

**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2015

**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2015

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**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2015

**AGENCY OFFICIALS**

Chair of the Board <sup>1</sup>	Mr. Jack Greenberg
Chief Executive Officer <sup>1</sup> (04/20/15 – Present)	Ms. Lori T. Healey
Chief Executive Officer <sup>1</sup> (04/18/15 – 04/19/15)	Vacant
Chief Executive Officer <sup>1</sup> (07/01/13 – 04/17/15)	Mr. James R. Reilly
Chief Financial Officer	Mr. Richard J. Oldshue
General Counsel	Mr. Darka Papushkewych
Director of Internal Audit	Ms. Jeanette Swan

**BOARD MEMBERS**

*Appointed by the Governor of the State of Illinois*

Director	Mr. Terrance McGann
Director	Mr. Ronald E. Powell
Director	Mr. Robert G. Reiter, Jr.
Director (03/23/15 – Present)	Mr. David Kahnweiler
Director (07/01/13 – 03/22/15)	Ms. Becky Strzechowski

*Appointed by the Mayor of the City of Chicago*

Director	Ms. Julie Chavez
Director	Mr. Frank M. Clark, Jr.
Director	Mr. Roger J. Kiley, Jr.
Director	Mr. Dan Hynes

<sup>1</sup> 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.

**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2015

**AUTHORITY OFFICES**

The Authority's offices are located at:

**McCormick Place**

2301 S. Lake Shore Drive  
Chicago, Illinois 60616

**Navy Pier**

600 E. Grand Avenue  
Chicago, Illinois 60611

**Corporate Center**

301 E. Cermak Road  
Chicago, Illinois 60616

# Metropolitan Pier and Exposition Authority

Corporate Center • 301 East Cermak Road • Chicago, IL 60616 • Telephone (312) 791-7000 • Fax (312) 567-8226

## STATE COMPLIANCE EXAMINATION

## MANAGEMENT ASSERTION LETTER

September 25 , 2015

Honorable William G. Holland  
Auditor General  
State of Illinois  
740 East Ash Street  
Springfield, Illinois 62703-3154

Dear Mr. Holland:

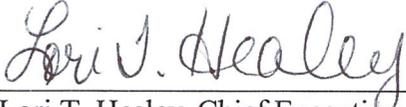
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Metropolitan Pier and Exposition Authority for appropriations made by the General Assembly to the Metropolitan 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 assertions during the two-year period ended June 30, 2015. Based on this evaluation, we assert that during the years ended June 30, 2014, and June 30, 2015, the Metropolitan Pier and Exposition Authority has materially complied with the assertions 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 certification of debt service requirements to the State Comptroller and the State Treasurer as required by State law.



Yours very truly,

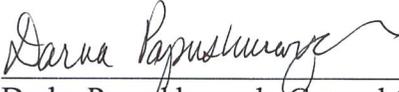
Metropolitan Pier and Exposition Authority



\_\_\_\_\_  
Lori T. Healey, Chief Executive Officer



\_\_\_\_\_  
Richard Oldshue, Chief Financial Officer



\_\_\_\_\_  
Darka Papushkewych, General Counsel



**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2015

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with 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>Prior</u>
<u>Findings</u>	<u>Report</u>	<u>Report</u>
Findings	0	1
Repeated findings	0	0
Prior recommendations implemented or not repeated	1	0

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (STATE COMPLIANCE)

The Authority did not have any current findings.

PRIOR FINDINGS NOT REPEATED

A	9	Excess Cash within the Metropolitan Fair and Exposition Authority Improvement Bond Fund	
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**EXIT CONFERENCE**

The Authority's management waived a formal exit conference in a correspondence dated September 25, 2015.

SPRINGFIELD OFFICE:

ILES PARK PLAZA  
740 EAST ASH • 62703-3154  
PHONE: 217/782-6046  
FAX: 217/785-8222 • TTY: 888/261-2887  
FRAUD HOTLINE: 1-855-217-1895



CHICAGO OFFICE:

MICHAEL A. BILANDIC BLDG. • SUITE S-900  
160 NORTH LASALLE • 60601-3103  
PHONE: 312/814-4000  
FAX: 312/814-4006  
FRAUD HOTLINE: 1-855-217-1895

OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

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

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have examined the Metropolitan Pier and Exposition Authority's compliance with the 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 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 during the two years ended June 30, 2015. The management of the Metropolitan Pier and Exposition Authority is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Metropolitan Pier and Exposition Authority's compliance based on our examination.

- 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 certification of debt service requirements to the State Comptroller and 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 as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Metropolitan Pier and Exposition Authority's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Metropolitan Pier and Exposition Authority's compliance with specified requirements.

In our opinion, the Metropolitan Pier and Exposition Authority complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2015.

### **Internal Control**

Management of the Metropolitan Pier and Exposition Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Metropolitan Pier and Exposition Authority's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Metropolitan Pier and Exposition Authority's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Metropolitan Pier and Exposition Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance 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.

### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2015, and June 30, 2014, in Schedules 1 through 5 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2015, and June 30, 2014, accompanying supplementary information in Schedules 1 through 5. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2013, accompanying supplementary information in Schedule 3, Schedule 4, and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and the Metropolitan Pier and Exposition Authority's Board of Directors and management, and is not intended to be and should not be used by anyone other than these specified parties.



BRUCE L. BULLARD, CPA  
Director of Financial and Compliance Audits

September 25, 2015  
Springfield, Illinois

METROPOLITAN PIER AND EXPOSITION AUTHORITY  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
**PRIOR FINDINGS NOT REPEATED**  
For the Two Years Ended June 30, 2015

- A. **FINDING** (Excess Cash within the Metropolitan Fair and Exposition Authority Improvement Bond Fund)

During the prior examination, the Metropolitan Pier and Exposition Authority (Authority) had excess cash within the Metropolitan Fair and Exposition Authority Improvement Bond Fund. (Finding Code No. 2013-001)

Status: Implemented

During the current examination, the auditors' testing indicated the Authority and the State Comptroller transferred the excess cash to the General Revenue Fund in October 2014. As of June 30, 2015, the cash balance of the Metropolitan Fair and Exposition Authority Improvement Bond Fund was \$0.00, according to the records of the State Comptroller.

**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2015

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
  - Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2015
  - Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2014
  - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
  - Analysis of Significant Variations in Expenditures
  - Analysis of Significant Lapse Period Spending
- Analysis of Operations (Not Examined):
  - Authority Functions and Planning Program (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2015, and June 30, 2014, accompanying supplementary information in Schedules 1 through 5. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

METROPOLITAN PIER AND EXPOSITION AUTHORITY  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2015

**SCHEDULE 1**

Fourteen Months Ended August 31, 2015

Public Act 098-0681			Lapse Period Expenditures	Total Expenditures	Balances
FISCAL YEAR 2015	Appropriations	Expenditures Through June 30	July 1 to August 31	14 Months Ended August 31	Lapsed August 31
<b><u>APPROPRIATED FUNDS</u></b>					
McCormick Place Expansion Project Fund - 377					
Debt Service and Related Trustee and Legal Expenses on the Authority's McCormick Place Expansion Project Bonds					
	\$ 156,928,300	\$ 156,926,659	\$ -	\$ 156,926,659	\$ 1,641
Total, McCormick Place Expansion Project Fund					
	<u>\$ 156,928,300</u>	<u>\$ 156,926,659</u>	<u>\$ -</u>	<u>\$ 156,926,659</u>	<u>\$ 1,641</u>
Chicago Travel Industry Promotion Fund - 624					
Grant to the Chicago Convention and Tourism Bureau (Choose Chicago)					
	\$ 8,935,000	\$ 8,935,000	\$ -	\$ 8,935,000	\$ -
Total, Chicago Travel Industry Promotion Fund					
	<u>\$ 8,935,000</u>	<u>\$ 8,935,000</u>	<u>\$ -</u>	<u>\$ 8,935,000</u>	<u>\$ -</u>
Metropolitan Pier and Exposition Authority Incentive Fund - 814					
Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held During the Current Fiscal Year					
	\$ 15,000,000	\$ 9,833,218	\$ 5,166,782	\$ 15,000,000	\$ -
Total, Metropolitan Pier and Exposition Authority Incentive Fund					
	<u>\$ 15,000,000</u>	<u>\$ 9,833,218</u>	<u>\$ 5,166,782</u>	<u>\$ 15,000,000</u>	<u>\$ -</u>
<b>SUBTOTAL - APPROPRIATED FUNDS</b>	<u><u>\$ 180,863,300</u></u>	<u><u>\$ 175,694,877</u></u>	<u><u>\$ 5,166,782</u></u>	<u><u>\$ 180,861,659</u></u>	<u><u>\$ 1,641</u></u>

METROPOLITAN PIER AND EXPOSITION AUTHORITY  
 SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 Appropriations for Fiscal Year 2015

**SCHEDULE 1**

Fourteen Months Ended August 31, 2015

Public Act 098-0681		Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
FISCAL YEAR 2015	Appropriations				
<b><u>NONAPPROPRIATED FUNDS</u></b>					
Metropolitan Pier and Exposition Authority Grants					
Fund - 941					
Grant to the Chicago Convention and Tourism					
Bureau (Choose Chicago)					
		\$ 7,998,216	\$ 729,163	\$ 8,727,379	
Total, Metropolitan Pier and Exposition					
Authority Grants Fund					
		\$ 7,998,216	\$ 729,163	\$ 8,727,379	
<b>SUBTOTAL - NONAPPROPRIATED FUNDS</b>		<b>\$ 7,998,216</b>	<b>\$ 729,163</b>	<b>\$ 8,727,379</b>	
<b><u>ALL FUNDS</u></b>					
Subtotal - Appropriated Funds		\$ 175,694,877	\$ 5,166,782	\$ 180,861,659	
Subtotal - Nonappropriated Funds		7,998,216	729,163	8,727,379	
<b>TOTAL - ALL FUNDS, FISCAL YEAR 2015</b>		<b>\$ 183,693,093</b>	<b>\$ 5,895,945</b>	<b>\$ 189,589,038</b>	

Note 1: The data in this schedule was taken directly from the State Comptroller's records and reconciled to the Authority's records.

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

METROPOLITAN PIER AND EXPOSITION AUTHORITY  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2014

**SCHEDULE 2**

Fourteen Months Ended August 31, 2014

Public Act 098-0050			Lapse Period Expenditures	Total Expenditures	Balances
FISCAL YEAR 2014	Appropriations	Expenditures Through June 30	July 1 to August 31	14 Months Ended August 31	Lapsed August 31
<b><u>APPROPRIATED FUNDS</u></b>					
McCormick Place Expansion Project Fund - 377					
Debt Service and Related Trustee and Legal Expenses on the Authority's McCormick Place Expansion Project Bonds					
	\$ 138,386,400	\$ 138,384,723	\$ -	\$ 138,384,723	\$ 1,677
Total, McCormick Place Expansion Project Fund					
	\$ 138,386,400	\$ 138,384,723	\$ -	\$ 138,384,723	\$ 1,677
Chicago Travel Industry Promotion Fund - 624					
Grant to the Chicago Convention and Tourism Bureau (Choose Chicago)					
	\$ 8,935,000	\$ 8,935,000	\$ -	\$ 8,935,000	\$ -
Total, Chicago Travel Industry Promotion Fund					
	\$ 8,935,000	\$ 8,935,000	\$ -	\$ 8,935,000	\$ -
Metropolitan Pier and Exposition Authority Incentive Fund - 814					
Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held During the Current Fiscal Year					
	\$ 7,500,000	\$ 585,558	\$ 3,320,433	\$ 3,905,991	\$ 3,594,009
Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held in Fiscal Year 2013					
	7,500,000	7,500,000	-	7,500,000	-
Total, Metropolitan Pier and Exposition Authority Incentive Fund					
	\$ 15,000,000	\$ 8,085,558	\$ 3,320,433	\$ 11,405,991	\$ 3,594,009
<b>SUBTOTAL - APPROPRIATED FUNDS</b>	<b>\$ 162,321,400</b>	<b>\$ 155,405,281</b>	<b>\$ 3,320,433</b>	<b>\$ 158,725,714</b>	<b>\$ 3,595,686</b>

METROPOLITAN PIER AND EXPOSITION AUTHORITY  
 SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 Appropriations for Fiscal Year 2014

**SCHEDULE 2**

Fourteen Months Ended August 31, 2014

Public Act 098-0050		Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
FISCAL YEAR 2014	Appropriations				
<b><u>NONAPPROPRIATED FUNDS</u></b>					
Metropolitan Pier and Exposition Authority Grants					
Fund - 941					
Grant to the Chicago Convention and Tourism					
Bureau (Choose Chicago)					
		\$ 7,434,148	\$ -	\$ 7,434,148	
Total, Metropolitan Pier and Exposition					
Authority Grants Fund					
		\$ 7,434,148	\$ -	\$ 7,434,148	
<b>SUBTOTAL - NONAPPROPRIATED FUNDS</b>		<b>\$ 7,434,148</b>	<b>\$ -</b>	<b>\$ 7,434,148</b>	
<b><u>ALL FUNDS</u></b>					
Subtotal - Appropriated Funds		\$ 155,405,281	\$ 3,320,433	\$ 158,725,714	
Subtotal - Nonappropriated Funds		7,434,148	-	7,434,148	
<b>TOTAL - ALL FUNDS, FISCAL YEAR 2014</b>		<b>\$ 162,839,429</b>	<b>\$ 3,320,433</b>	<b>\$ 166,159,862</b>	

Note 1: The data in this schedule was taken directly from the State Comptroller's records and reconciled to the Authority's records.

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

**METROPOLITAN PIER AND EXPOSITION AUTHORITY SCHEDULE 3**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,**  
**EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30,

<b><u>APPROPRIATED FUNDS</u></b>	Fiscal Year		
	2015	2014	2013
	P.A. 98-0681	P.A. 098-0050	P.A. 97-0731 P.A. 98-0001
<b>McCormick Place Expansion Project Fund - 377</b>			
Appropriations	\$ 156,928,300	\$ 138,386,400	\$ 141,790,600
<b><u>Expenditures</u></b>			
Debt Service and Related Trustee and Legal Expenses on the Authority's McCormick Place Expansion Project Bonds	\$ 156,926,659	\$ 138,384,723	\$ 141,787,956
Total, McCormick Place Expansion Project Fund Expenditures	\$ 156,926,659	\$ 138,384,723	\$ 141,787,956
Lapsed Balances	\$ 1,641	\$ 1,677	\$ 2,644
<b>International Tourism Fund - 621</b>			
Appropriations	\$ -	\$ -	\$ 2,529,000
<b><u>Expenditures</u></b>			
Grant to the Chicago Convention and Tourism Bureau (Choose Chicago)	\$ -	\$ -	\$ 2,529,000
Total, International Tourism Fund Expenditures	\$ -	\$ -	\$ 2,529,000
Lapsed Balances	\$ -	\$ -	\$ -
<b>Chicago Travel Industry Promotion Fund - 624</b>			
Appropriations	\$ 8,935,000	\$ 8,935,000	\$ 8,456,400
<b><u>Expenditures</u></b>			
Grant to the Chicago Convention and Tourism Bureau (Choose Chicago)	\$ 8,935,000	\$ 8,935,000	\$ 8,456,400
Total, Chicago Travel Industry Promotion Fund Expenditures	\$ 8,935,000	\$ 8,935,000	\$ 8,456,400
Lapsed Balances	\$ -	\$ -	\$ -

**METROPOLITAN PIER AND EXPOSITION AUTHORITY SCHEDULE 3**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,**  
**EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30,

<b><u>APPROPRIATED FUNDS (continued)</u></b>	Fiscal Year		
	2015	2014	2013
	P.A. 098-0681	P.A. 098-0050	P.A. 097-0731 P.A. 098-0001
<b>Metropolitan Pier and Exposition Authority Incentive Fund - 814</b>			
Appropriations	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
<b><u>Expenditures</u></b>			
Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held in Fiscal Year 2011 and Fiscal Year 2012	\$ -	\$ -	\$ 7,500,000
Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held in Fiscal Year 2013	-	7,500,000	-
Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held During the Current Fiscal Year	15,000,000	3,905,991	7,500,000
Total, Metropolitan Pier and Exposition Authority Incentive Fund Expenditures	\$ 15,000,000	\$ 11,405,991	\$ 15,000,000
Lapsed Balances	\$ -	\$ 3,594,009	\$ -
<b>Metropolitan Fair and Exposition Authority Improvement Bond Fund - 961</b>			
Appropriations	\$ -	\$ -	\$ 5,112,900
<b><u>Expenditures</u></b>			
Debt Service and Related Trustee and Legal Expenses on the Authority's Dedicated State Tax Revenue Bonds	\$ -	\$ -	\$ -
Total, Metropolitan Fair and Exposition Authority Improvement Bond Fund Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	\$ -	\$ -	\$ 5,112,900
<b><u>TOTAL - APPROPRIATED FUNDS</u></b>			
Total Appropriations	\$ 180,863,300	\$ 162,321,400	\$ 172,888,900
Total Expenditures	180,861,659	158,725,714	167,773,356
Lapsed Balances	\$ 1,641	\$ 3,595,686	\$ 5,115,544

**METROPOLITAN PIER AND EXPOSITION AUTHORITY SCHEDULE 3**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,**  
**EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30,

	Fiscal Year		
<b>NONAPPROPRIATED FUNDS</b>	2015	2014	2013
<b>Metropolitan Pier and Exposition Authority</b>			
<b>Grants Fund - 941</b>			
<u>Expenditures</u>			
Grant to the Chicago Convention and Tourism Bureau (Choose Chicago)	\$ 8,727,379	\$ 7,434,148	\$ 6,934,560
Total, Metropolitan Pier and Exposition Authority Grants Fund Expenditures	\$ 8,727,379	\$ 7,434,148	\$ 6,934,560
<b><u>TOTAL - NONAPPROPRIATED FUNDS</u></b>			
Total Nonappropriated Expenditures	\$ 8,727,379	\$ 7,434,148	\$ 6,934,560
<b><u>GRAND TOTAL EXPENDITURES - ALL FUNDS</u></b>	\$ 189,589,038	\$ 166,159,862	\$ 174,707,916

- Note 1: The data in this schedule was taken directly from the State Comptroller's records and reconciled to the Authority's records.
- Note 2: Expenditure amounts are vouchers approved for payment by the Authority and submitted to the State Comptroller for payment to the vendor.

METROPOLITAN PIER AND EXPOSITION AUTHORITY **SCHEDULE 4**  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2015

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2014 AND 2015**

**Metropolitan Pier and Exposition Authority Incentive Fund - 814**

Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held During the Current Fiscal Year

During Fiscal Year 2015, the dollar value of the incentives offered by the Authority to induce large conventions, meetings, and trade shows to use the Authority's space was higher than the incentives offered during Fiscal Year 2014 because more events qualified for incentives.

Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held in Fiscal Year 2013

Fiscal Year 2014 was the second year for appropriations and expenditures for the incentive grants paid to the Authority to attract large conventions, meetings, and trade shows to the Authority's facilities under Public Act 097-0617. This Act streamlined the grant reimbursement process by allowing the Authority to directly drawdown grant funds from the State Treasury rather than seeking reimbursement from the State of Illinois, Department of Commerce and Economic Opportunity. Further, the Act also accelerated reimbursements to the Authority by phasing in reimbursement grants due to the Authority from Fiscal Year 2013 for payment during Fiscal Year 2014. As such, the reduction was due to all Fiscal Year 2013 amounts due to the Authority being paid by the conclusion of Fiscal Year 2014.

METROPOLITAN PIER AND EXPOSITION AUTHORITY **SCHEDULE 4**  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2015

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2014**

**International Tourism Fund - 621**

Grant to the Chicago Convention and Tourism Bureau (Choose Chicago)

During Fiscal Year 2013, the Authority received an appropriation to distribute pass-through moneys held up in a prior fiscal year to the Chicago Convention and Tourism Bureau (Choose Chicago). As this was a one-time expenditure, the Authority did not receive an appropriation from the International Tourism Fund for a pass-through grant during Fiscal Year 2014.

**Metropolitan Pier and Exposition Authority Incentive Fund - 814**

Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held During the Current Fiscal Year

During Fiscal Year 2014, the dollar value of the incentives offered by the Authority to induce large conventions, meetings, and trade shows to use the Authority's space was less than one-half of the incentives offered during Fiscal Year 2013 because fewer events qualified for incentives.

Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held in Fiscal Year 2013

Fiscal Year 2014 was the second year for appropriations and expenditures for the incentive grants paid to the Authority to attract large conventions, meetings, and trade shows to the Authority's facilities under Public Act 097-0617. This Act streamlined the grant reimbursement process by allowing the Authority to directly drawdown grant funds from the State Treasury rather than seeking reimbursement from the State of Illinois, Department of Commerce and Economic Opportunity. Further, the Act also accelerated reimbursements to the Authority by phasing in reimbursement grants due to the Authority from Fiscal Year 2013 for payment during both Fiscal Year 2013 (shown as current fiscal year activity during Fiscal Year 2013) and Fiscal Year 2014 (shown as Fiscal Year 2013 activity during Fiscal Year 2014). As such, the increase was due to one-half of the Fiscal Year 2013 amounts due to the Authority being paid by the conclusion of Fiscal Year 2014.

Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held in Fiscal Year 2011 and Fiscal Year 2012

Fiscal Year 2013 was the first year for appropriations and expenditures for the incentive grants paid to the Authority to attract large conventions, meetings, and trade shows to the Authority's facilities under Public Act 097-0617. This Act streamlined the grant reimbursement process by allowing the Authority to directly drawdown grant funds from the State Treasury rather than seeking reimbursement from the State of Illinois, Department of Commerce and Economic Opportunity. Further, the Act also accelerated reimbursements to the Authority by phasing in reimbursement grants due to the Authority from Fiscal Year 2011 and Fiscal Year 2012 for payment during Fiscal Year 2013. As such, the reduction was due to all Fiscal Year 2011 and Fiscal Year 2012 amounts due to the Authority being paid by the conclusion of Fiscal Year 2013.

METROPOLITAN PIER AND EXPOSITION AUTHORITY **SCHEDULE 5**  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2015

**FISCAL YEAR 2015**

**Metropolitan Pier and Exposition Authority Incentive Fund - 814**

**Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held During the Current Fiscal Year**

The significant lapse period spending is due to the Authority only submitting incentive packets and voucher requests to the State Comptroller on a quarterly basis. The Authority finalizes event information in early July and submits the final incentive packet and voucher request for the fiscal year soon thereafter.

**FISCAL YEAR 2014**

**Metropolitan Pier and Exposition Authority Incentive Fund - 814**

**Certified Incentives Paid to Conventions, Meetings, and Trade Shows Held During the Current Fiscal Year**

The significant lapse period spending is due to the Authority only submitting incentive packets and voucher requests to the State Comptroller on a quarterly basis. The Authority finalizes event information in early July and submits the final incentive packet and voucher request for the fiscal year soon thereafter.

**METROPOLITAN PIER AND EXPOSITION AUTHORITY  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
AUTHORITY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2015

(NOT EXAMINED)

Authority Functions

The 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 Authority's purpose is promoting, operating, and maintaining fairs, expositions, meetings, and conventions in Chicago, Illinois.

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 McCormick Place and Navy Pier in Chicago, Illinois.

In 2010, the General Assembly again restructured the Authority with the primary objective being restoring the competitiveness of convention operations at McCormick Place by addressing issues with price, service delivery, and work rules. Accordingly, the Authority rolled out a series of price and service delivery changes that dramatically lowered the cost of utility and food services, altered work rules, and opened up the delivery of utility services to outside contractors. Portions of the labor reforms were challenged in court, resulting in new labor agreement negotiations that addressed the disputed matters and legislation enacting that settlement was passed through the General Assembly in November 2011.

In addition to addressing competitiveness, the law restructured the Authority's outstanding debt. The Authority's 2010 and 2012 Expansion Project Bond transactions restructured debt service to relieve pressure on draws from the State's sales tax receipts, allowed for the replenishment of the Reserve Balance in the Authority's Tax Fund, provided \$80 million of temporary operating assistance to offset the Authority's foregone utility and food service revenue, and raised an additional \$325 million to finance capital projects.

Today, the Authority owns the McCormick Place convention facilities, Navy Pier, the Hyatt Regency McCormick Place Hotel, and the Energy Center. The Authority operates as an asset manager for its various business units, which resulted in a 95% reduction in the Authority's full-time workforce from 2011 to 2013. The Authority has contracted with SMG to operate the convention facilities at the McCormick Place, SAVOR to operate the food services at McCormick Place, and with the non-profit organization Navy Pier, Inc. to manage, operate, and develop Navy Pier.

**METROPOLITAN PIER AND EXPOSITION AUTHORITY  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
AUTHORITY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2015

(NOT EXAMINED)

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 continue to serve until their successors are appointed. The chairperson serves a four year term. The Board, fully constituted as of March 2012, appointed James R. Reilly as the Authority's Chief Executive Officer on March 27, 2012. James R. Reilly resigned as the Authority's Chief Executive Officer on April 17, 2015, and the Board of Directors appointed Lori T. Healey as the Authority's Chief Executive Officer effective on April 20, 2015.

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 the Chicago Convention and Tourism Bureau (Choose Chicago).

Planning Program

In Fiscal Year 2016, the Authority will embark upon its newest endeavor, the McCormick Collection. The McCormick Collection development features the 10,000-seat Event Center and a 1,206 room headquarters hotel. The Event Center is structured as a public-private partnership, which will host general sessions for large conventions and trade shows and serve as DePaul University's basketball home court. In addition, the Event Center will be a venue for concerts and large special events. The new headquarters hotel will be operated by Marriott for a ten-year period starting from the opening date of the hotel, with construction of the new hotel slated to begin in 2015 with completion expected in 2017.

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