

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

**COMPONENT UNIT
ANNUAL FINANCIAL REPORT
JUNE 30, 2021 AND 2020**

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To the Board of Directors
Will County Metropolitan Exposition
and Auditorium Authority
Joliet, Illinois

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Will County Metropolitan Exposition and Auditorium Authority (the Authority), a component unit of the City of Joliet as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Authority, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, in 2021. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of insurance data and schedule of organization data are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of insurance data and schedule of organization data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial states and, accordingly, we do not express an opinion or provide any assurance on them.

Warner, Rogers, Doran & Puzon, LLC

May 31, 2022

REQUIRED SUPPLEMENTARY INFORMATION

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Management's Discussion and Analysis For the Years Ended June 30, 2021 and 2020

Our discussion and analysis of the Will County Metropolitan Exposition and Auditorium Authority's financial performance provides an overview of the Authority's financial activities for the fiscal years ended June 30, 2021 and 2020. Please read it in conjunction with the Authority's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

The Authority's net position increased by \$57 thousand, or 1 percent, as a result of this year's operations. The net position of our governmental activities increased by approximately 14 percent while the net position of our business-type activities decreased by approximately 5 percent.

During the year, the Authority's governmental activities had revenues of \$336 thousand which is a decrease of \$247 thousand, or 43 percent. The Authority's governmental activities had expenditures of \$35 thousand for the current year as compared to expenditures of \$159 thousand for the prior year.

In the Authority's business-type activities, revenues decreased from \$3.2 million to \$1.2 million or 63 percent while expenses decreased from \$3.5 million to \$1.4 million or 59 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statements of Net Position (on pages 11 through 14) and the Statements of Activities (on pages 15 through 18) provide information about the activities of the Authority as a whole and present a long-term view of the Authority's finances. Fund financial statements start on page 19. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's most significant funds.

The Statement of Net Position and the Statement of Activities

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

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

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Management's Discussion and Analysis For the Years Ended June 30, 2021 and 2020

In the Statements of Net Position and the Statements of Activities, we divide the Authority into two types of activities:

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

Reporting the Authority's Most Significant Funds

Fund Financial Statements

Our analysis of the Authority's major funds begins on page 9. The fund financial statements begin on page 19 and provide detailed information about the most significant funds – not the Authority as a whole. Some funds are required to be established by State law and by bond covenants. However, the Authority's Board establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain grants and other money. The Authority's two types of funds – *governmental* and *proprietary* – use different accounting approaches.

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

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

THE AUTHORITY AS A WHOLE

The Authority's combined net position increased by about 1 percent. Business-type activities decreased by approximately 5 percent while governmental activities increased by approximately 14 percent. The decrease in business-type activities can be attributed to decreases in theatre related revenue and Paycheck Protection Program Funds. The increase in governmental-type activities is attributable to a continued excess of revenue over expenditures. During fiscal year 2021, the Authority's governmental-type activities provided less support, in the form of transfers, to the business-type activities. Our analysis beginning on the following page focuses on the net position (Table 1) and changes in net position (activities) (Table 2) of the Authority's governmental and business-type activities:

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Management's Discussion and Analysis For the Years Ended June 30, 2021 and 2020

Table 1 - Condensed Statements of Net Position, June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Reporting Entity</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and Other						
Assets	\$ 2,053,568	\$ 1,820,116	\$ 1,533,653	\$ 1,210,742	\$ 3,587,221	\$ 3,030,858
Capital Assets (Net)	-	-	5,455,839	5,717,029	5,455,839	5,717,029
Total Assets	<u>2,053,568</u>	<u>1,820,116</u>	<u>6,989,492</u>	<u>6,927,771</u>	<u>9,043,060</u>	<u>8,747,887</u>
Long-Term Liabilities	-	-	1,973,094	1,973,094	1,973,094	1,973,094
Other Liabilities	98	16,998	1,358,185	1,103,047	1,358,283	1,120,045
Total Liabilities	<u>98</u>	<u>16,998</u>	<u>3,331,279</u>	<u>3,076,141</u>	<u>3,331,377</u>	<u>3,093,139</u>
Net Position						
Net Investment in						
Capital Assets	-	-	3,482,745	3,743,935	3,482,745	3,743,935
Restricted for						
Endowments	1,063,157	1,045,172	-	-	1,063,157	1,045,172
Restricted for Volunteers,						
As Restated	49,673	52,619	-	-	49,673	52,619
Unrestricted	940,640	705,327	175,468	107,695	1,116,108	813,022
Total Net Position	<u>\$ 2,053,470</u>	<u>\$ 1,803,118</u>	<u>\$ 3,658,213</u>	<u>\$ 3,851,630</u>	<u>\$ 5,711,683</u>	<u>\$ 5,654,748</u>

The net position of the Authority's governmental activities increased by \$250 thousand. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased by \$235 thousand. This increase is the result of a continued excess of revenues over expenditures. During fiscal year 2021, the Authority's governmental-type activities provided less support, in the form of transfers, to the business-type activities.

The net position of the Authority's business-type activities decreased by \$193 thousand or 5 percent. The unrestricted net position increased by \$68 thousand. The Authority generally can use the unrestricted portion of net position (if any) to finance the continuing operations of the Rialto Square Theatre and the Rialto Office Complex.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Management's Discussion and Analysis For the Years Ended June 30, 2021 and 2020

Table 2 Condensed Statements of Activities, Years Ended June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Reporting Entity</u>	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services	\$ -	\$ -	\$ 672,617	\$ 2,747,106	\$ 672,617	\$ 2,747,106
Operating Grants and Contributions	190,158	520,476	519,404	472,252	709,562	992,728
General Revenues:						
Interest and Investment Earnings	140,199	54,362	735	3,804	140,934	58,166
Total Revenues	<u>330,357</u>	<u>574,838</u>	<u>1,192,756</u>	<u>3,223,162</u>	<u>1,523,113</u>	<u>3,798,000</u>
Program Expenses						
General Administration	32,078	98,464	-	-	32,078	98,464
Development and Sustaining	-	1,628	-	-	-	1,628
Fundraising	-	2,961	-	-	-	2,961
Volunteer Expenses	2,952	55,744	-	-	2,952	55,744
Business-Type Activities	-	-	1,437,046	3,521,773	1,437,046	3,521,773
Total Expenses	<u>35,030</u>	<u>158,797</u>	<u>1,437,046</u>	<u>3,521,773</u>	<u>1,472,076</u>	<u>3,680,570</u>
Excess (Deficiency) of Revenues Over						
Expenses Before Contributions to						
Permanent Funds and Transfers	295,327	416,041	(244,290)	(298,611)	51,037	117,430
Contributions to Permanent Funds	5,898	8,370	-	-	5,898	8,370
Transfers	<u>(50,873)</u>	<u>(239,807)</u>	<u>50,873</u>	<u>239,807</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>250,352</u>	<u>184,604</u>	<u>(193,417)</u>	<u>(58,804)</u>	<u>56,935</u>	<u>125,800</u>
Net Position Beginning, As Restated	<u>1,803,118</u>	<u>1,618,514</u>	<u>3,851,630</u>	<u>3,910,434</u>	<u>5,654,748</u>	<u>5,528,948</u>
Net Position Ending	<u>\$ 2,053,470</u>	<u>\$ 1,803,118</u>	<u>\$ 3,658,213</u>	<u>\$ 3,851,630</u>	<u>\$ 5,711,683</u>	<u>\$ 5,654,748</u>

The Authority's total revenues decreased by \$2.3 million or 60 percent. The total costs of all programs and services decreased by \$2.2 million or 60 percent. Our analysis that follows separately considers the operations of governmental and business-type activities.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Management's Discussion and Analysis For the Years Ended June 30, 2021 and 2020

Governmental Activities

Revenues for the Authority's governmental activities decreased by 42 percent while total expenditures decreased by \$124 thousand or 78 percent.

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

The general administrative category includes professional fees, office expenses, trust fees, newspaper publications, and other miscellaneous expenses. Development and sustaining includes development expenses and sustaining fund expenses. Capital campaign and endowment includes all expenses related to the capital campaign and endowment acquisition. Fundraising includes all fundraising expenses.

Table 3 Governmental Activities, Years Ended June 30,

	Total Cost of Services		Net Cost of (Surplus from) Services	
	2021	2020	2021	2020
General Administrative	\$ 32,078	\$ 98,464	(\$ 145,988)	(\$ 364,101)
Development and Sustaining	-	1,628	-	1,628
Capital Campaign and Endowment	-	-	(150)	(492)
Volunteer Revenue and Expenses	2,952	55,744	2,947	38,160
Fundraising	-	2,961	(11,937)	(36,874)
	\$ 35,030	\$ 158,797	(\$ 155,128)	(\$ 361,679)
Totals	\$ 35,030	\$ 158,797	(\$ 155,128)	(\$ 361,679)

Business-Type Activities

Revenues of the Authority's business-type activities (see Table 2) decreased by \$2.0 million or 63 percent while expenses decreased by \$2.1 million or 59 percent. The revenue decrease is mostly attributable to decreases in theatre related revenue and Paycheck Protection Program Funds granted from VenuWorks. The expense decrease is mostly attributable to decreases in salaries and production expenses.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Management's Discussion and Analysis
For the Years Ended June 30, 2021 and 2020

THE AUTHORITY'S FUNDS

As the Authority completed the year, its governmental funds (as presented in the balance sheet on pages 19-22) reported a *combined* fund balance of \$2.1 million, which is \$250 thousand higher than last year. The Authority's governmental funds experienced an increase of \$238 thousand in their cash and investments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021 and 2020, the Authority had \$5.5 million and \$5.7 million invested in a broad range of capital assets, including land, buildings, building improvements, and furniture and equipment. (See Table 4 below.)

Table 4 Capital Assets at Year End (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Reporting Entity</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ -	\$ -	\$ 580,737	\$ 580,737	\$ 580,737	\$ 580,737
Buildings	-	-	2,559,924	2,636,232	2,559,924	2,636,232
Building Improvements	-	-	2,181,148	2,332,710	2,181,148	2,332,710
Furniture and Equipment	-	-	134,030	167,350	134,030	167,350
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,455,839</u>	<u>\$ 5,717,029</u>	<u>\$ 5,455,839</u>	<u>\$ 5,717,029</u>

In fiscal year 2021, the Authority paid \$132,234 to complete an HVAC equipment project. Including the \$38,578 down payment made in fiscal year 2020, the total cost of the project was \$170,812. More detailed information about the Authority's capital assets is presented in Note 5 to the financial statements.

Debt Administration

At June 30, 2021 and 2020, the Authority had \$1,973,094 in debt outstanding. Outstanding debt at year end was as follows:

	<u>2021</u>	<u>2020</u>
Promissory Note, Dated January 1, 2019 and modified December 21, 2020	\$ 1,973,094	\$ 1,973,094

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Management's Discussion and Analysis
For the Years Ended June 30, 2021 and 2020

The terms of the promissory note, dated January 1, 2019, were changed December 21, 2020. The note was established for the University of Saint Francis build-out as well as the Lambrecht hospitality suite renovations. More detailed information about the Authority's long-term debt is presented in Note 12 to the financial statements.

ECONOMIC FACTORS

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

As a result of the spread of the COVID-19, there are economic uncertainties that exist which could have a negative financial impact on the Authority, including the potential for reduction in future ticket sales, rentals, contribution, and fund-raising revenue. The full potential impact is unknown at this time. Management is monitoring the situation and will adjust expense levels and assess its financial assets as needed to mitigate negative impacts of the pandemic.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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

Component Unit

Rialto Square Theatre Foundation

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

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BASIC FINANCIAL STATEMENTS

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Net Position June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 677,030	\$ 1,869,831	\$ 2,546,861
Investments	241,723	-	241,723
Accounts Receivable	-	30,814	30,814
Accrued Interest Receivable	4	-	4
Prepaid Expenses	2,791	37,993	40,784
Grant Advance	9,456	-	9,456
Internal Balances	435,862	(435,862)	-
Inventory	18,162	25,877	44,039
	<u>1,385,028</u>	<u>1,528,653</u>	<u>2,913,681</u>
Total Current Assets			
Noncurrent Assets			
Restricted Assets			
Cash	27,621	-	27,621
Investments	640,919	-	640,919
Accounts Receivable - Non Current	-	5,000	5,000
Capital Assets (Net)			
Land	-	580,737	580,737
Buildings	-	2,559,924	2,559,924
Building Improvements	-	2,181,148	2,181,148
Furniture and Equipment	-	134,030	134,030
	<u>668,540</u>	<u>5,460,839</u>	<u>6,129,379</u>
Total Noncurrent Assets			
Total Assets	<u>\$ 2,053,568</u>	<u>\$ 6,989,492</u>	<u>\$ 9,043,060</u>

See Accompanying Notes to Basic Financial Statements.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES			
Current Liabilities			
Accounts Payable and Accrued Expenses	\$ -	\$ 35,566	\$ 35,566
Accrued Payroll and Benefits	-	23,894	23,894
Long-Term Obligations, Due Within One Year			
Notes Payable	-	111,680	111,680
Due to Bondholders	-	62,713	62,713
Accrued Interest	-	31,447	31,447
Unearned Revenue	98	1,204,565	1,204,663
	<u>98</u>	<u>1,204,565</u>	<u>1,204,663</u>
Total Current Liabilities	<u>98</u>	<u>1,469,865</u>	<u>1,469,963</u>
Noncurrent Liabilities			
Long-Term Obligations, Due in More Than One Year			
Notes Payable	-	1,861,414	1,861,414
	<u>-</u>	<u>1,861,414</u>	<u>1,861,414</u>
Total Liabilities	<u>98</u>	<u>3,331,279</u>	<u>3,331,377</u>
NET POSITION			
Net Investment in Capital Assets	-	3,482,745	3,482,745
Restricted for Endowments	1,063,157	-	1,063,157
Restricted for Volunteers	49,673	-	49,673
Unrestricted	940,640	175,468	1,116,108
	<u>2,053,470</u>	<u>3,658,213</u>	<u>5,711,683</u>
Total Net Position	<u>2,053,470</u>	<u>3,658,213</u>	<u>5,711,683</u>
Total Liabilities and Net Position	<u>\$ 2,053,568</u>	<u>\$ 6,989,492</u>	<u>\$ 9,043,060</u>

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Net Position June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 584,979	\$ 1,345,553	\$ 1,930,532
Investments	146,718	-	146,718
Accounts Receivable	-	175,395	175,395
Pledges Receivable - Current	5,350	-	5,350
Accrued Interest Receivable	4	-	4
Prepaid Expenses	2,791	67,564	70,355
Grant Advance	9,456	-	9,456
Internal Balances	434,672	(434,672)	-
Inventory	18,162	46,902	65,064
Total Current Assets	1,202,132	1,200,742	2,402,874
Noncurrent Assets			
Restricted Assets			
Cash	27,621	-	27,621
Investments	590,363	-	590,363
Accounts Receivable - Non Current	-	10,000	10,000
Capital Assets (Net)			
Land	-	580,737	580,737
Buildings	-	2,636,232	2,636,232
Building Improvements	-	2,332,710	2,332,710
Furniture and Equipment	-	167,350	167,350
Total Noncurrent Assets	617,984	5,727,029	6,345,013
Total Assets	\$ 1,820,116	\$ 6,927,771	\$ 8,747,887

See Accompanying Notes to Basic Financial Statements.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES			
Current Liabilities			
Accounts Payable and Accrued Expenses	\$ -	\$ 12,992	\$ 12,992
Accrued Payroll and Benefits	-	41,217	41,217
Long-Term Obligations, Due Within One Year			
Notes Payable	-	14,186	14,186
Due to Bondholders	-	62,713	62,713
Unearned Revenue	16,998	986,125	1,003,123
	<u>16,998</u>	<u>1,117,233</u>	<u>1,134,231</u>
Total Current Liabilities			
	<u>16,998</u>	<u>1,117,233</u>	<u>1,134,231</u>
Noncurrent Liabilities			
Long-Term Obligations, Due in More Than One Year			
Notes Payable	-	1,958,908	1,958,908
	<u>-</u>	<u>1,958,908</u>	<u>1,958,908</u>
Total Liabilities			
	<u>16,998</u>	<u>3,076,141</u>	<u>3,093,139</u>
NET POSITION			
Net Investment in Capital Assets	-	3,743,935	3,743,935
Restricted for Endowments	1,045,172	-	1,045,172
Restricted for Volunteers	52,619	-	52,619
Unrestricted	705,327	107,695	813,022
	<u>705,327</u>	<u>107,695</u>	<u>813,022</u>
Total Net Position			
	<u>1,803,118</u>	<u>3,851,630</u>	<u>5,654,748</u>
Total Liabilities and Net Position			
	<u>\$ 1,820,116</u>	<u>\$ 6,927,771</u>	<u>\$ 8,747,887</u>

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Activities
For the Year Ended June 30, 2021

Functions / Programs	<u>Expenses</u>	<u>Program Charges for Services</u>
Governmental Activities:		
General Administration	\$ 32,078	\$ -
Capital Campaign and Endowment	-	-
Volunteer Revenue and Expenses	2,952	-
Fundraising	-	-
Total Governmental Activities	35,030	-
Business-Type Activities	1,437,046	672,617
Total	\$ 1,472,076	\$ 672,617
Unrealized Gain on Investments		

See Accompanying Notes to Basic Financial Statements.

Revenues		Net (Expense) Revenue and Changes in Net Assets		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 178,066	\$ -	\$ 145,988	\$ -	\$ 145,988
150	-	150	-	150
5	-	(2,947)	-	(2,947)
<u>11,937</u>	<u>-</u>	<u>11,937</u>	<u>-</u>	<u>11,937</u>
<u>190,158</u>	<u>-</u>	<u>155,128</u>	<u>-</u>	<u>155,128</u>
<u>519,404</u>	<u>-</u>	<u>-</u>	<u>(245,025)</u>	<u>(245,025)</u>
<u>\$ 709,562</u>	<u>\$ -</u>	<u>155,128</u>	<u>(245,025)</u>	<u>(89,897)</u>
 General Revenues:				
Interest and Investment Earnings		140,199	735	140,934
Contributions to Permanent Funds		5,898	-	5,898
Transfers		(50,873)	50,873	-
Total General Revenues and Transfers		<u>95,224</u>	<u>51,608</u>	<u>146,832</u>
Change in Net Position		<u>250,352</u>	<u>(193,417)</u>	<u>56,935</u>
Net Position - Beginning, As Restated		<u>1,803,118</u>	<u>3,851,630</u>	<u>5,654,748</u>
Net Position - Ending		<u>\$ 2,053,470</u>	<u>\$ 3,658,213</u>	<u>\$ 5,711,683</u>

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Activities
For the Year Ended June 30, 2020

Functions / Programs	Expenses	Program Charges for Services
Governmental Activities:		
General Administration	\$ 98,464	\$ -
Development and Sustaining	1,628	-
Capital Campaign and Endowment	-	-
Volunteer Revenue and Expenses	55,744	-
Fundraising	<u>2,961</u>	<u>-</u>
Total Governmental Activities	<u>158,797</u>	<u>-</u>
Business-Type Activities	<u>3,521,773</u>	<u>2,747,106</u>
Total	<u>\$ 3,680,570</u>	<u>\$ 2,747,106</u>
Unrealized Gain on Investments		

See Accompanying Notes to Basic Financial Statements.

Revenues		Net (Expense) Revenue and Changes in Net Assets			
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
\$ 462,565	\$ -	\$ 364,101	\$ -	\$ 364,101	
-	-	(1,628)	-	(1,628)	
492	-	492	-	492	
17,584	-	(38,160)	-	(38,160)	
<u>39,835</u>	<u>-</u>	<u>36,874</u>	<u>-</u>	<u>36,874</u>	
<u>520,476</u>	<u>-</u>	<u>361,679</u>	<u>-</u>	<u>361,679</u>	
<u>472,252</u>	<u>-</u>	<u>-</u>	<u>(302,415)</u>	<u>(302,415)</u>	
<u>\$ 992,728</u>	<u>\$ -</u>	<u>361,679</u>	<u>(302,415)</u>	<u>59,264</u>	
General Revenues:					
Interest and Investment Earnings		54,362	3,804	58,166	
Contributions to Permanent Funds		8,370	-	8,370	
Transfers		(239,807)	239,807	-	
Total General Revenues and Transfers		(177,075)	243,611	66,536	
Change in Net Position		184,604	(58,804)	125,800	
Net Position - Beginning, As Restated		1,618,514	3,910,434	5,528,948	
Net Position - Ending		<u>\$ 1,803,118</u>	<u>\$ 3,851,630</u>	<u>\$ 5,654,748</u>	

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	Endowment Fund
ASSETS		
Cash	\$ 599,269	\$ 105,382
Investments	-	882,642
Accrued Interest Receivable	-	4
Grant Advance	9,456	-
Prepaid Expenses	2,791	-
Internal Receivables	435,862	402,887
Inventory	18,162	-
Total Assets	\$ 1,065,540	\$ 1,390,915
LIABILITIES		
Unearned Revenue	\$ -	\$ 98
Unrealized Gain on Investments	402,887	-
Total Liabilities	402,887	98
FUND BALANCES		
Nonspendable:		
Endowments	-	1,063,157
Inventory	18,162	-
Restricted for:		
Volunteers	49,673	-
Assigned to:		
Endowment Purposes	-	327,660
Unassigned	594,818	-
Total Fund Balance	662,653	1,390,817
Total Liabilities and Fund Balance	\$ 1,065,540	\$ 1,390,915

See Accompanying Notes to Basic Financial Statements.

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2021

Total Governmental Funds																										
<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50px;">\$</td><td style="width: 100px;">704,651</td></tr> <tr><td></td><td>882,642</td></tr> <tr><td></td><td>4</td></tr> <tr><td></td><td>9,456</td></tr> <tr><td></td><td>2,791</td></tr> <tr><td></td><td>838,749</td></tr> <tr><td></td><td style="border-top: 1px solid black;">18,162</td></tr> <tr><td></td><td style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 2,456,455</td></tr> </table>	\$	704,651		882,642		4		9,456		2,791		838,749		18,162		\$ 2,456,455	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 500px;">Total Fund Balance - Governmental Funds</td><td style="width: 100px; text-align: right;">\$ 2,053,470</td></tr> <tr><td colspan="2"><i>Amounts reported for governmental activities in the Statement of Net Position are currently the same as amounts reported in this statement.</i></td></tr> <tr><td></td><td style="text-align: right; border-top: 1px solid black;">-</td></tr> <tr><td>Net Position of Governmental Activities</td><td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 2,053,470</td></tr> </table>	Total Fund Balance - Governmental Funds	\$ 2,053,470	<i>Amounts reported for governmental activities in the Statement of Net Position are currently the same as amounts reported in this statement.</i>			-	Net Position of Governmental Activities	\$ 2,053,470	
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WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Governmental Funds
Balance Sheet
June 30, 2020

	<u>General Fund</u>	<u>Endowment Fund</u>
ASSETS		
Cash	\$ 507,468	\$ 105,132
Investments	-	737,081
Pledges Receivable	5,350	-
Accrued Interest Receivable	-	4
Grant Advance	9,456	-
Prepaid Expenses	2,791	-
Internal Receivables	434,672	397,089
Inventory	<u>18,162</u>	<u>-</u>
Total Assets	<u>\$ 977,899</u>	<u>\$ 1,239,306</u>
LIABILITIES		
Unearned Revenue	\$ 16,900	\$ 98
Internal Payables	<u>397,089</u>	<u>-</u>
Total Liabilities	<u>413,989</u>	<u>98</u>
FUND BALANCES		
Nonspendable:		
Endowments	-	1,045,172
Inventory	18,162	-
Restricted for:		
Volunteers	52,619	-
Assigned to:		
Endowment Purposes	-	194,036
Unassigned	<u>493,129</u>	<u>-</u>
Total Fund Balance	<u>563,910</u>	<u>1,239,208</u>
Total Liabilities and Fund Balance	<u>\$ 977,899</u>	<u>\$ 1,239,306</u>

See Accompanying Notes to Basic Financial Statements.

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2020

Total Governmental Funds																																
<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%; text-align: right;">\$</td><td style="width: 20%;">612,600</td></tr> <tr><td></td><td style="border-bottom: 1px solid black;">737,081</td></tr> <tr><td></td><td>5,350</td></tr> <tr><td></td><td>4</td></tr> <tr><td></td><td>9,456</td></tr> <tr><td></td><td>2,791</td></tr> <tr><td></td><td>831,761</td></tr> <tr><td></td><td style="border-bottom: 1px solid black;">18,162</td></tr> <tr><td style="border-bottom: 1px solid black;">\$</td><td style="border-bottom: 1px solid black;">2,217,205</td></tr> </table>	\$	612,600		737,081		5,350		4		9,456		2,791		831,761		18,162	\$	2,217,205	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 60%;">Total Fund Balance - Governmental Funds</td><td style="width: 5%;"></td><td style="width: 35%; text-align: right;">\$ 1,803,118</td></tr> <tr><td colspan="3"><i>Amounts reported for governmental activities in the Statement of Net Position are currently the same as amounts reported in this statement.</i></td></tr> <tr><td></td><td></td><td style="border-bottom: 1px solid black; text-align: right;">-</td></tr> <tr><td>Net Position of Governmental Activities</td><td></td><td style="border-bottom: 1px solid black; text-align: right;">\$ 1,803,118</td></tr> </table>	Total Fund Balance - Governmental Funds		\$ 1,803,118	<i>Amounts reported for governmental activities in the Statement of Net Position are currently the same as amounts reported in this statement.</i>					-	Net Position of Governmental Activities		\$ 1,803,118	
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Total Fund Balance - Governmental Funds		\$ 1,803,118																														
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		-																														
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WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Revenue, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2021

	General Fund	Endowment Fund
Revenue		
Grants	\$ 11,555	\$ -
Government Grants	7,500	-
Fundraising	-	11,937
Donations	119,479	-
Sponsorship Donations	27,732	-
Volunteer Revenue	5	-
Memorials	11,800	-
Preservation Dues	-	5,898
Miscellaneous	-	151
Dividends	-	10,001
Other Investment Income	200	55,417
Interest	46	5,525
Unrealized Gain on Investments	-	69,010
	<u>178,317</u>	<u>157,939</u>
Total Revenue		
	<u>178,317</u>	<u>157,939</u>
Expenditures		
Office Supplies	3,112	-
Volunteer Expenses	2,952	-
Miscellaneous	22,637	-
Trust Fees	-	6,330
	<u>28,701</u>	<u>6,330</u>
Total Expenditures		
	<u>28,701</u>	<u>6,330</u>
Excess of Revenue Over Expenditures	<u>149,616</u>	<u>151,609</u>
Other Financing (Uses)		
Transfers Out	(50,873)	-
Net Change in Fund Balances	98,743	151,609
Fund Balances, Beginning of Year, As Restated	<u>563,910</u>	<u>1,239,208</u>
Fund Balances, End of Year	<u>\$ 662,653</u>	<u>\$ 1,390,817</u>

See Accompanying Notes to Basic Financial Statements.

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

<u>Total Governmental Funds</u>		
\$ 11,555	Net Change in Fund Balance - Governmental Funds	\$ 250,352
7,500		
11,937		
119,479	<i>Amounts reported for governmental activities in the</i>	
27,732	<i>Statement of Activities are currently the same as</i>	
5	<i>amounts reported in this statement.</i>	
11,800		
5,898		<u>-</u>
151		
10,001	Change in Net Position of Governmental Funds	<u>\$ 250,352</u>
55,617		
5,571		
<u>69,010</u>		
<u>336,256</u>		
3,112		
2,952		
22,637		
<u>6,330</u>		
<u>35,031</u>		
<u>301,225</u>		
(50,873)		
250,352		
<u>1,803,118</u>		
<u>\$ 2,053,470</u>		

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Revenue, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Endowment Fund
Revenue		
Grants	\$ 99,500	\$ -
Fundraising	39,835	-
Donations	161,865	-
Sponsorship Donations	201,200	-
Volunteer Revenue	17,584	-
Preservation Dues	-	8,370
Miscellaneous	-	492
Dividends	-	14,982
Other Investment Income	3,939	43,487
Interest	685	6,457
Unrealized (Loss) on Investments	-	(15,188)
	<u>524,608</u>	<u>58,600</u>
Total Revenue		
Expenditures		
Fundraising	-	2,961
Office Supplies	2,759	-
Development Expenditures	1,628	-
Volunteer Expenses	55,744	-
Miscellaneous	89,726	-
Trust Fees	-	5,979
	<u>149,857</u>	<u>8,940</u>
Total Expenditures		
Excess of Revenue Over Expenditures	<u>374,751</u>	<u>49,660</u>
Other Financing (Uses)		
Transfers Out	(236,203)	(3,604)
Net Change in Fund Balances	138,548	46,056
Fund Balances, Beginning of Year, As Restated	<u>425,362</u>	<u>1,193,152</u>
Fund Balances, End of Year	<u>\$ 563,910</u>	<u>\$ 1,239,208</u>

See Accompanying Notes to Basic Financial Statements.

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

<u>Total Governmental Funds</u>		
\$ 99,500		
39,835	Net Change in Fund Balance - Governmental Funds	\$ 184,604
161,865		
201,200	<i>Amounts reported for governmental activities in the</i>	
17,584	<i>Statement of Activities are currently the same as</i>	
8,370	<i>amounts reported in this statement.</i>	<u>-</u>
492		
14,982	Change in Net Position of Governmental Funds	<u>\$ 184,604</u>
47,426		
7,142		
(15,188)		
<u>583,208</u>		
2,961		
2,759		
1,628		
55,744		
89,726		
5,979		
<u>158,797</u>		
<u>424,411</u>		
(239,807)		
184,604		
<u>1,618,514</u>		
<u>\$ 1,803,118</u>		

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Net Position Proprietary Fund June 30, 2021

	Business-Type Activities
	Enterprise Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,869,831
Trade Receivables	30,814
Prepaid Expenses	37,993
Inventory	25,877
Total Current Assets	1,964,515
Noncurrent Assets	
Trade Receivables - Non Current	5,000
Capital Assets	
Land	580,737
Buildings	9,647,593
Building Improvements	6,468,103
Furniture and Equipment	950,154
	17,646,587
Less Accumulated Depreciation	12,190,748
Total Capital Assets	5,455,839
Total Noncurrent Assets	5,460,839
Total Assets	\$ 7,425,354

See Accompanying Notes to Basic Financial Statements.

	Business-Type Activities
	Enterprise Fund
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 35,566
Accrued Payroll and Benefits	23,894
Long-Term Obligations, Due Within One Year	
Notes Payable	111,680
Due to Bondholders	62,713
Accrued Interest	31,447
Unearned Revenue	1,204,565
Internal Payables	<u>435,862</u>
Total Current Liabilities	<u>1,905,727</u>
Noncurrent Liabilities	
Long-Term Obligations, Due in More Than One Year	
Notes Payable	<u>1,861,414</u>
Unrealized Gain on Investments	
Total Noncurrent Liabilities	<u>1,861,414</u>
Total Liabilities	<u>3,767,141</u>
NET POSITION	
Net Investment in Capital Assets	3,482,745
Unrestricted	<u>175,468</u>
Total Net Position	<u>3,658,213</u>
Total Liabilities and Net Position	<u>\$ 7,425,354</u>

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Net Position Proprietary Fund June 30, 2020

	Business-Type Activities
	Enterprise Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,345,553
Trade Receivables	175,395
Prepaid Expenses	67,564
Inventory	46,902
Total Current Assets	1,635,414
Noncurrent Assets	
Trade Receivables - Non Current	10,000
Capital Assets	
Land	580,737
Buildings	9,647,593
Building Improvements	6,335,869
Furniture and Equipment	950,154
	17,514,353
Less Accumulated Depreciation	11,797,324
Total Capital Assets	5,717,029
Total Noncurrent Assets	5,727,029
Total Assets	\$ 7,362,443

See Accompanying Notes to Basic Financial Statements.

	Business-Type Activities
	Enterprise Fund
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 12,992
Accrued Payroll and Benefits	41,217
Long-Term Obligations, Due Within One Year	
Notes Payable	14,186
Due to Bondholders	62,713
Unearned Revenue	986,125
Internal Payables	<u>434,672</u>
Total Current Liabilities	<u>1,551,905</u>
Noncurrent Liabilities	
Long-Term Obligations, Due in More Than One Year	
Notes Payable	<u>1,958,908</u>
Unrea Total Noncurrent Liabilities	<u>1,958,908</u>
Total Liabilities	<u>3,510,813</u>
NET POSITION	
Net Investment in Capital Assets	3,743,935
Unrestricted	<u>107,695</u>
Total Net Position	<u>3,851,630</u>
Total Liabilities and Net Position	<u>\$ 7,362,443</u>

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Revenue, Expense, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2021

	Business-Type Activities
	Enterprise Fund
Operating Revenue	
Rentals and Reimbursements - Office and Commercial	\$ 308,708
Theatre Related Revenue	363,530
Other	379
Total Operating Revenue	672,617
Operating Expense	
Salaries	346,666
Benefits	74,872
Professional Services	8,901
Advertising and Promotion	6,306
Administrative	33,935
Insurance	98,484
Custodial and Maintenance	112,323
Utilities	119,665
House Expense	183,564
Production Expense	4,146
Depreciation	393,424
Total Operating Expense	1,382,286
Unrealized Gain on Investments	
Operating (Loss)	(709,669)
Nonoperating Revenue (Expense)	
Bad Debt Expense	2,957
Interest Income	735
Interest Expense	(57,717)
Support from City of Joliet	397,900
Other Grant Revenue	88,989
Paycheck Protection Program Funds Granted from VenuWorks	32,515
Total Nonoperating Revenue (Expense)	465,379
Net (Loss) Before Transfers	(244,290)
Transfers	
Transfers In	50,873
Change in Net Position	(193,417)
Total Net Position, Beginning of Year	3,851,630
Total Net Position, End of Year	\$ 3,658,213

See Accompanying Notes to Basic Financial Statements.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Revenue, Expense, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2020

	Business-Type Activities
	Enterprise Fund
Operating Revenue	
Rentals and Reimbursements - Office and Commercial	\$ 313,798
Theatre Related Revenue	2,279,052
Other	154,256
Total Operating Revenue	2,747,106
Operating Expense	
Salaries	1,131,832
Benefits	127,475
Professional Services	36,134
Advertising and Promotion	197,592
Administrative	48,256
Insurance	103,163
Custodial and Maintenance	175,481
Utilities	123,111
House Expense	469,335
Production Expense	603,838
Depreciation	401,026
Total Operating Expense	3,417,243
Unrealized Gain on Investments	
Operating (Loss)	(670,137)
Nonoperating Revenue (Expense)	
Bad Debt Expense	(12,521)
Interest Income	3,804
Interest Expense	(92,009)
Support from City of Joliet	240,000
Paycheck Protection Program Funds Granted from VenuWorks	232,252
Total Nonoperating Revenue (Expense)	371,526
Net Income (Loss) Before Transfers	(298,611)
Transfers	
Transfers In	239,807
Change in Net Position	(58,804)
Total Net Position, Beginning of Year	3,910,434
Total Net Position, End of Year	\$ 3,851,630

See Accompanying Notes to Basic Financial Statements.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	Business-Type Activities
	Enterprise Fund
Cash Flows from Operating Activities	
Cash Received from Customers and Donors	\$ 1,043,595
Cash Paid to Suppliers for Goods and Services	(494,154)
Cash Payments for Employees Services	(438,861)
Net Cash Provided by Operating Activities	110,580
Cash Flows from Investing Activities	
Interest Received on Investments	735
Cash Flows from Noncapital Financing Activities	
Support from the City of Joliet	397,900
Paycheck Protection Program Funds Granted from VenuWorks	32,515
Payments from Other Funds	52,063
Net Cash Provided by Noncapital Financing Activities	482,478
Cash Flows from Capital and Related Financing Activities	
Purchases of Capital Assets	(132,234)
Proceeds from State Grant	88,989
Payments of Interest	(26,270)
Net Cash (Used in) Capital and Related Financing Activities	(69,515)
Net Increase in Cash	524,278
Cash and Cash Equivalents, Beginning of Year	1,345,553
Cash and Cash Equivalents, End of Year	\$ 1,869,831

See Accompanying Notes to Basic Financial Statements.

	Business-Type Activities
	Enterprise Fund
	<hr/>
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities	
Operating (Loss)	(\$ 709,669)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities	
Depreciation	393,424
Changes in Assets and Liabilities	
Trade Receivables	152,538
Prepaid Expenses	29,571
Inventory	21,025
Accounts Payable and Accrued Expenses	22,574
Accrued Payroll and Benefits	(17,323)
Deferred Revenue	218,440
	<hr/>
Total Adjustments	820,249
	<hr/>
Net Cash Provided by Operating Activities	<u>\$ 110,580</u>

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020

	Business-Type Activities
	Enterprise Fund
Cash Flows from Operating Activities	
Cash Received from Customers and Donors	\$ 2,813,129
Cash Paid to Suppliers for Goods and Services	(2,047,862)
Cash Payments for Employees Services	(1,333,756)
Net Cash (Used in) Operating Activities	(568,489)
Cash Flows from Investing Activities	
Interest Received on Investments	3,804
Cash Flows from Noncapital Financing Activities	
Support from the City of Joliet	240,000
Paycheck Protection Program Funds Granted from VenuWorks	232,252
Payments from Other Funds	249,263
Net Cash Provided by Noncapital Financing Activities	721,515
Cash Flows from Capital and Related Financing Activities	
Purchases of Capital Assets	(38,578)
Payments of Long-Term Debt	(90,534)
Payments of Interest	(92,009)
Net Cash (Used in) Capital and Related Financing Activities	(221,121)
Net (Decrease) in Cash	(64,291)
Cash and Cash Equivalents, Beginning of Year	1,409,844
Cash and Cash Equivalents, End of Year	\$ 1,345,553

See Accompanying Notes to Basic Financial Statements.

	Business-Type Activities
	Enterprise Fund
	<hr/>
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities	
Operating (Loss)	(\$ 670,137)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used in) Operating Activities	
Depreciation	401,027
Changes in Assets and Liabilities	
Trade Receivables	(131,812)
Prepaid Expenses	(22,688)
Inventory	(10,215)
Accounts Payable and Accrued Expenses	(258,049)
Accrued Payroll and Benefits	(74,449)
Deferred Revenue	197,834
	<hr/>
Total Adjustments	101,648
	<hr/>
Net Cash (Used in) Operating Activities	(\$ 568,489)

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies

Introduction

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

The accounting policies and the presentation of the basic financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

Financial Reporting Entity

A component unit is included in a primary government's reporting entity if it is both fiscally dependent on the primary government and there is potential for the component unit to provide specific benefits to, or impose specific financial burdens on the primary government. The primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Based on the above criterion, the Will County Metropolitan Exposition and Auditorium Authority, for the years ended June 30, 2021 and 2020, has met the definition of a component unit of the City of Joliet. The considerations for the Will County Metropolitan Exposition and Auditorium Authority to be a component unit of the City of Joliet are: selection of a majority of the governing board; ability to significantly influence the program, projects, activities and level of service; and financial accountability.

Blended Component Unit

The Rialto Square Theatre Foundation is a legally separate, tax exempt organization. The Foundation operates exclusively for charitable or educational purposes to support the Authority. The Authority provides the staffing to and funds various overhead costs of the Foundation. The Foundation is included as a blended component unit because the Authority has operational responsibility for them and the purpose of the Foundation is to provide a benefit to the Authority. Separate statements may be obtained from the Authority administrative office, 15 East Van Buren Street, Joliet, Illinois 60432. The Authority did not omit from the financial statements any board or agency that met any inclusion criteria.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies

Basis of Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

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

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

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

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

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies

Endowment Fund (Major Fund) - The Board of Directors of the Rialto Square Theatre Foundation established the Rialto Square Theatre Endowment Fund on January 1, 1989. The fund is to be supported through public gifts and contributions. The nonexpendable portion of this fund cannot be used or invaded for any purpose other than those specified by the donor. The expendable portion of this fund is used to account for the unrestricted earnings on the endowment fund that have not been expended or transferred to another fund.

Proprietary Funds

Proprietary funds are used to account for the Authority's ongoing organizations and activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income. The Authority's proprietary fund is an enterprise fund. Enterprise funds are used to report an activity for which a fee is charged to external users for goods or services.

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

Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies

Basis of Accounting

Government-Wide Financial Statements

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

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Funds

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

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies

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

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

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

Proprietary Funds

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

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

Use of Resources Policy

The Authority considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted balances are available. Committed, assigned, and unassigned fund balances are considered to have been spent in that order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. Expenditures incurred for a specifically identified purpose will reduce the specifically identified classification of fund balance.

Capital Assets

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

Depreciation of all exhaustible property, plant and equipment used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary fund's Statement of Net Position. Depreciation has been provided over the estimated useful lives of 5 to 50 years using the straight-line method.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies

Budgets

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

Cash and Cash Equivalents

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

Investments

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

Inventory

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

Unearned Revenue

Unearned revenue at June 30, 2021 and 2020 consists of theatre deposits, rotunda deposits, gift certificates, tickets on account, naming rights, and ticket sales for future events.

Advertising Costs

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

Fund Balance

Under GASB 54, fund balances are required to be reported using five separate classifications as listed below. The Authority may not necessarily utilize each classification in a given fiscal year.

Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either not in spendable form, such as inventory in the General Fund or, for legal or contractual reasons, must be kept intact, such as the Endowment Fund.

Restricted Fund Balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies

Committed Fund Balance – Amounts that can only be used for specific purposes because of a formal action (resolution) by the Authority's highest level of decision-making authority, the Board of Directors.

Assigned Fund Balance – Amounts that are constrained by the Authority's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the Board of Directors. With the exception of the General Fund, assigned fund balance is the residual fund balance classification for all governmental funds with positive balances.

Unassigned Fund Balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

Use of Estimates

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

New Accounting Pronouncement

The Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the year ending June 30, 2021. The adoption of this GASB statement required the Authority to increase the beginning of the year fund balance of the General Fund by \$52,619 and \$90,779 to account for the adjustment to record the Volunteer net assets as of July 1, 2020 and July 1, 2019.

2. Cash and Investments

Deposits

At June 30, 2021 and 2020, the carrying amount of the Authority's deposits was \$2,533,899 and \$1,941,633, respectively, and the bank balance was \$2,572,785 and \$1,951,197, respectively. Additionally, the Authority maintained cash on hand of \$40,583 for 2021 and \$16,520 for 2020.

Custodial Credit Risk – This is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. During fiscal years 2021 and 2020, some of the Authority's bank balances exceeded insurance and collateral coverage.

Concentration of Credit Risk – The Authority places no limit on the amount it may invest in any one issuer. At June 30, 2021 and 2020, the Authority held investments in twenty and twenty-one mutual funds respectively.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

2. Cash and Investments

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

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

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

Investments

Investments are carried at fair value. Unrealized gains (losses) were \$69,010 and \$(15,188) at June 30, 2021 and 2020, respectively. All investments are expected to be held until maturity.

	2021		2020	
	Fair Value	% of Total Investments	Fair Value	% of Total Investments
Government Money Market Funds	\$ 10,801	1.22%	\$ 18,427	2.50%
Mutual Funds	416,392	47.18%	348,506	47.28%
Fixed Income Mutual Funds	455,449	51.60%	370,148	50.22%
Total Investments	\$ 882,642	100.00%	\$ 737,081	100.00%

A reconciliation of the Authority’s cash and investment balances as reported in the Statements of Net Position and the deposits and investments presented in this note is as follows:

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

2. Cash and Investments

	2021		
	Deposits	Investments	Total
<u>Reported as Cash:</u>			
Savings and Demand			
Deposit Accounts	\$ 2,148,663	\$ -	\$ 2,148,663
Money Market Funds	385,236	-	385,236
Cash on Hand	40,583	-	40,583
Total Reported as Cash	2,574,482	-	2,574,482
<u>Reported as Investments:</u>			
Government Money Market Funds	-	10,801	10,801
Mutual Funds	-	416,392	416,392
Fixed Income Mutual Funds	-	455,449	455,449
Total Reported as Investments	-	882,642	882,642
Total Cash and Investments	\$ 2,574,482	\$ 882,642	\$ 3,457,124
<u>Reconciliation of Cash and Investments:</u>			
Statement of Net Position Cash - Page 11		\$ 2,546,861	
Statement of Net Position Cash - Restricted - Page 11		27,621	
Statement of Net Position Investments - Page 11		241,723	
Statement of Net Position Investments - Restricted - Page 11		640,919	
		\$ 3,457,124	

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

2. Cash and Investments

	2020		
	Deposits	Investments	Total
<u>Reported as Cash:</u>			
Savings and Demand			
Deposit Accounts	\$ 1,474,311	\$ -	\$ 1,474,311
Money Market Funds	467,322	-	467,322
Cash on Hand	16,520	-	16,520
Total Reported as Cash	1,958,153	-	1,958,153
 <u>Reported as Investments:</u>			
Government Money Market Funds	-	18,427	18,427
Mutual Funds	-	348,506	348,506
Fixed Income Mutual Funds	-	370,148	370,148
Total Reported as Investments	-	737,081	737,081
 Total Cash and Investments	\$ 1,958,153	\$ 737,081	\$ 2,695,234
 <u>Reconciliation of Cash and Investments:</u>			
Statement of Net Position Cash - Page 13		\$ 1,930,532	
Statement of Net Position Cash - Restricted - Page 13		27,621	
Statement of Net Position Investments - Page 13		146,718	
Statement of Net Position Investments - Restricted - Page 13		590,363	
		\$ 2,695,234	

Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in active markets;
- inputs other than quoted prices that are observable for the asset or liability;

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

2. Cash and Investments

- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Authority to estimate the fair values of investments apply to investments held directly by the Authority.

Equities and Mutual Funds: The fair values of mutual fund investments are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs).

Private Bank Mutual Funds: The fair values of private bank mutual funds are determined by fund managers based on the quoted prices of the underlying assets (level 2 inputs). Funds consist of investments with quoted prices on nationally recognized securities exchanges. The funds provide for daily redemptions by the Authority at reported unit value, with no advance notification required.

Each year, the investing plan will include a spending rate. Annual distributions may not exceed 5% equities of the fund balance after adjusting for inflation.

The following are the major categories of assets measured at fair value on a recurring basis in the financial statements as of June 30, 2021 and 2020:

	Level 1	Level 2	Level 3	Total
Government Money Market Funds	\$ 10,801	\$ -	\$ -	\$ 10,801
Mutual Funds	-	416,392	-	416,392
Fixed Income Mutual Funds	-	455,449	-	455,449
	\$ 10,801	\$ 871,841	\$ -	\$ 882,642

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

2. Cash and Investments

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government Money Market Funds	\$ 18,427	\$ -	\$ -	\$ 18,427
Mutual Funds	-	348,506	-	348,506
Fixed Income Mutual Funds	-	370,148	-	370,148
	<u>\$ 18,427</u>	<u>\$ 718,654</u>	<u>\$ -</u>	<u>\$ 737,081</u>

3. Restricted Assets

Restricted assets represent assets of the nonexpendable portion of the Endowment Fund and amounts on deposit of the Rialto Square Theatre Volunteers Organization.

4. Due to Bondholders

Due to Bondholders represents outstanding bonds related to Series 1983 support bonds issued. The balance includes bonds and coupons which have not been cancelled to date.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

5. Capital Assets

Capital assets activity for the years ended June 30, 2021 and 2020 was as follows:

	<u>Balances</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>June 30, 2021</u>
Business-Type Activities				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 580,737	\$ -	\$ -	\$ 580,737
<i>Capital Assets Being Depreciated:</i>				
Buildings	9,647,593	-	-	9,647,593
Building Improvements	6,335,869	132,234	-	6,468,103
Furniture and Equipment	950,154	-	-	950,154
Total at Historical Cost	17,514,353	132,234	-	17,646,587
Less Accumulated Depreciation for:				
Buildings	7,011,361	76,308	-	7,087,669
Building Improvements	4,003,159	283,796	-	4,286,955
Furniture and Equipment	782,804	33,320	-	816,124
Total Accumulated Depreciation	11,797,324	393,424	-	12,190,748
Net Capital Assets	\$ 5,717,029	(\$ 261,190)	\$ -	\$ 5,455,839
	<u>Balances</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>June 30, 2020</u>
Business-Type Activities				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 580,737	\$ -	\$ -	\$ 580,737
<i>Capital Assets Being Depreciated:</i>				
Buildings	9,647,593	-	-	9,647,593
Building Improvements	6,297,291	38,578 *	-	6,335,869
Furniture and Equipment	950,154	-	-	950,154
Total at Historical Cost	17,475,775	38,578	-	17,514,353
Less Accumulated Depreciation for:				
Buildings	6,935,052	76,309	-	7,011,361
Building Improvements	3,724,756	278,403	-	4,003,159
Furniture and Equipment	736,489	46,315	-	782,804
Total Accumulated Depreciation	11,396,297	401,027	-	11,797,324
Net Capital Assets	\$ 6,079,478	(\$ 362,449)	\$ -	\$ 5,717,029

* Represents down payment to begin an HVAC equipment project, which is not being depreciated.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

6. Retirement Fund

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

The Authority contributed \$2.65 per hour, up to 40 hours a week, for each participant. Payments for the years 2021 and 2020 to CPF totaled \$6,214 and \$14,141 respectively.

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB No. 68*, became applicable for the Authority's year end June 30, 2015. The Statements require the Authority to record a net pension liability and deferred inflows/outflows of resources related to pensions in its financial statements. Additionally, the new statements require changes to the notes to the financial statements and required supplementary information. Based on the number of employees, management of the Authority does not consider the effects of implementing GASB Nos. 68 and 71 to be material to the June 30, 2021 and 2020 financial statements; therefore, no adjustments or additional disclosures have been made.

7. Going Concern

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

The Authority's management has taken steps to continually review both the commercial and theatre operations to find efficiencies and savings in operational costs. This includes but is not limited to cost containment processes, creation of corporate sponsorships, generation of new programs which may create cash revenues to support the operations and rental rate and product rate increases. Additional commercial leasing is being pursued to further enhance the commercial operations of the Authority. Management expects these efforts along with seeking ways to add new revenue streams will provide the opportunity for the Authority to continue as a going concern.

The Authority is exploring opportunities for restructuring its business plan and future staffing needs. The Authority is also researching alternative dedicated funding resources via any and all available philanthropic and governmental opportunities.

8. Grants and Awards

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

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

9. Leases

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

The following is a summary of property on lease at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Buildings	\$ 2,626,392	\$ 2,626,392
Leaseholds Improvements	<u>3,822,315</u>	<u>3,681,308</u>
	6,448,707	6,307,700
Less Accumulated Depreciation	<u>2,734,486</u>	<u>2,669,140</u>
	<u>\$ 3,714,221</u>	<u>\$ 3,638,560</u>

Minimum future rentals to be received on non-cancelable leases as of June 30, 2021 for each of the next five years and in the aggregate are:

2022	\$ 265,666
2023	291,324
2024	286,570
2025	250,957
2026	<u>247,333</u>
	<u>\$ 1,341,850</u>

Rent expense for the years ended June 30, 2021 and 2020 was \$163 and \$4,466 respectively.

10. Risk Management

The Authority is exposed to various risks of loss related to torts: theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To cover itself against these risks, the Authority has purchased insurance through several insurance companies.

The Authority accounts for its risk financing activities in the Enterprise Fund. There were no significant reductions in insurance coverage from the previous year. Settled claims have not exceeded the insurance coverage in the last three years.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

11. Interfund Balances and Transfers

At June 30, 2021 and 2020, interfund balances were as follows:

<u>Fund</u>	Interfund	
	Receivable	Payable
General Fund		
Enterprise Fund	\$ 435,862	\$ -
Endowment Fund	-	402,887
Enterprise Fund		
General Fund	-	435,862
Endowment Fund		
General Fund	402,887	-
Grand Total	\$ 838,749	\$ 838,749

<u>Fund</u>	Interfund	
	Receivable	Payable
General Fund		
Enterprise Fund	\$ 434,672	\$ -
Endowment Fund	-	397,089
Enterprise Fund		
General Fund	-	434,672
Endowment Fund		
General Fund	397,089	-
Grand Total	\$ 831,761	\$ 831,761

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

11. Interfund Balances and Transfers

Interfund transfers during the years ended June 30, 2021 and 2020 were as follows:

<u>Fund</u>	Interfund	
	Transfers In	Transfers Out
General Fund		
Enterprise Fund	\$ -	\$ 50,873
Enterprise Fund		
General Fund	50,873	-
	\$ 50,873	\$ 50,873

<u>Fund</u>	Interfund	
	Transfers In	Transfers Out
General Fund		
Enterprise Fund	\$ -	\$ 236,203
Endowment Fund	-	3,604
Enterprise Fund		
General Fund	236,203	-
Endowment Fund	3,604	-
	\$ 239,807	\$ 239,807

12. Long-Term Debt

Long-term debt consists of the following:

\$2,658,251 promissory note, due on August 10, 2029 with a fixed interest rate of 5.5%. The note requires one hundred and twenty-eight monthly payments of varying amounts, beginning January 10, 2019, with a principal and interest payment of \$9,858. The balance due on the loan at June 30, 2020 was \$1,973,094.

Due to COVID-19, the lender allowed the Authority to defer monthly payments beginning in April of 2020 until June of 2021. During the deferral period, interest continued to accrue on the unpaid balance. Payments must first be applied to accrued interest. On December 21, 2020, the Authority signed a change in terms agreement, changing the principal balance to \$1,973,094, which agreed to the balance due. The note is due July 10, 2028. No change was made to the interest rate. At June 30, 2021, the outstanding balance was \$1,973,094.

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

12. Long-Term Debt

Cash paid for interest was \$ 26,270 and \$92,009 during the years ended June 30, 2021 and 2020. Interest expense has been included in the direct expenses of individual functions on the government-wide statement of activities. Authorization for general long-term debt is specific to a particular purpose; thus, an objective connection can be made to a specific program. All interest on long-term debt is reported as a direct expense of the program for which borrowing is related.

A summary of long-term liability activity for the years ended June 30, 2021 and 2020 is as follows:

	Balances July 1, 2020	Additions	Reductions	Balances June 30, 2021
Business-Type Activities				
Promissory Note, Dated January 1, 2019, Modified December 21, 2020	\$ 1,973,094	\$ -	\$ -	\$ 1,973,094

	Balances July 1, 2019	Additions	Reductions	Balances June 30, 2020
Business-Type Activities				
Promissory Note, Dated January 1, 2019	\$ 2,063,628	\$ -	\$ 90,534	\$ 1,973,094

As of June 30, 2021, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30.	Notes Payable	
	Principal	Interest
2022	\$ 111,680	\$ 106,693
2023	158,992	98,426
2024	175,893	89,259
2025	286,107	77,043
2026	322,808	60,192
2027-2030	917,614	64,086
	\$ 1,973,094	\$ 495,699

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Notes to Basic Financial Statements
June 30, 2021 and 2020

13. Accounts Receivable

The Authority records accounts receivable for naming rights in the year in which contracts with donors are signed. Amounts expected to be collected within one year are included in current year revenue, while amounts expected to be collected in subsequent years are deferred. As of June 30, 2021, expected collections for naming rights for each of the next five years and in the aggregate are:

<u>Year Ending June 30,</u>	
2022	\$ 5,000
2023	<u>5,000</u>
	<u>\$ 10,000</u>

Since the Authority expects to collect all accounts receivable for naming rights within 5 years and any discount is likely immaterial, the Authority did not record a discount for long-term receivables.

14. Risk and Uncertainties

As a result of the spread of the COVID-19, there are economic uncertainties that exist which could have a negative financial impact on the Authority, including the potential for reduction in future ticket sales, rentals, contribution, and fund-raising revenue. The full potential impact is unknown at this time. Management is monitoring the situation and will adjust expense levels and assess its financial assets as needed to mitigate negative impacts of the pandemic.

15. Shuttered Venue Operators Grant

During fiscal year 2022, the U.S. Small Business Administration awarded the Authority \$1,478,534 under the Shuttered Venue Operators Grant (SVOC). As of the date of this audit report, the Authority has not spent any of the grant proceeds. The award is subject to the audit requirements for federal awards.

OTHER SCHEDULES

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Schedule of Organization Data
(Unaudited)
June 30, 2021

Board of Directors

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Chairman	Robert Filotto	December 1, 2021
Vice Chairman	Jeff R. Pierson	December 1, 2021
Secretary	Kathleen K. Trizna	December 1, 2021
Treasurer	Donnie F. Chestnutt	December 1, 2021
Director	Timothy Broderick	December 1, 2021
Director	Jane Condon	December 1, 2021
City Council Liaison	Pat Mudron	N/A

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Schedule of Insurance Data (Unaudited) June 30, 2021

Below is a schedule of the Authority's insurance in effect at June 30, 2021.

<u>Insurance</u>	<u>Carrier</u>	<u>Expiration Date</u>
Property	Zurich American Insurance Company	4/2/2022
\$70,619,314	Property Coverage - Rialto Building, Terminal Building, Joliet Building Annex Building	
\$491,416	Personal Property	
\$3,000,000	Business Income	
\$500,000	Earth Movement	
\$500,000	Increased Cost of Construction	
\$10,000	Personal Property of Others	
Additional Coverages	Zurich American Insurance Company	4/2/2022

Additional coverages with varying amounts, include computer fraud, employee theft, and original information property.

(Continued)

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Schedule of Insurance Data
(Unaudited)
June 30, 2021

<u>Insurance</u>	<u>Carrier</u>	<u>Expiration Date</u>
Operating Engineers Health Benefits	IUOE Local 399	Monthly
\$1,000,000	Personal and Advertising Injury Liability	
\$1,000,000	Non-owned and Hired Auto Liability	
\$500,000	Fire and Water Damage	
\$5,000	Each Personal Medical Limit	
\$10,000	Each Occurrence Medical Payment Limit	
<u>Building</u>	<u>Number of Tenants</u>	
Rialto Office Complex	6	