



**AURORA METROPOLITAN EXPOSITION
AUDITORIUM AND
OFFICE BUILDING AUTHORITY
(AURORA CIVIC CENTER AUTHORITY)**

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2021



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**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
(AURORA CIVIC CENTER AUTHORITY)
AURORA, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Aurora Metropolitan Exposition,
Auditorium and Office Building Authority
(Aurora Civic Center Authority)
Aurora, Illinois

Opinions

We have audited the accompanying financial statements of the Aurora Metropolitan Exposition, Auditorium and Office Building Authority (Aurora Civic Center Authority), Aurora, Illinois (the Authority) and the discretely presented component unit of the Authority as of and for the year ended December 31, 2021, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Aurora Metropolitan Exposition, Auditorium and Office Building Authority (Aurora Civic Center Authority), Aurora, Illinois and the discretely presented component unit of the Authority, as of December 31, 2021, and the changes in its financial position and cash flows thereof for the year then ended in conformity 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these 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 Aurora Civic Center 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. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Aurora Civic Center Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Aurora Civic Center 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 Aurora Civic Center 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of Aurora Civic Center Authority's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Aurora Civic Center Authority's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
April 25, 2023

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

BASIC FINANCIAL STATEMENTS

**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
(AURORA CIVIC CENTER AUTHORITY)
AURORA, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2021

	Enterprise Fund	Component Unit	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 10,771,181	\$ 37,836	\$ 10,809,017
Investments	445,114	-	445,114
Trade accounts receivable	1,195,108	-	1,195,108
Due from Paramount Arts Centre	3,167	-	3,167
Inventory	70,520	-	70,520
Deposits	69,163	-	69,163
Prepaid expenses			
General	262,209	-	262,209
Broadway	450,226	-	450,226
Copley	102,006	-	102,006
School of Performing Arts	2,772	-	2,772
RiverEdge Park	96,119	-	96,119
Total current assets	13,467,585	37,836	13,505,421
CAPITAL ASSETS			
Land	775,972	-	775,972
Buildings and improvements	35,700,562	-	35,700,562
Furniture and fixtures	2,287,526	-	2,287,526
Leasehold improvements	726,787	-	726,787
Equipment	4,113,143	-	4,113,143
Construction in progress	471,975	-	471,975
Subtotal	44,075,965	-	44,075,965
Less accumulated depreciation	(24,858,828)	-	(24,858,828)
Net capital assets	19,217,137	-	19,217,137
Total assets	32,684,722	37,836	32,722,558

(This statement is continued on the following page.)

**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
(AURORA CIVIC CENTER AUTHORITY)
AURORA, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2021

	Enterprise Fund	Component Unit	Total
CURRENT LIABILITIES			
Accounts payable	\$ 163,830	\$ -	\$ 163,830
Accrued payroll and payroll taxes	8,931	-	8,931
Accrued compensated absences	282,562	-	282,562
Due to Aurora Civic Center Authority	-	3,167	3,167
Other accrued expenses	656,823	-	656,823
Unearned revenues			
Single ticket sales	625,155	-	625,155
Gift certificate	1,713,604	-	1,713,604
Broadway shows	4,931,941	-	4,931,941
Grants	7,200,000	-	7,200,000
Bold	260,406	-	260,406
School of Performing Arts	41,578	-	41,578
RiverEdge Park shows and support	321,634	-	321,634
 Total current liabilities	 16,206,464	 3,167	 16,209,631
LONG-TERM LIABILITIES			
Security deposits	252,753	-	252,753
 Total long-term liabilities	 252,753	 -	 252,753
 Total liabilities	 16,459,217	 3,167	 16,462,384
NET POSITION			
Net investment in capital assets	19,217,137	-	19,217,137
Restricted for culture and recreation	-	34,669	34,669
Unrestricted (deficit)	(2,991,632)	-	(2,991,632)
 TOTAL NET POSITION	 \$ 16,225,505	 \$ 34,669	 \$ 16,260,174

See accompanying notes to financial statements.

**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
(AURORA CIVIC CENTER AUTHORITY)
AURORA, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended December 31, 2021

	Enterprise Fund	Component Unit*	Total
OPERATING REVENUES			
Paramount Arts Centre	\$ 4,684,049	\$ -	\$ 4,684,049
North Island Center	851,357	-	851,357
RiverEdge Park	1,352,692	-	1,352,692
School of Performing Arts	167,930	-	167,930
Other operating revenues	-	2,301,878	2,301,878
	<hr/>		
Total operating revenues	7,056,028	2,301,878	9,357,906
OPERATING EXPENSES			
Paramount Arts Centre	8,606,243	-	8,606,243
North Island Center	638,379	-	638,379
RiverEdge Park	2,399,449	-	2,399,449
School of Performing Arts	624,280	-	624,280
Depreciation	1,341,195	-	1,341,195
Subsidies to Aurora Civic Center Authority	-	2,301,878	2,301,878
	<hr/>		
Total operating expenses	13,609,546	2,301,878	15,911,424
	<hr/>		
OPERATING INCOME (LOSS)	(6,553,518)	-	(6,553,518)
NON-OPERATING REVENUES (EXPENSES)			
State of Illinois gaming tax	435,000	-	435,000
Paramount Arts Centre, Inc. subsidies	1,463,369	-	1,463,369
RiverEdge Park supplementary fee	1,100,036	-	1,100,036
Investment income	15,906	-	15,906
SVOG grant	3,336,873	-	3,336,873
Miscellaneous revenue	43,376	12	43,388
	<hr/>		
Total non-operating revenues (expenses)	6,394,560	12	6,394,572
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CHANGE IN NET POSITION	(158,958)	12	(158,946)
	<hr/>		
NET POSITION, JANUARY 1/JULY 1	16,384,463	34,657	16,419,120
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NET POSITION, DECEMBER 31	\$ 16,225,505	\$ 34,669	\$ 16,260,174
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For the eighteen months ended December 31, 2021

See accompanying notes to financial statements.

**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
(AURORA CIVIC CENTER AUTHORITY)
AURORA, ILLINOIS**

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 5,641,365
Receipts from miscellaneous revenues	43,376
Payments to suppliers	(4,174,249)
Payments to employees	(6,879,613)
	(5,369,121)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State of Illinois gaming tax	435,000
RiverEdge Park supplementary fee	1,100,036
Shuttered Venue Operators Grant	10,536,873
Paramount Arts Centre, Inc. subsidies	1,462,805
	13,534,714
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(821,102)
	(821,102)
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of investments	732,425
Interest income received	15,906
	748,331
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,092,822
CASH AND CASH EQUIVALENTS, JULY 1	2,678,359
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 10,771,181

(This statement is continued on the following page.)

**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
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AURORA, ILLINOIS**

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2021

	Enterprise Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (6,553,518)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation	1,341,195
Miscellaneous	43,376
(Increase) decrease in	
Receivables	56,465
Inventory	(11,949)
Prepaid expenses	199,557
Increase (decrease) in	
Accounts payable	146,770
Accrued payroll and payroll related liabilities	125,059
Unearned revenue	(1,471,128)
Other accrued expenses	755,052
NET CASH FROM OPERATING ACTIVITIES	\$ (5,369,121)

See accompanying notes to financial statements.

**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
(AURORA CIVIC CENTER AUTHORITY)
AURORA, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Aurora Metropolitan Exposition, Auditorium and Office Building Authority (Aurora Civic Center Authority), Aurora, Illinois (the Authority) was incorporated under the provisions of Public Act 78-927, Art. I (Aurora Civic Center Act), effective July 1, 1974. The duties of the Authority are to promote, operate and maintain expositions, conventions, theatrical, sports and cultural activities from time-to-time in the metropolitan area and in connection therewith to arrange, finance and maintain industrial, cultural, educational, theatrical, sports, trade and scientific exhibits and to construct, equipment and maintain auditorium, exposition and office buildings for such purposes.

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

a. Reporting Entity

The Authority is a municipal corporation established by Illinois Compiled Statutes. As required by GAAP, these financial statements present the Authority (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government and that this entity has the same governing board.

Component Unit - The component unit column in the basic financial statements includes the financial data of the Authority's only component unit. It is reported in a separate column to emphasize that it is legally separate from the Authority. The Board of Directors of the component unit is the same as the Authority and the component unit provides services entirely to the Authority. Paramount Arts Centre, Inc. is a nonprofit fundraising foundation that accepts contributions and, from time-to-time, provides financial support to the Authority for subsidizing certain events at the Paramount Arts Centre, Inc. Separate audited financial statements as of December 31, 2021 are available from the Paramount Arts Centre, Inc.'s administrative office at 8 East Galena Boulevard, Suite 230, Aurora, IL 60506.

**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
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AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

The accounts of the Authority are accounted for in an Enterprise Fund. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The accrual basis of accounting is utilized. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Enterprise Fund, a major fund, referred to as the Operating Fund by the Authority, is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating revenues and expenses.

c. Capital Assets

All purchased capital assets are valued at cost. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on all exhaustible capital assets used by the Enterprise Fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives of the related assets using the straight-line method. The estimated useful lives are as follows:

	<u>Years</u>
Leasehold improvements	10-50
Buildings	5-50
Equipment	5-33
Vehicles, furniture and fixtures	5-30

**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
(AURORA CIVIC CENTER AUTHORITY)
AURORA, ILLINOIS**
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Accrued Compensated Absences

Employees of the Authority are granted various lengths of vacation based on seniority. Accumulated unpaid vacation is accrued by the Authority in the Enterprise Fund. The liability for accumulated unpaid vacation pay is based upon accumulated days at December 31, 2021 multiplied by the current salary and related benefits for each employee. Sick leave is not paid at termination or retirement and, therefore, any earned sick leave has not been recorded as a liability.

e. Cash and Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investments not reserved under other actions by the Board of Directors have been designated for future building improvements, show subsidies and other operating expenses.

f. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method.

g. Prepaid Expenses

Artists' fees and promotional expenses paid during the current year that relate to the theater season commencing after December 31, 2021 are charged to operations at such time as the related events are held.

h. Unearned Revenues

Advance ticket sales and season subscription sales are unearned and recorded as income at such time as the related events are held.

**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
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AURORA, ILLINOIS**
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Allowance for Doubtful Accounts

The Authority follows the practice of charging uncollectible accounts to operations in the period in which they are determined to be uncollectible. No allowance for doubtful accounts has been provided as of December 31, 2021 since substantially all receivables are believed to be fully collectible.

j. Net Position

In the basic financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets is the book value of capital assets less any long-term debt outstanding that was issued to construct or acquire the capital assets.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources when they are needed. No net position is restricted as a result of the Authority's own enabling legislation.

k. Accounting Estimates

The preparation of financial statements in conformity with GAAP 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

l. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Authority has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

**AURORA METROPOLITAN EXPOSITION,
AUDITORIUM AND OFFICE BUILDING AUTHORITY
(AURORA CIVIC CENTER AUTHORITY)
AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

2. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	\$ 775,972	\$ -	\$ -	\$ 775,972
Construction in progress	410,492	90,934	29,451	471,975
Total capital assets not being depreciated	1,186,464	90,934	29,451	1,247,947
Capital assets being depreciated				
Leasehold improvements	726,787	-	-	726,787
Building	35,055,424	645,138	-	35,700,562
Equipment	4,113,143	-	-	4,113,143
Furniture and fixtures	2,202,496	85,030	-	2,287,526
Total capital assets being depreciated	42,097,850	730,168	-	42,828,018
Less accumulated depreciation for				
Leasehold improvements	375,020	40,896	-	415,916
Building	19,787,171	828,958	-	20,616,129
Equipment	2,702,046	320,859	-	3,022,905
Furniture and fixtures	653,396	150,482	-	803,878
Total accumulated depreciation	23,517,633	1,341,195	-	24,858,828
Total capital assets being depreciated, net	18,580,217	(611,027)	-	17,969,190
CAPITAL ASSETS, NET	\$ 19,766,681	\$ (520,093)	\$ 29,451	\$ 19,217,137

3. DEPOSITS AND INVESTMENTS

The Authority's investment policy authorizes the Authority to make deposits/invest in commercial banks, savings and loan institutions, interest-bearing general obligations of the U.S. Treasury and U.S. agencies and other non-interest-bearing general obligations of the United States Government when offered for sale in the open market at a price below the face value, money market mutual funds, taxable municipal bonds with at least a AA underlying or AAA insured bonds, fixed annuity products and variable annuity products (with a guaranteed minimum return).

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

**AURORA METROPOLITAN EXPOSITION,
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AURORA, ILLINOIS**
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. The Authority's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with collateral held by an agent of the Authority in the Authority's name.

b. Investments

The Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority held no investments subject to fair value measurement as of December 31, 2021.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Authority limits its exposure to interest rate risk by diversifying its investment portfolio. A variety of financial instruments and maturities, properly balanced, will help to ensure liquidity and reduce risk or interest rate volatility and loss of principal. Diversifying investments and maturities will avoid incurring unreasonable risks in the investment portfolio regarding specific security types, issuers or individual financial institutions. The Authority's investment policy does not specifically limit the maximum maturity length of investments.

The Authority limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government and money market mutual funds. However, the Authority's investment policy does not specifically limit the Authority to these types of investments.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Authority will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Authority's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Authority's agent separate from where the investment was purchased.

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AUDITORIUM AND OFFICE BUILDING AUTHORITY
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AURORA, ILLINOIS**
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Concentration of credit risk is the risk that the Authority has a high percentage of its investments in one type of investment. At December 31, 2021, the Authority had its entire portfolio invested in non-negotiable certificates of deposit and liquid insured deposits with financial institutions. The Authority's investment policy requires diversifying of the investment portfolio but is otherwise silent on custodial credit risk.

4. EMPLOYEE BENEFIT PLANS

The Authority provides a 401(k) defined contribution plan to all full-time salaried employees. Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to contribute upon employment and the Authority will match dollar for dollar up to 5% after one year of employment. The funds contributed by the Authority are fully vested after five years. Employees can contribute any dollar amount up to the IRS respective annual limit. The contribution made by the Authority for the year ended December 31, 2021 was \$108,773. The plan can be revised by the Authority's Board of Directors. The number of employees participating in the plan at December 31, 2021 was 44. There were no forfeitures reflected for the year ended December 31, 2021.

5. INTERGOVERNMENTAL AGREEMENTS

During fiscal year 1995, the Authority entered into an agreement (redevelopment agreement) with Hollywood Casino-Aurora, Inc. and the City of Aurora (the City) to provide for the expansion and redevelopment of the North Island Center (the Center). The agreement involved demolition of the existing parking structure, construction of a new parking deck, reconfiguration of the basement level of the parking lot and renovation of certain points of the Center. Under the terms of the agreement, during fiscal year 1996, the Authority issued \$11,500,000 of taxable revenue bonds to be used in the completion of the above items, which were from the proceeds of a lease agreement (the Lease) with Hollywood Casino-Aurora, Inc. entered into in conjunction with the redevelopment agreement. The City is a contingent lessee under this lease agreement if the Hollywood Casino-Aurora, Inc. should fail to fulfill its obligation under the agreements.

Prior to the redevelopment agreement, the Authority entered into an agreement with the City whereby the City remitted to the Authority 30% of distributions received by the City from the State of Illinois for admissions tax under the Illinois Riverboat Gambling Act. This agreement was amended on March 22, 1994 to reflect the 30% share being limited to \$127,500 per calendar year quarter. The agreement involving the City and the Authority and the gambling tax proceeds to be remitted to the Authority were incorporated into the

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NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERGOVERNMENTAL AGREEMENTS (Continued)

redevelopment agreement. It was further noted in this agreement that if the admissions tax was eliminated and replaced by an increased adjusted gross receipts or other gaming tax, the City would provide the Authority with a proportionate share of such replacement taxes in order to maintain the current level of support. During the years ended June 30, 1998, 1999 and 2000, the City reduced this amount by 50% for the City's fiscal years ended December 31, 1997, 1998 and 1999. The City is responsible, under the agreement, as revised in 1995, to fund operating support of the Authority up to an amount of \$250,000 should the City eliminate or reduce funding to the Authority provided by admissions tax on Hollywood Casino-Aurora, Inc. under the Illinois Riverboat Gambling Act.

The lease is for a period of 30 years with extensions of up to 20 years and requires the Hollywood Casino-Aurora, Inc. to pay a monthly rent of \$16,876, less certain credits. The lease is a triple net lease, with the Hollywood Casino-Aurora, Inc. responsible for utilities, maintenance, repairs, insurance, taxes and related costs. Total rental income recognized under this lease during the year ended December 31, 2021 was \$173,559.

6. NORTH ISLAND CENTER LEASES

The Authority leases office space to various businesses at the Center. The leases are operating leases with fixed monthly rental payments. Certain leases are subject to cost of living adjustments. The following is a schedule of approximate future minimum rentals under enforceable leases at December 31, 2021, not including cost of living adjustments.

<u>Year Ending</u> <u>December 31,</u>	
2022	<u>\$ 257,573</u>
AGGREGATE FUTURE MINIMUM RENTALS	<u>\$ 257,573</u>

7. RISK MANAGEMENT

The Authority is exposed to various risks of loss including, but not limited to employee health, general liability, property casualty, workers' compensation and public official liability. To limit exposure to these risks, the Authority has purchased third party indemnity insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage in each of the past three years.

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NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS

The Authority is subject to no statutory requirements to provide health insurance to its retirees as the Authority does not participate in the Illinois Municipal Retirement Fund. Therefore, there is no amounts to report in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Authority has no former employees or agreements with current employees for which the Authority was providing postemployment benefits as of December 31, 2021. For the year ended December 31, 2021, the Authority had no retirees purchasing health insurance through the Authority.

SUPPLEMENTARY INFORMATION

**AURORA METROPOLITAN EXPOSITION,
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AURORA, ILLINOIS**

COMBINING SCHEDULE OF REVENUES - ENTERPRISE FUND

For the Year Ended December 31, 2021

	Paramount Theatre	North Island Center	RiverEdge Park	School of Performing Arts	Aurora Civic Center Authority	Total
OPERATING REVENUES						
Subscription ticket sales	\$ 2,315,091	\$ -	\$ -	\$ -	\$ -	\$ 2,315,091
Single ticket sales	1,525,668	-	-	-	-	1,525,668
Group ticket sales	149,800	-	-	-	-	149,800
Service charges	307,156	-	-	-	-	307,156
Concession sales	249,892	-	-	-	-	249,892
Merchandise income	78,331	-	-	-	-	78,331
Festival income	-	-	1,352,692	-	-	1,352,692
Theatre rental	41,563	-	-	-	-	41,563
Ballroom rental	-	259,489	-	-	-	259,489
Office rental	-	418,309	-	-	-	418,309
Parking garage rental	-	173,559	-	-	-	173,559
Scenic Shop revenue	16,548	-	-	-	-	16,548
RiverEdge Park maintenance fee	-	-	-	167,930	-	167,930
TOTAL OPERATING REVENUES	\$ 4,684,049	\$ 851,357	\$ 1,352,692	\$ 167,930	\$ -	\$ 7,056,028
NON-OPERATING REVENUES AND CONTRIBUTIONS						
State of Illinois gaming tax	\$ -	\$ -	\$ -	\$ -	\$ 435,000	\$ 435,000
Subsidy	1,463,369	-	-	-	-	1,463,369
RiverEdge Park supplementary fee	-	-	1,100,036	-	-	1,100,036
Investment income	-	-	-	-	15,906	15,906
SVOG Grant	-	-	-	-	3,336,873	3,336,873
Miscellaneous	-	-	-	-	43,376	43,376
TOTAL NON-OPERATING REVENUES AND CONTRIBUTIONS	\$ 1,463,369	\$ -	\$ 1,100,036	\$ -	\$ 3,831,155	\$ 6,394,560

(See independent auditor's report.)

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COMBINING SCHEDULE OF EXPENSES - ENTERPRISE FUND

For the Year Ended December 31, 2021

	Paramount Theatre	North Island Center	RiverEdge Park	School of Performing Arts	Aurora Civic Center Authority	Total
OPERATING EXPENSES						
Paramount show expenses	\$ 191,253	\$ -	\$ -	\$ -	\$ -	\$ 191,253
Broadway expenses	4,211,774	-	-	-	-	4,211,774
RiverEdge Park expenses	-	-	984,112	-	-	984,112
Copley show expenses	91,007	-	-	-	-	91,007
Paramount rental expenses	11,212	-	-	-	-	11,212
Copley rental expenses	7,791	-	-	-	-	7,791
Ballroom rental expenses	-	74,653	-	-	-	74,653
Total event expenses	4,513,037	74,653	984,112	-	-	5,571,802
Paramount Theatre overhead expenses	4,093,206	-	-	-	-	4,093,206
North Island Center overhead expenses	-	563,726	-	-	-	563,726
RiverEdge Park overhead expenses	-	-	1,415,337	-	-	1,415,337
School of Performing Arts overhead expenses	-	-	-	624,280	-	624,280
Total overhead expenses	4,093,206	563,726	1,415,337	624,280	-	6,696,549
Total operating expenses before depreciation	8,606,243	638,379	2,399,449	624,280	-	12,268,351
Depreciation	-	-	-	-	1,341,195	1,341,195
TOTAL OPERATING EXPENSES	\$ 8,606,243	\$ 638,379	\$ 2,399,449	\$ 624,280	\$ 1,341,195	\$ 13,609,546

(See independent auditor's report.)

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DETAILED COMBINING SCHEDULE OF REVENUES - ENTERPRISE FUND

For the Year Ended December 31, 2021

	Broadway Series	RiverEdge Park	Paramount Show	Copley Show	Paramount Rental	Copley Rental	North Island Center Rental	Riveredge Park Rental	School of Performing Arts	Total
OPERATING REVENUES										
Subscription ticket sales	\$ 2,315,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,315,091
Single ticket sales	1,346,907	-	87,637	91,124	-	-	-	-	-	1,525,668
Group ticket sales	149,800	-	-	-	-	-	-	-	-	149,800
Service charges	278,111	-	16,627	12,418	-	-	-	-	-	307,156
Concession sales	234,388	-	4,059	11,445	-	-	-	-	-	249,892
Merchandise income	78,331	-	-	-	-	-	-	-	-	78,331
Festival income	-	1,352,692	-	-	-	-	-	-	-	1,352,692
Theatre rental	-	-	-	-	41,563	-	-	-	-	41,563
Ballroom rental	-	-	-	-	-	-	259,489	-	-	259,489
Office rental	-	-	-	-	-	-	418,309	-	-	418,309
Parking garage rental	-	-	-	-	-	-	173,559	-	-	173,559
Scenic Shop revenue	16,548	-	-	-	-	-	-	-	-	16,548
School income	-	-	-	-	-	-	-	-	167,930	167,930
TOTAL OPERATING REVENUES	\$ 4,419,176	\$ 1,352,692	\$ 108,323	\$ 114,987	\$ 41,563	\$ -	\$ 851,357	\$ -	\$ 167,930	\$ 7,056,028

(See independent auditor's report.)

**AURORA METROPOLITAN EXPOSITION,
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AURORA, ILLINOIS**

DETAILED COMBINING SCHEDULE OF EXPENSES - ENTERPRISE FUND

For the Year Ended December 31, 2021

	Broadway Series	RiverEdge Park	Paramount Show	Copley Show	Paramount Rental
OPERATING EXPENSES					
Actors wages, taxes and benefits	\$ 831,411	\$ -	\$ -	\$ -	\$ -
Directors wages, taxes and benefits	330,721	-	-	-	-
Designers wages, taxes and benefits	123,760	-	-	-	-
Musicians wages, taxes and benefits	196,815	-	-	-	-
Set and costume build wages, taxes and benefits	131,319	-	-	-	-
Stage management wages, taxes and benefits	97,001	-	-	-	-
Production equipment and supplies	548,277	-	-	-	-
Production equipment and supplies rental	-	48,827	-	86	-
Royalties	418,159	-	-	-	-
Marketing	256,410	74,242	15,878	11,422	-
Artist care	46,042	12,618	1,431	1,684	-
Contract fees	-	494,810	64,908	54,000	-
Other direct expenses	82,079	19,062	-	-	421
Stagehand wages	631,692	43,878	1,241	4,233	4,709
Other event labor	98,187	67,345	171	3,801	1,326
Contract labor	58,963	72,924	-	-	-
Concession wages	71,921	16,589	252	3,733	1,294
COGS	128,466	69,603	1,236	3,397	3,462
Scenic Shop build expenses	2,571	-	-	-	-
Development expenses	-	14,962	85,123	-	-
Administrative salaries and taxes	-	-	-	-	-
Broadway salaries and taxes	-	-	-	-	-
School expenses	-	-	-	-	-
Box office salaries and taxes	-	-	-	-	-
School of Performing Arts salaries and taxes	-	-	-	-	-
Group insurance	-	-	-	-	-
Retirement	-	-	-	-	-
Employee appreciation/travel/hospitality	-	-	-	-	-
General office/telephone/IT expenses	-	-	-	-	-
General marketing	-	-	-	-	-
Ticketing and credit card expenses	157,980	49,252	21,013	8,651	-
Payroll/HR/legal/audit expenses	-	-	-	-	-
Commercial insurance	-	-	-	-	-
FOH Maint/concessions expenses	-	-	-	-	-
Utilities	-	-	-	-	-
Janitorial/waste management/pest control	-	-	-	-	-
Building maintenance	-	-	-	-	-
Stage maintenance	-	-	-	-	-
Broadway shops and general supplies	-	-	-	-	-
Total operating expenses before depreciation	4,211,774	984,112	191,253	91,007	11,212
Depreciation	-	-	-	-	-
TOTAL OPERATING EXPENSES	\$ 4,211,774	\$ 984,112	\$ 191,253	\$ 91,007	\$ 11,212

RiverEdge Park Rental	Ballroom Rental	Paramount Overhead	North Island Center Overhead	RiverEdge Park Overhead	School of Performing Arts Overhead	Aurora Civic Center Authority	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 831,411
-	-	-	-	-	-	-	330,721
-	-	-	-	-	-	-	123,760
-	-	-	-	-	-	-	196,815
-	-	-	-	-	-	-	131,319
-	-	-	12,670	-	-	-	109,671
1,392	-	-	-	-	-	-	549,669
-	-	-	-	-	-	-	48,913
-	-	-	-	-	-	-	418,159
-	-	-	-	-	-	-	357,952
-	-	-	-	-	-	-	61,775
-	-	-	-	-	-	-	613,718
-	24,025	-	-	-	14,421	-	140,008
1,075	-	5,291	-	702,972	-	-	1,395,091
5,324	13,544	-	-	-	-	-	189,698
-	329	-	-	-	2,520	-	134,736
-	9,478	-	-	-	-	-	103,267
-	27,277	-	-	-	-	-	233,441
-	-	-	-	-	-	-	2,571
-	-	-	-	-	-	-	100,085
-	-	1,374,400	183,070	-	-	-	1,557,470
-	-	916,562	-	-	-	-	916,562
-	-	-	-	-	129,160	-	129,160
-	-	389,703	-	-	-	-	389,703
-	-	-	-	-	356,515	-	356,515
-	-	334,017	27,113	-	24,072	-	385,202
-	-	104,222	4,551	-	-	-	108,773
-	-	854	(276)	1,767	79	-	2,424
-	-	193,054	11,655	9,967	7,700	-	222,376
-	-	85,373	7,563	276	(29,376)	-	63,836
-	-	-	-	-	6,469	-	243,365
-	-	123,785	-	-	-	-	123,785
-	-	182,022	53,227	53,991	42,299	-	331,539
-	-	13,269	15,868	73,603	-	-	102,740
-	-	100,214	116,015	33,487	-	-	249,716
-	-	27,368	43,410	38,325	(1,267)	-	107,836
-	-	113,139	76,607	459,931	71,688	-	721,365
-	-	13,974	12,253	41,018	-	-	67,245
-	-	115,959	-	-	-	-	115,959
7,791	74,653	4,093,206	563,726	1,415,337	624,280	-	12,268,351
-	-	-	-	-	-	1,341,195	1,341,195
\$ 7,791	\$ 74,653	\$ 4,093,206	\$ 563,726	\$ 1,415,337	\$ 624,280	\$ 1,341,195	\$ 13,609,546

(See independent auditor's report.)