

**METROPOLITAN PIER AND EXPOSITION AUTHORITY
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2019

METROPOLITAN PIER AND EXPOSITION AUTHORITY
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

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METROPOLITAN PIER AND EXPOSITION AUTHORITY
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

AUTHORITY OFFICIALS

Chair of the Board ¹	Mr. Brett J. Hart
Chief Executive Officer (01/28/20 – Present) ¹	Ms. Larita D. Clark, CPA
Acting Chief Executive Officer (10/19/19 – 01/27/20)	Ms. Larita D. Clark, CPA
Chief Executive Officer (07/01/17 – 10/18/19) ¹	Ms. Lori T. Healey
Acting Chief Financial Officer (02/18/20 – Present)	Mr. Jason Bormann
Chief Financial Officer (07/01/17 – 02/17/20)	Ms. Larita D. Clark, CPA
General Counsel (04/13/19 – Present)	Mr. Matthew Simmons
General Counsel (07/01/17 – 04/12/19)	Ms. Darka Papushkewych
Director of Internal Audit	Ms. Jeanette Swan

BOARD MEMBERS

Appointed by the Governor of the State of Illinois

Director ²	Mr. Terrance McGann
Director (10/25/19 – Present)	Ms. Nina Grondin
Director (03/20/19 – 10/24/19)	Vacant
Director (07/01/17 – 03/19/19)	Mr. Ronald E. Powell
Director (03/25/19 – Present)	Mr. Don Villar
Director (07/01/17 – 03/24/19)	Vacant
Director (04/01/19 – Present)	Mr. Sherman Wright
Director (11/30/18 – 03/31/19)	Vacant
Director (07/01/17 – 11/29/18)	Mr. David Kahnweiler

Appointed by the Mayor of the City of Chicago

Director (09/07/17 – Present)	Mr. Jorge Ramirez
Director (07/01/17 – 09/06/17)	Ms. Julie Chavez
Director	Mr. Juan Ochoa
Director	Mr. Roger J. Kiley, Jr.
Director (03/15/19 – Present)	Dr. Sonat Birnecker Hart
Director (01/01/19 – 03/14/19)	Vacant
Director (07/01/17 – 12/31/18)	Mr. Daniel Hynes

METROPOLITAN PIER AND EXPOSITION AUTHORITY
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

AUTHORITY OFFICES

The Authority's offices are located at:

McCormick Place
2301 S. Lake Shore Drive
Chicago, Illinois 60616

Corporate Center
301 E. Cermak Road
Chicago, Illinois 60616

Footnotes:

- ¹ The eight members of the Board appoint a ninth member to serve as the Chair of the Board and select a Chief Executive Officer to perform all duties assigned by the Board.
- ² Mr. McGann's term expired on June 1, 2017. He will remain a board member until a new board member is appointed by the Governor.

MANAGEMENT ASSERTION LETTER

Honorable Frank J. Mautino
Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, Illinois 62703-3154

June 30, 2020

Auditor General Mautino:

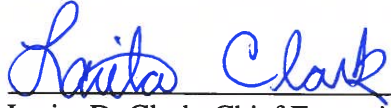
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Metropolitan Pier and Exposition Authority for appropriations made by the General Assembly to the Metropolitan Pier and Exposition Authority from the McCormick Place Expansion Project Fund, the Chicago Travel Industry Promotion Fund, and the Metropolitan Pier and Exposition Authority Incentive Fund and expenditures certified by the Metropolitan Pier and Exposition Authority as authorized by the General Assembly from the Metropolitan Pier and Exposition Authority Grants Fund. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Metropolitan Pier and Exposition Authority's compliance with the following specified requirements during the two-year period ended June 30, 2019. Based on this evaluation, we assert that during the two years ended June 30, 2019, the Metropolitan Pier and Exposition Authority has materially complied with the specified requirements listed below.

- A. The Metropolitan Pier and Exposition Authority has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Metropolitan Pier and Exposition Authority has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Metropolitan Pier and Exposition Authority has submitted its annual certifications of debt service requirements to the State Comptroller and the State Treasurer as required by State law.

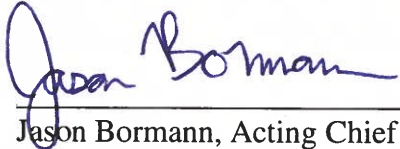


Yours truly,

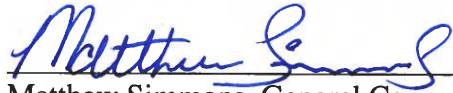
Metropolitan Pier and Exposition Authority



Larita D. Clark, Chief Executive Officer



Jason Bormann, Acting Chief Financial Officer



Matthew Simmons, General Counsel



METROPOLITAN PIER AND EXPOSITION AUTHORITY
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and the Illinois State Auditing Act.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	0	0
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	0	0

EXIT CONFERENCE

The Authority waived an exit conference in a correspondence from Jason Bormann, Acting Chief Financial Officer, on June 5, 2020.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

**INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE, ON INTERNAL CONTROL OVER COMPLIANCE, AND
ON SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
Metropolitan Pier and Exposition Authority

Compliance

We have examined compliance by the Metropolitan Pier and Exposition Authority (Authority) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, for appropriations made by the General Assembly to the Authority from the McCormick Place Expansion Project Fund, the Chicago Travel Industry Promotion Fund, and the Metropolitan Pier and Exposition Authority Incentive Fund and expenditures certified by the Authority as authorized by the General Assembly from the Metropolitan Pier and Exposition Authority Grants Fund during the two years ended June 30, 2019. Management of the Authority is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Authority has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Authority has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.

- C. The Authority has submitted its annual certification of debt service requirements to the Office of the State Comptroller and Office of the State Treasurer as required by State law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Authority's compliance with the specified requirements.

In our opinion, the Authority complied with the specified requirements during the two years ended June 30, 2019, in all material respects.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control).

In planning and performing our examination, we considered the Authority's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Authority's compliance with the specified requirements and to test and report on the Authority's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a

deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our examination, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

There were no immaterial findings that have been excluded from this report.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on the Authority's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019, in Schedules 1 through 3 and the Analysis of Operations Section are presented for purposes of additional analysis. Such information is the responsibility of Authority management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019, in Schedules 1 through 3. We have not applied procedures to the accompanying supplementary information for the years ended June 30, 2017, in Schedule 3 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 3 or the Analysis of Operations Section.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
June 30, 2020

METROPOLITAN PIER AND EXPOSITION AUTHORITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2019

For the Sixteen Months Ended October 31, 2019

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Expenditures 16 Months Ended October 31	Balances Lapsed October 31
			Expenditures July 1 to October 31	Expenditures October 31		
Public Act 100-0586						
FISCAL YEAR 2019						
APPROPRIATED FUNDS						
McCormick Place Expansion Project Fund - 377						
Debt Service and Related Trustee and Legal Expenses on the Authority's McCormick Place Expansion Project Bonds	\$ 196,695,300	\$ 196,596,324	\$ -	\$ 196,596,324	\$ 98,976	
Chicago Travel Industry Promotion Fund - 624						
Grant to Choose Chicago	\$ 11,374,000	\$ 11,374,000	\$ -	\$ 11,374,000	\$ -	
Metropolitan Pier and Exposition Authority Incentive Fund - 814						
Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held at the McCormick Place Convention Center and Navy Pier Complexes	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 208,069,300</u>	<u>\$ 207,970,324</u>	<u>\$ -</u>	<u>\$ 207,970,324</u>	<u>\$ 98,976</u>	

METROPOLITAN PIER AND EXPOSITION AUTHORITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2019

For the Sixteen Months Ended October 31, 2019

Public Act 100-0586 FISCAL YEAR 2019	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Expenditures 16 Months Ended October 31	Balances Lapsed October 31
			Expenditures July 1 to October 31	Expenditures October 31		
NON-APPROPRIATED FUND						
Metropolitan Pier and Exposition Authority Grants Fund - 941						
Grant to Choose Chicago	\$ 5,224,647		\$ -		\$ 5,224,647	
TOTAL - ALL NON-APPROPRIATED FUNDS	<u>\$ 5,224,647</u>		<u>\$ -</u>		<u>\$ 5,224,647</u>	
GRAND TOTAL - ALL FUNDS	<u>\$ 213,194,971</u>		<u>\$ -</u>		<u>\$ 213,194,971</u>	

Note 1: Appropriations, expenditures, and lapsed balances amounts in this schedule were prepared by the Authority and have been reconciled to the Office of the State Comptroller's records as of October 31, 2019.

Note 2: Expenditure amounts are vouchers approved for payment by the Authority and submitted to the Office of the State Comptroller for payment to the vendor.

METROPOLITAN PIER AND EXPOSITION AUTHORITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2018

For the Sixteen Months Ended October 31, 2018

Public Act 100-0021 FISCAL YEAR 2018	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to October 31	Expenditures 16 Months Ended October 31	Balances Lapsed October 31
APPROPRIATED FUNDS					
McCormick Place Expansion Project Fund - 377					
Debt Service and Related Trustee and Legal Expenses on the Authority's McCormick Place Expansion Project Bonds	\$ 192,828,000	\$ 141,778,656	\$ -	\$ 141,778,656	\$ 51,049,344
Chicago Travel Industry Promotion Fund - 624					
Grant to Choose Chicago	\$ 14,200,000	\$ 14,200,000	\$ -	\$ 14,200,000	\$ -
Metropolitan Pier and Exposition Authority Incentive Fund - 814					
Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held at the McCormick Place Convention Center and Navy Pier Complexes	\$ 15,000,000	\$ -	\$ -	\$ -	\$ 15,000,000
TOTAL - ALL APPROPRIATED FUNDS	\$ 222,028,000	\$ 155,978,656	\$ -	\$ 155,978,656	\$ 66,049,344

METROPOLITAN PIER AND EXPOSITION AUTHORITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2018

For the Sixteen Months Ended October 31, 2018

Public Act 100-0021 FISCAL YEAR 2018	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Expenditures 16 Months Ended October 31	Balances Lapsed October 31
			Expenditures July 1 to October 31	Expenditures October 31		
NON-APPROPRIATED FUND						
Metropolitan Pier and Exposition Authority						
Grants Fund - 941						
		\$ 5,023,953	-	\$ 5,023,953		
		<u>\$ 5,023,953</u>	<u>-</u>	<u>\$ 5,023,953</u>		
		<u>\$ 161,002,609</u>	<u>-</u>	<u>\$ 161,002,609</u>		

Note 1: Appropriations, expenditures, and lapsed balances amounts in this schedule were prepared by the Authority and have been reconciled to the Office of the State Comptroller's records as of October 31, 2018.

Note 2: Expenditure amounts are vouchers approved for payment by the Authority and submitted to the Office of the State Comptroller for payment to the vendor.

METROPOLITAN PIER AND EXPOSITION AUTHORITY
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Years Ended June 30, 2019, 2018, and 2017

	Fiscal Year		
	2019 Public Act 100-0586	2018 Public Act 100-0021	2017 Public Acts 99-0409, 99-0491, & 99-0524
APPROPRIATED FUNDS			
McCormick Place Expansion Project Fund - 377			
Appropriations (Net After Transfers)	\$ 196,695,300	\$ 192,828,000	\$ 177,926,000
Expenditures			
Debt Service and Related Trustee and Legal Expenses on the Authority's McCormick Place Expansion Project Bonds	\$ 196,596,324	\$ 141,778,656	\$ 177,923,129
Lapsed Balances	\$ 98,976	\$ 51,049,344	\$ 2,871
Chicago Travel Industry Promotion Fund - 624			
Appropriations (Net After Transfers)	\$ 11,374,000	\$ 14,200,000	\$ 10,042,000
Expenditures			
Grant to Choose Chicago	\$ 11,374,000	\$ 14,200,000	\$ 10,042,000
Lapsed Balances	\$ -	\$ -	\$ -
Metropolitan Pier and Exposition Authority Incentive Fund - 814			
Appropriations (Net After Transfers)	\$ -	\$ 15,000,000	\$ 15,000,000
Expenditures			
Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held at the McCormick Place Convention Center and Navy Pier Complexes	\$ -	\$ -	\$ 14,464,696
Lapsed Balances	\$ -	\$ 15,000,000	\$ 535,304

METROPOLITAN PIER AND EXPOSITION AUTHORITY
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Years Ended June 30, 2019, 2018, and 2017

	Fiscal Year		
	2019 Public Act 100-0586	2018 Public Act 100-0021	2017 Public Acts 99-0409, 99-0491, & 99-0524
TOTAL - APPROPRIATED FUNDS			
Total Appropriations	\$ 208,069,300	\$ 222,028,000	\$ 202,968,000
Total Appropriated Expenditures	\$ 207,970,324	\$ 155,978,656	\$ 202,429,825
Lapsed Balances	\$ 98,976	\$ 66,049,344	\$ 538,175
NON-APPROPRIATED FUND			
Metropolitan Pier and Exposition Authority Grants Fund - 941			
Expenditures			
Grant to Choose Chicago	\$ 5,224,647	\$ 5,023,953	\$ 6,932,432
Total Non-Appropriated Expenditures	\$ 5,224,647	\$ 5,023,953	\$ 6,932,432
GRAND TOTAL - ALL FUNDS	\$ 213,194,971	\$ 161,002,609	\$ 209,362,257

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances amounts in this schedule were prepared by the Authority and have been reconciled to the Office of the State Comptroller's records as of October 31, 2019, October 31, 2018, and September 30, 2017.

Note 2: Expenditure amounts are vouchers approved for payment by the Authority and submitted to the Office of the State Comptroller for payment to the vendor.

METROPOLITAN PIER AND EXPOSITION AUTHORITY
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2019
(NOT EXAMINED)

Authority Functions

The Metropolitan Pier and Exposition Authority (Authority) is a political subdivision, unit of local government, body politic, and municipal corporation existing under the laws of the State of Illinois. The jurisdiction, supervision, powers, and duties of the Authority are enumerated in the Metropolitan Pier and Exposition Authority Act (70 ILCS 210).

The origins of the Authority began on July 7, 1955, when the General Assembly established the Authority's immediate predecessor, the Metropolitan Fair and Exposition Authority, to oversee the construction and operation of a 360,000 square-foot exhibition hall. In 1958, the State issued bonds to finance the construction of an exhibition hall, which was ultimately opened in 1960. In 1989, the General Assembly restructured the organization by creating the Authority to oversee both the McCormick Place and Navy Pier in Chicago, Illinois.

Today, the Authority owns the McCormick Place convention facility, Navy Pier, the Hyatt Regency McCormick Place hotel, the Marriott Marquis Chicago hotel, Wintrust Arena, and the Energy Center. The Authority's purpose is promoting, operating, and maintaining fairs, expositions, meetings, and conventions in Chicago, Illinois.

The Authority is governed by the nine-member Board of Directors. Four members are appointed by the Governor of the State of Illinois, with the advice and consent of the Senate and four members are appointed by the Mayor of the City of Chicago. A majority of the Board members appointed by the Governor and the Mayor appoint a ninth member to serve as the Board's Chairperson. Board members serve staggered terms of up to three years and serve until their successors are appointed. The chairperson serves a four-year term.

In July 2011, the Authority took on an asset manager function for its various business units while reducing the Authority's full-time workforce by 95% from 500 full-time employees in the fall of 2009 to 25 corporate staff employees in 2013. The Authority has contracted with ASM Global (as successor to SMG) to operate the convention facilities at the McCormick Place and event activity at Wintrust Arena, SAVOR to operate the food services at the McCormick Place and Wintrust Arena, Hyatt Hotels Corporation to operate the Hyatt Regency McCormick Place, Marriott International, Inc. to operate the Marriott Marquis Chicago, and Navy Pier, Inc. (NPI) to manage, operate, and develop Navy Pier.

In July 2012, the Authority completed the 2012 Expansion Project Bond transaction, an \$855 million restructuring of its outstanding debt that raised \$125 million of new capital which will be used to improve and maintain the Authority's facilities, as well as new projects adjacent to the Authority's campus.

During 2013, the Authority completely renovated the existing 800-room tower of the Hyatt Regency McCormick Place and expanded the hotel property with the addition of a second 462-room tower. This project was completed June 2013, ahead of schedule and under budget, and its operating results have exceeded budgeted levels. The financial benefits of the expanded hotel facility have provided an internal cross-subsidy for operating deficits in the convention business and strengthen the Authority's financial base, replacing the temporary assistance from surplus Authority tax collections.

METROPOLITAN PIER AND EXPOSITION AUTHORITY
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2019
(NOT EXAMINED)

In September 2015, the Authority completed the 2015 Expansion Project Bond transaction, a \$219.4 million financing that was used to restructure a portion of the Authority's outstanding Expansion Project Bonds while providing \$153 million to finance a portion of the construction of the Marriott Marquis Chicago hotel.

In July 2017, the General Assembly passed and the Governor signed the Budget Implementation Act (P.A. 100-0023) which included the below provisions affecting the Authority:

- Increased bond authorization for the Authority by \$293 million to restructure existing debt and pay remaining deficiency amount;
- Created a reserve fund to retain the repayment of the deficiency amount and serve as a back-up if the Authority was unable to make debt service payments; and,
- Eliminated the \$15 million transfer for incentives paid to the Authority.

In Fall 2017, the Authority completed the construction of two major projects, the 1,205-room Marriott Marquis Chicago and the 10,387-seat Wintrust Arena. During Fiscal Year 2015 and Fiscal Year 2016, the Authority received \$55 million in reimbursements from the City of Chicago for TIF eligible expenditures for the Marriott Marquis Chicago project. As discussed above, in September 2015, the Authority issued \$153 million in Expansion Project Bonds to help finance a portion of the project costs associated with the Marriott Marquis Chicago. In December 2017, the Authority issued \$246.7 million of Series 2017 Expansion Project Bonds to repay a \$250 million loan from Citibank, the proceeds of which were used to construct the Marriott hotel, and to fund remaining Marriott hotel project costs. The Authority also issued \$225.8 million of Series 2017B Bonds to restructure Fiscal Year 2018 debt service to generate surplus taxes in Fiscal Year 2018 sufficient to fully repay the remaining \$39.3 million balance of the 2010 deficiency amount.

In regards to activities funded by appropriations from the General Assembly, the primary duties of the Authority are to pay debt service and related obligations, provide incentives to attract large conventions, meetings, and trade shows to hold events at Authority properties, and serve as a pass-thru entity to provide funding to Choose Chicago.

Planning Program

The Authority supported legislation during the 101st General Assembly to (i) provide for a 10-year extension (from FY2060 to FY2070) of deposits into the McCormick Place Expansion Project Fund from the four state sales taxes, (ii) increase the maximum amount of state sales tax dollars that may be deposited into the McCormick Place Expansion Project Fund each year, and (iii) increase the Authority's bond authorization by \$600 million from \$2,850,000,000 to \$3,450,000,000. This legislation passed the Senate 44-6-0 as Senate Bill 0485, however, it was not brought to the floor for a vote in the House. Senate Bill 0485 is currently pending in the House.

Further, the Authority continuously works with Choose Chicago to identify and attract conventions, meetings, and trade shows to hold events at Authority properties.

METROPOLITAN PIER AND EXPOSITION AUTHORITY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2019
(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2019 AND 2018

McCormick Place Expansion Project Fund - 377

Debt Service and Related Trustee and Legal Expenses on the Authority's McCormick Place Expansion Project Bonds

The increase was due to an increase in debt service requirements in Fiscal Year 2019.

Chicago Travel Industry Promotion Fund - 624

Grant to Choose Chicago

Expenditures for Fund 624 are based on the annual appropriation amount. The decrease was due to a decrease in appropriations for Fund 624 in Fiscal Year 2019.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017

McCormick Place Expansion Project Fund - 377

Debt Service and Related Trustee and Legal Expenses on the Authority's McCormick Place Expansion Project Bonds

The decrease was due to a decrease in debt service requirements in Fiscal Year 2018.

Chicago Travel Industry Promotion Fund - 624

Grant to Choose Chicago

Expenditures for Fund 624 are based on the annual appropriation amount. The increase was due to an increase in appropriations for Fund 624 in Fiscal Year 2018.

Metropolitan Pier and Exposition Authority Incentive Fund - 814

Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held at the McCormick Place Convention Center and Navy Pier Complexes

The decrease was due to the passage of Public Act 100-0023, which did not allow the Authority to receive incentive grants during Fiscal Year 2018.

Metropolitan Pier and Exposition Authority Grants Fund - 941

Grant to Choose Chicago

The amount of the Grant to Choose Chicago is based on 37.5% of the amount of airport departure taxes within the City of Chicago. The decrease was due to fewer Airport Departure Tax collections during Fiscal Year 2018.

METROPOLITAN PIER AND EXPOSITION AUTHORITY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2019
(NOT EXAMINED)

FISCAL YEAR 2019

There were no instances of significant Lapse Period spending noted during Fiscal Year 2019.

FISCAL YEAR 2018

There were no instances of significant Lapse Period spending noted during Fiscal Year 2018.