances.

Data Source

Audited Financial Statements

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

EQUALIZED ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Tax Year	Residential Property	Farm Property	Commercial Property	Railroad Property	Industrial Property	Total Taxable Equalized Value	Total Direct Tax Rate	Estimated Actual Full Market Value
1996	\$ 858,554,263	\$ -	\$ 445,086,583	\$ 342,728	\$ 218,084,120	\$ 1,522,067,694	0.489	\$ 4,566,203,082
1997	861,121,424	-	450,636,846	307,300	221,399,090	1,533,464,660	0.564	4,600,393,980
1998	947,568,448	-	475,090,427	284,646	216,929,003	1,639,872,524	0.557	4,919,617,572
1999	992,052,800	-	491,430,776	277,161	227,772,087	1,711,532,824	0.562	5,134,598,472
2000	989,429,060	-	488,235,720	286,678	226,037,507	1,703,988,965	0.583	5,111,966,895
2001	1,236,256,613	-	540,372,400	297,309	233,731,594	2,010,657,916	0.484	6,031,973,748
2002	1,347,290,504	-	559,354,775	347,072	244,907,825	2,151,900,176	0.458	6,455,700,528
2003	1,338,815,826	-	544,736,090	372,219	239,724,917	2,123,649,052	0.515	6,370,947,156
2004	NA	NA	NA	415,112	NA	2,437,564,371	0.466	7,312,693,113
2005	NA	NA	NA	391,482	NA	2,615,539,366	0.466	7,846,618,098

Note : Property in the District is reassessed every three years. Property is assessed and then equalized to be approximately 33 1/3% of actual value.  
N/A - Not available

Data Source

Cook and Lake County Clerk's Office

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>PARK DISTRICT DIRECT RATES</b>										
Corporate	0.160	0.168	0.175	0.165	0.167	0.175	0.150	0.145	0.166	0.150
Bonds and Interest	0.149	0.103	0.177	0.188	0.195	0.201	0.059	0.055	0.057	0.053
Social Security	0.058	0.056	0.051	0.050	0.047	0.049	0.043	0.039	0.043	0.040
Auditing	0.002	0.002	0.002	0.002	0.002	0.002	0.001	0.001	0.001	0.001
Liability Insurance	0.022	0.019	0.020	0.020	0.018	0.019	0.016	0.015	0.013	0.012
Recreation	0.109	0.112	0.120	0.113	0.113	0.119	0.103	0.099	0.105	0.095
Museum Fund	0.005	0.005	0.006	0.006	0.005	0.006	0.005	0.005	0.004	0.004
Handicapped Fund	0.017	0.015	0.016	0.015	0.014	0.015	0.014	0.012	0.040	0.035
Limited Bonds	-	0.011	-	-	-	-	0.092	0.086	0.087	0.076
<b>TOTAL PARK DISTRICT DIRECT RATES</b>	<b>0.520</b>	<b>0.489</b>	<b>0.564</b>	<b>0.557</b>	<b>0.562</b>	<b>0.583</b>	<b>0.484</b>	<b>0.458</b>	<b>0.515</b>	<b>0.466</b>
<b>OVERLAPPING RATES</b>										
Cook County including Forest Preserve	1.066	1.063	0.993	0.983	0.924	0.893	0.813	0.751	0.689	0.653
Metropolitan Water Reclamation District	0.495	0.492	0.451	0.444	0.419	0.415	0.401	0.371	0.361	0.347
School District #25, 214, 512	6.291	6.559	6.874	6.655	6.564	6.910	6.027	5.711	5.945	5.253
Village	1.354	1.385	1.438	1.371	1.325	1.341	1.149	1.129	1.176	1.131
All Others	0.146	0.120	0.153	0.119	0.126	0.085	0.111	0.075	0.113	0.073
<b>TOTAL OVERLAPPING RATES</b>	<b>9.352</b>	<b>9.619</b>	<b>9.909</b>	<b>9.572</b>	<b>9.358</b>	<b>9.644</b>	<b>8.501</b>	<b>8.037</b>	<b>8.284</b>	<b>7.457</b>

Note : The District's basic property tax rate may be increased only by a majority vote of the District's residents. Rates for debt service are set based on each year's requirements. (Governments are required to disclose any external limitations on their ability to change.)

Data Source

Office of the County Clerk

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2006			1997		
	2004 Equalized Assessed Value *(1)	Rank	Percentage of Total Equalized Assessed Valuation	1995 Equalized Assessed Value	Rank	Percentage of Total Equalized Assessed Valuation
Motorola, Inc.	\$ 45,754,639	1	1.88%	\$ 26,346,870	1	1.76%
Lutier Village	43,400,517	2	1.78%	17,622,150	2	1.18%
Northpoint Freed and Arlington Town Square Freed	36,707,658	3	1.51%	15,179,037	3	1.02%
BH Management Services	24,506,696	4	1.01%	15,046,321	4	1.01%
Heiler Reur 02186	20,476,171	5	0.84%	13,412,064	5	0.90%
Hamilton Partners	20,235,456	6	0.83%	10,485,262	6	0.70%
Avalon Bay Communities	16,461,863	7	0.68%	10,448,594	7	0.70%
Visconi Companies	14,288,773	8	0.59%	10,147,334	8	0.68%
The Stonebridge Trust	14,053,040	9	0.58%	9,988,822	9	0.67%
Village of Arlington Heights	12,901,529	10	0.53%	9,911,419	10	0.66%
	<u>\$ 248,786,342</u>		<u>10.21%</u>	<u>\$ 138,587,873</u>		<u>9.28%</u>

NOTE:  
Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

(1) Includes only those parcels with 2004 equalized assessed valuations of \$100,000 and over as recorded in the County Assessor's Office.

\* Most recent data available

Data Source

Cook County Clerk, Elk Grove and Wheeling Township Assessor's Office

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1996	\$ 7,536,909	\$ 3,780,247	50.16%	\$ 3,523,693	7,303,940	96.91%
1997	8,716,295	3,669,750	42.10%	4,708,686	8,378,436	96.12%
1998	9,317,803	4,146,751	44.50%	4,890,986	9,037,737	96.99%
1999	9,739,909	4,486,509	46.06%	5,022,339	9,508,848	97.63%
2000	10,004,026	4,569,398	45.68%	5,276,443	9,845,841	98.42%
2001	9,886,379	4,656,059	47.10%	4,971,037	9,627,096	97.38%
2002	10,040,773	4,585,733	45.67%	5,215,013	9,800,746	97.61%
2003	11,107,802	4,646,030	41.83%	6,286,889	10,932,919	98.43%
2004	11,404,668	5,082,880	44.57%	6,152,573	11,235,453	98.52%
2005	11,849,302	5,365,441	45.28%	-	5,365,441	45.28%

NOTE : Property in the District is reassessed every three years. Property is assessed and then equalized to be approximately 33 1/3% of actual value.

Data Source

Office of the County Clerk



ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Tax Levy Year	Population (1)	Equalized Assessed Value (in thousands)	Governmental Activities			Business-Type Activities		Total Primary Government	Percent of Equalized Assessed Value	Per Capita
				General Obligation Bonds	Installment Payable/Debt Certificates	Notes Payable	Notes Payable	Installment Payable			
1996	1995	\$ 77,365	\$ 1,493,218	\$ 15,345,000	\$ -	\$ -	\$ 510,000	\$ 15,855,000	1.06%	\$ 204.94	
1997	1996	77,573	1,522,068	16,940,000	-	-	275,000	17,215,000	1.13%	221.92	
1998	1997	78,000	1,533,465	17,268,241	-	-	140,000	17,408,241	1.14%	223.18	
1999	1998	78,549	1,639,873	15,023,241	-	-	-	15,023,241	0.92%	191.26	
2000	1999	79,000	1,711,533	13,271,356	391,000	-	-	13,662,356	0.80%	172.94	
2001	2000	76,031	1,703,989	11,294,112	715,000	-	-	12,009,112	0.70%	157.95	
2002	2001	76,531	2,010,658	28,121,222	613,000	-	-	28,734,222	1.43%	375.46	
2003	2002	76,836	2,151,900	25,641,674	1,325,000	-	-	26,966,674	1.25%	350.96	
2004	2003	77,066	2,123,649	23,743,845	1,898,500	-	-	25,642,345	1.21%	332.73	
2005	2004	76,943	2,437,564	21,774,231	1,713,500	-	-	23,487,731	0.96%	305.26	

Note: Details of the District's outstanding debt can be found in the notes to the financial statements.

(1) Estimated by Village of Arlington Heights Planning Department, except for Fiscal Year Ended 2001 of 76,031 which was taken from the 2000 Census.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Equalized Assessed Value	Per Capita
1996	\$ 15,345,000	\$ 1,166,673	\$ 14,178,327	0.9%	\$ 183.27
1997	16,940,000	1,188,756	15,751,244	1.0%	203.05
1998	17,268,241	528,737	16,739,504	1.1%	214.61
1999	15,023,241	633,873	14,389,368	0.9%	183.19
2000	13,271,356	492,651	12,778,705	0.7%	161.76
2001	11,294,112	440,546	10,853,566	0.6%	142.75
2002	28,121,222	231,351	27,889,871	1.4%	364.43
2003	25,641,674	132,775	25,508,899	1.2%	331.99
2004	23,743,845	74,689	23,669,156	1.1%	307.13
2005	21,774,231	163,094	21,611,137	0.9%	280.87

Note: Details of the District's outstanding debt can be found in the notes to the financial statements.

\* See the Schedule of Equalized Assessed Value and Actual Value of Taxable Property on page 61 for property value data.

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Legal debt limit	\$ 42,930,015	\$ 43,759,446	\$ 44,087,109	\$ 47,146,335	\$ 49,206,569	\$ 48,989,683	\$ 57,806,415	\$ 61,867,130	\$ 61,054,910	\$ 70,079,976
Total net debt applicable to limit	17,215,000	17,408,241	15,023,241	13,662,356	11,294,112	28,121,222	26,966,674	25,642,345	23,487,731	31,194,804
Legal debt margin	\$ 24,526,259	\$ 16,879,504	\$ 29,089,868	\$ 33,483,979	\$ 37,912,457	\$ 20,868,461	\$ 30,839,741	\$ 36,224,785	\$ 37,567,179	\$ 38,885,172

Total net debt applicable to the limit as a percentage of debt limit

	40.1%	39.8%	34.1%	29.0%	23.0%	57.4%	46.6%	41.4%	38.5%	44.5%
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Legal Debt Margin Calculation for Fiscal 2006

2004 Assessed Value (most recent available)	\$ 2,437,564,371
Legal debt margin	2.875%
Debt limit	\$ 70,079,976
Debt applicable to limit	
General obligation bonds	31,194,804
Legal debt margin	\$ 38,885,172

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population (1)	Increase in Population From Previous Year	Personal Income (4)	Per Capita Personal Income (4)	School Enrollment (2)	Unemployment Rate (3)
2005 *	76,943	(123)	\$ 81,739	\$ 39,139	11,913	4.5%
2004	77,066	230	81,739	39,139	11,183	4.6%
2003	76,836	305	81,739	39,139	12,055	4.9%
2002	76,531	500	81,739	39,139	11,598	4.7%
2001	76,031 (4)	(2,969)	81,739	39,139	13,005	3.5%
2000	79,000	451	67,807	33,544	11,684	2.4%
1999	78,549	549	67,807	33,544	12,052	0.0%
1998	78,000	427	67,807	33,544	11,721	2.5%
1997	77,573	208	67,807	33,544	10,655	2.4%
1996	77,365	62	67,807	33,544	10,881	2.9%

- (1) Population estimates are prepared by the Village of Arlington Heights Planning and Community Development Department.
- (2) Data provided by school district administrative offices, School Districts 21, 25, 59 and 214 and the National Center for Educational Statistics.
- (3) Annual average for the preceding calendar year. Data provided by the Illinois Department of Employment Security.
- (4) 2000 Census
- (5) U.S. Census Bureau 2000 Census and 2005 American Community Survey

\* Most recent data available

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06
<b><i>Parks &amp; Planning Department</i></b>										
Director of Parks and Planning	1	1	1	1	1	1	1	1	1	1
Superintendent	0	0	0	0	0	0	0	2	2	2
Park Planner	2	2	2	2	2	2	2	2	2	2
Maintenance Supervisor II	2	3	3	3	3	3	3	2	2	2
Maintenance Supervisor I	3	2	2	2	2	2	2	1	1	1
Maintenance Labor	29	29	29	29	29	29	29	29	29	29
Clerical	0	0	0	1	1	1	1	1	1	1
Custodians	7	7	7	7	7	7	7	7	7	7
<b>Total Parks and Planning Department</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
<b><i>Finance and Personnel Department</i></b>										
Director of Finance and Personnel	1	1	1	1	1	1	1	1	1	1
Superintendent of Human Resources	1	1	1	1	1	1	1	1	1	1
Accounting Supervisor	0	1	1	1	1	1	1	1	1	1
MIS Supervisor	1	1	1	1	1	1	1	1	1	1
Training Supervisor	1	1	1	1	1	1	1	1	1	1
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Marketing Supervisor	0	0	0	1	1	1	1	1	1	1
Account Clerks	4	4	5	6	6	6	6	6	6	6
Clerical	3	3	3	3	3	3	3	3	3	3
Courier	1	1	1	1	1	1	1	1	1	1
<b>Total Finance and Personnel Department</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
<b><i>Executive Director's Office</i></b>										
Executive Director	1	1	1	1	1	1	1	1	1	1
Administrative Services Supervisor	1	1	1	1	1	1	1	1	0	0
Superintendent of Golf Operations	1	1	1	1	1	1	1	1	1	1
Maintenance Supervisor I-Golf	2	2	2	2	2	2	2	2	2	2
Golf Maintenance Labor	2	2	3	3	3	3	3	3	3	3
Clerical	1	1	1	1	1	1	1	1	1	1
<b>Total Executive Director's Office</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>8</b>
<b><i>Recreation and Facilities Department</i></b>										
Director of Recreation and Facilities	1	1	1	1	1	1	1	1	1	1
Superintendent of Recreation	3	3	3	3	3	3	3	3	3	3
Recreation Supervisor II	5	6	6	6	9	9	9	9	9	9
Recreation Supervisor I	9	9	9	9	6	6	6	6	6	6
Golf Operations Supervisor	2	2	2	2	2	2	2	2	2	2
Golf Operations Supervisor	1	1	1	1	1	1	1	1	1	1
Racquet Club Supervisor	2	2	2	2	2	2	2	2	2	2
Asst. Racquet Club Supervisor	2	2	2	2	2	2	2	2	2	2
Clerical	3	3	3	3	3	3	3	3	3	3
Custodians	3	3	3	3	3	3	3	3	3	3
<b>Total Recreation and Facilities Department</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>TOTAL PARK DISTRICT</b>	<b>96</b>	<b>98</b>	<b>100</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>102</b>	<b>102</b>

Data Source

District Finance Department

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Function/Program</b>										
<b>Program Attendance</b>										
Swim Lessons	10,333	9,383	10,408	8,965	9,224	9,371	8,786	7,444	10,145	9,171
Preschool/Infant	3,114	2,671	2,873	2,885	2,436	2,459	2,193	2,830	2,303	2,745
Athletics	13,284	14,783	16,409	16,988	19,113	19,168	19,370	16,229	17,978	18,241
General Interest	6,090	4,960	4,950	5,413	7,327	6,634	8,686	7,574	6,687	6,561
Arts and Crafts	1,354	1,384	1,460	1,388	1,129	1,112	1,166	1,234	1,164	878
Performing Arts	3,101	3,177	3,085	3,206	3,030	2,895	2,890	3,098	3,138	2,954
Museum	2,544	3,058	3,857	5,138	4,838	5,435	6,324	5,212	7,236	7,304
Seniors	5,173	8,327	6,817	7,079	8,764	10,303	10,824	13,505	12,277	14,243
Camps	3,283	3,251	4,237	3,905	4,997	4,233	5,152	5,033	4,850	3,588
<b>Total Program Attendance</b>	<b>48,276</b>	<b>50,994</b>	<b>54,096</b>	<b>54,967</b>	<b>60,858</b>	<b>61,610</b>	<b>65,391</b>	<b>62,159</b>	<b>65,778</b>	<b>65,685</b>
<b>Public Swim Attendance</b>										
Camelot	21,024	19,321	17,790	13,328	12,719	13,766	27,101	20,400	21,127	27,249
Frontier	22,850	19,542	23,372	18,136	12,617	12,530	36,117	31,846	25,475	36,856
Heritage	11,522	12,600	10,967	8,967	9,429	11,977	29,991	25,126	21,040	30,223
Pioneer	34,616	32,042	31,812	58,477	45,312	45,896	37,247	37,297	27,590	38,260
Recreation	39,423	31,270	32,272	20,656	26,063	23,613	23,150	19,047	12,741	19,567
Olympic	23,184	21,870	21,543	20,861	19,510	19,331	18,685	-	39,008	45,818
<b>Total Public Swim Attendance</b>	<b>152,619</b>	<b>136,645</b>	<b>137,756</b>	<b>140,425</b>	<b>125,650</b>	<b>127,113</b>	<b>172,291</b>	<b>133,716</b>	<b>146,981</b>	<b>197,973</b>
<b>Community Center Attendance</b>										
Classes	268,977	303,064	314,190	353,568	368,473	362,827	390,113	387,138	381,817	393,670
Drop-In	53,909	24,332	25,349	25,325	39,487	37,144	40,171	20,096	32,013	26,855
Clubs	6,325	6,997	6,803	7,430	5,874	7,503	6,511	9,199	16,416	15,381
Rentals	17,123	15,002	14,946	11,249	12,703	6,316	8,114	4,250	8,702	8,814
<b>Total Community Center Attendance</b>	<b>346,334</b>	<b>349,395</b>	<b>361,288</b>	<b>397,572</b>	<b>426,537</b>	<b>413,790</b>	<b>444,909</b>	<b>420,683</b>	<b>438,999</b>	<b>444,720</b>
<b>Program Participant Hours</b>										
Swim Lessons	112,216	97,850	92,661	89,939	93,612	95,638	92,472	58,300	94,769	98,731
Preschool/Infant	69,120	64,434	68,905	70,318	63,323	65,458	60,899	69,903	63,479	54,515
Athletics	152,017	210,264	235,672	244,724	305,966	289,552	295,225	257,776	271,682	272,671
General Interest	280,309	303,564	306,239	327,272	346,372	333,595	356,812	361,726	343,283	351,409
Arts and Crafts	10,514	10,465	11,161	10,045	8,814	8,627	9,211	9,680	8,923	5,772
Performing Arts	26,407	27,550	26,593	27,772	26,515	27,892	25,860	27,495	27,503	26,546
Museum	8,695	9,589	12,115	15,629	14,890	15,791	14,037	13,409	16,232	16,830
Seniors	46,123	57,183	79,639	86,498	94,453	107,391	113,347	114,160	114,894	111,149
Camps	124,353	120,477	150,868	155,334	174,456	146,288	169,003	143,346	163,278	137,099
<b>Total Program Participant Hours</b>	<b>829,754</b>	<b>901,376</b>	<b>983,853</b>	<b>1,027,531</b>	<b>1,128,401</b>	<b>1,090,232</b>	<b>1,136,866</b>	<b>1,055,795</b>	<b>1,104,043</b>	<b>1,074,722</b>
Public Swim Participant Hours	305,338	271,960	274,974	280,850	251,300	255,234	346,822	267,432	301,590	400,200
<b>Total Participant Hours</b>	<b>1,135,092</b>	<b>1,173,336</b>	<b>1,258,827</b>	<b>1,308,381</b>	<b>1,379,701</b>	<b>1,345,466</b>	<b>1,483,688</b>	<b>1,323,227</b>	<b>1,405,633</b>	<b>1,474,922</b>
<b>Recreation Programs</b>										
Offered	3,122	2,945	2,955	2,896	2,887	3,048	2,996	3,119	3,259	3,362
Closed	643	597	635	518	514	552	645	585	558	591
Cancelled	396	210	201	314	198	183	253	438	499	565
Residents Enrolled	41,550	42,674	41,179	40,547	41,110	39,266	40,914	41,832	43,707	41,840
Non-Residents Enrolled	5,121	5,817	6,861	5,527	9,722	10,366	10,751	8,955	8,497	10,242
<b>Total Enrolled</b>	<b>46,671</b>	<b>48,491</b>	<b>48,040</b>	<b>46,074</b>	<b>50,832</b>	<b>49,632</b>	<b>51,665</b>	<b>50,787</b>	<b>52,204</b>	<b>52,082</b>
<b>Arlington Lakes Golf Club Rounds</b>	<b>57,103</b>	<b>64,530</b>	<b>62,704</b>	<b>61,164</b>	<b>55,897</b>	<b>55,897</b>	<b>55,897</b>	<b>55,897</b>	<b>51,779</b>	<b>57,004</b>
<b>Racquet Club Memberships</b>	<b>1,757</b>	<b>1,673</b>	<b>1,723</b>	<b>1,768</b>	<b>1,741</b>	<b>1,787</b>	<b>1,706</b>	<b>1,599</b>	<b>1,564</b>	<b>1,758</b>

Data Source

Various District departments

ARLINGTON HEIGHTS PARK DISTRICT  
ARLINGTON HEIGHTS, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>PARKS</b>										
Number	58	58	58	58	58	58	58	58	58	58
Owned Acres	486.55	486.55	486.55	450.55	450.55	450.55	450.55	453.57	456.53	456.53
Leased Acres	210.40	210.40	210.40	260.40	260.40	260.40	260.40	260.40	258.56	258.56
Total Acres	696.95	696.95	696.95	710.95	710.95	710.95	710.95	713.97	715.09	715.09
<b>FACILITIES</b>										
Playgrounds	41	41	41	40	40	38	38	38	38	40
Swimming Pools	6	6	6	6	6	6	6	6	6	6
Recreation Centers	5	5	5	5	5	5	5	5	5	5
Outdoor Skating Rinks	12	12	12	12	12	12	12	12	12	20
Indoor Racquet Clubs	2	2	2	2	2	2	2	2	2	2
Tennis Courts	14	14	14	14	14	14	14	14	14	14
Racquetball Courts	6	6	6	6	6	6	6	6	6	6
18 Hole Golf Course	1	1	1	1	1	1	1	1	1	1
9 Hole Golf Course	1	1	1	1	1	1	1	1	1	1
Driving Range	1	1	1	1	1	1	1	1	1	1
Ball Fields	47	43	47	45	45	45	45	45	45	43
Soccer Fields	21	17	21	17	17	17	17	17	17	31
Outdoor Tennis Courts	57	58	57	58	58	53	53	53	53	53
Picnic Areas	39	39	39	39	39	39	39	39	39	17
Jogging and Bike Trail:	3	3	3	3	15.4 miles	15.4 miles	15.4 miles	15.4 miles	15.4 miles	15.4 miles

Data Source

Various District departments