

**SPRINGFIELD METROPOLITAN EXPOSITION
AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Fiscal Years Ended
July 31, 2014 and 2013



SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Springfield Metropolitan Exposition and Auditorium Authority
Springfield, Illinois

We have audited the accompanying basic financial statements of the Springfield Metropolitan Exposition and Auditorium Authority (the Authority), as of and for the year ended July 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Springfield Metropolitan Exposition and Auditorium Authority, as of July 31, 2014, and the changes in financial position and the cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such 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. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the Authority's financial statements that collectively comprise the Authority's basic financial statements. The Supplementary Information and Additional Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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. The Additional Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Restatement

The financial statements of the Authority as of and for the year ended July 31, 2013, were audited by other auditors whose report dated December 9, 2013, expressed an unmodified opinion on those financial statements. As discussed in Note 14 to the financial statements, the Authority has restated its fiscal year 2013 financial statements during the current year to properly report grant revenue, sponsorship revenue, and hotel/motel tax receivable, in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the financial statements before the restatement.

As part of our audit of the 2014 financial statements, we also audited the adjustments described in Note 14 that were applied to restate the 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2013 financial statements of the Authority other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements as a whole.



Springfield, Illinois
February 11, 2015

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) regarding the Authority's financial statements, which follows, is intended to provide an objective and easily readable analysis of the Authority's financial activities based on facts, decisions and conditions known at the date of the audit report. Readers should consider *Management's Discussion and Analysis*, the *Notes to the Financial Statements* and the *Required Supplementary Information* when reviewing the Authority's financial statements in order to gain a full understanding of the Authority's results of operations and financial position.

FINANCIAL HIGHLIGHTS

Condensed financial information comparing balances July 31, 2014, 2013 and 2012, and activities for the years then ended are provided below to facilitate analysis of the 2014 and 2013 results of operations.

Net position increased \$2,320,811 to \$16,482,911 and increased \$4,290,005 to \$14,162,100, as follows:

	July 31,		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net investment in capital assets	13,928,303	11,673,891	5,679,412
Restricted for			
Construction	-	-	1,000,000
Insurance	991,376	928,910	841,767
Debt service	94,285	100,949	130,026
Retirement	88,673	89,423	56,545
Annual audit	16,475	20,578	13,712
Unrestricted	<u>1,363,799</u>	<u>1,348,349</u>	<u>2,150,633</u>
Net position at end of year	<u>\$ 16,482,911</u>	<u>\$ 14,162,100</u>	<u>\$ 9,872,095</u>

The net investment in capital assets increased during the years ended July 31, 2014 and 2013, as follows:

Net investment in capital assets at July 31, 2013	\$ 11,673,891
Bond funds expended	(934,007)
Bond fund reimbursement from grants expended	(2,930,463)
Depreciation	(1,025,613)
Capital asset additions	16,340,813
Capital asset deletions	(9,515,868)
Bond principal repayments	<u>319,550</u>
Net investment in capital assets at July 31, 2014	<u>\$ 13,928,303</u>

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL HIGHLIGHTS (Continued)

Net investment in capital assets at July 31, 2012	\$ 5,679,412
Bond funds expended	(1,667,988)
Bond fund reimbursement from grants	3,185,358
Bond proceeds	(1,661,000)
Depreciation	(889,874)
Capital asset additions	6,716,379
Bond principal repayments	<u>311,604</u>
Net investment in capital assets at July 31, 2013	<u>\$ 11,673,891</u>

Total assets increased \$2,589,109 to \$26,609,661 and increased \$4,645,566 to \$24,020,552 during the years ended July 31, 2014 and 2013, as follows:

	July 31,		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 2,786,954	\$ 3,476,598	\$ 4,192,137
Restricted cash	83,582	1,017,590	2,685,578
Investments	88,911	88,769	-
Grant receivables	-	1,626,872	539,487
Tax receivables	813,327	795,415	771,971
Capital assets, net of accumulated depreciation	22,619,672	16,820,339	10,993,834
Other assets	<u>158,882</u>	<u>136,636</u>	<u>133,646</u>
Total assets	<u>\$ 26,551,328</u>	<u>\$ 23,962,219</u>	<u>\$ 19,316,653</u>

Total liabilities increased \$268,298 to \$10,068,417 and \$355,561 to \$9,800,119 during the years ended July 31, 2014 and 2013, as follows:

	July 31,		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Accounts payable and accrued expenses	\$ 824,438	\$ 307,310	\$ 260,752
Deposits received	58,400	54,075	146,080
Ticket escrow payable	33,808	41,573	-
Unearned revenue	82,979	15,625	1,015,626
Bonds and accrued interest due within one year	458,922	351,690	333,704
Bonds due in more than one year	<u>8,609,870</u>	<u>9,029,846</u>	<u>7,688,396</u>
Total liabilities	<u>\$ 10,068,417</u>	<u>\$ 9,800,119</u>	<u>\$ 9,444,558</u>

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

OPERATING ACTIVITIES

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Service Revenues			
Convention Center	\$ 2,007,224	\$ 2,325,876	\$ 1,720,384
Garage	<u>518,584</u>	<u>434,474</u>	<u>398,565</u>
Total service revenues	2,525,808	2,760,350	2,118,949
Operating Expenses			
Convention Center	4,483,947	4,471,495	4,144,625
Garage	<u>316,625</u>	<u>262,597</u>	<u>281,925</u>
Total operating expenses	4,800,572	4,734,092	4,426,550
Net Operating Income (Loss)			
Convention Center	(2,476,723)	(2,145,619)	(2,424,241)
Garage	<u>201,959</u>	<u>171,877</u>	<u>116,640</u>
Net operating income (loss)	(2,274,764)	(1,973,742)	(2,307,601)
Non-Operating Activities			
Tax revenues	1,826,920	1,733,961	1,683,066
Interest income	10,891	9,843	12,352
Grant support	2,835,805	4,585,141	1,883,230
Bond issuance expenses	-	(19,350)	-
Interest expense	<u>(78,041)</u>	<u>(45,848)</u>	<u>(104,838)</u>
Net non-operating activities	<u>4,595,575</u>	<u>6,263,747</u>	<u>3,469,634</u>
Change in Net Position	<u>\$ 2,320,811</u>	<u>\$ 4,290,005</u>	<u>1,166,209</u>
Net transfers from garage to center	<u>\$ 417,422</u>	<u>\$ 253,958</u>	<u>\$ 321,000</u>

Property tax revenue increased in 2014 and 2013 from the prior fiscal years. The equalized assessed valuation of property in the tax district was up .81% in 2014 and .30% in 2013, and there was an increase in the total property tax rate during the same periods, from \$.0678 for the 2011 tax levy collected in 2012 to \$.0694 for the 2012 tax levy collected in 2013 to .0701 for 201 levy collected in 2014. Hotel/motel taxes of \$100,000 were received in all three fiscal years. In 2014, The Authority had an 8% decrease in operating revenues primarily due to a 2.2 times decrease in promotion income from the prior fiscal year. In 2013, The Authority had a 30% increase in operating revenues primarily due to a 2.6 times increase in promotion income from the prior fiscal year. Revenue from the parking garage was also up in 2014 and 2013 due to general economic conditions and the automated attendant operating 24 hours per day.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Operating expenses for the convention center increased in 2014 due largely to increased utility expenses compared to the prior fiscal year. Operating expenses for the parking garage increased in 2014 due to depreciation expense compared to the prior year. Operating expenses for the convention center increased in 2013 due largely to increased promotional expenses compared to the prior fiscal year. Operating expenses for the parking garage decreased slightly in 2013 due to operational efficiencies of the new system. Interest expense on long-term debt in 2014 and 2013 was significantly less than in the prior years as most of the interest was capitalized as a construction cost. Insurance expense increased slightly in 2014 and 2013.

USING THE FINANCIAL STATEMENTS

The Authority's financial statements consist of the statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows, and the notes to the financial statements. Pursuant to GASB Statement 34, Paragraph 138, *Reporting by Special-purpose Governments Engaged Only in Business-type Activities*, the Authority presents only financial statements required for enterprise funds. Further, management's discussion and analysis and required supplementary information are limited to areas appropriate in such circumstances.

Readers should consider Management's Discussion and Analysis and the Other Required Supplementary Information when reviewing the Authority's financial statements in order to gain a full understanding of the Authority's results of operations and financial position.

CAPITAL ASSETS

At July 31, 2014, 2013 and 2012, the Authority had approximately \$22.6 million, \$16.8 million and \$11.0 million invested in a broad range of capital assets, including land, buildings, furniture, computers, and other equipment. These amounts are net of accumulated depreciation to date. Increases represent additions to those categories, while decreases represent retirements of assets during the year and depreciation recognized for certain assets during the year. The following table shows the net book value of capital assets at the end of the 2014, 2013 and 2012 fiscal years.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CAPITAL ASSETS (Continued)

Capital Assets, Net of Depreciation
July 31,
(In Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Land	\$ 2,541	\$ 2,541	\$ 2,541
Center building	17,481	8,689	3,284
Parking garage	1,401	1,612	1,757
Center equipment	899	894	676
Garage equipment	297	328	245
Construction in progress	<u>-</u>	<u>2,756</u>	<u>2,491</u>
Total	<u>\$ 22,619</u>	<u>\$ 16,820</u>	<u>\$ 10,994</u>

During fiscal years 2014 and 2013, additions of \$16.34 million and \$6.72 million of fixed assets were capitalized. Depreciation for the year ended July 31, 2014 and 2013 was \$1.02 million and \$890 thousand, respectively.

Additional information on capital assets may be found in Note 5 in the Notes to the Financial Statements.

DEBT

At July 31, 2014, 2013 and 2012, the Authority had outstanding bonds totaling \$9.03 million, \$9.35 million and \$8 million, respectively. Regular principal and interest payments on the 2011 Revenue Bonds totaled \$320 thousand and \$192 thousand, respectively, in fiscal year 2014 and \$312 thousand and \$173 thousand, respectively, in fiscal year 2013. In fiscal year 2013, the Authority issued Civic Center Debt Certificates Series 2013 totaling \$1.66 million, which provided additional funds for renovation of the facility. Regular interest payments on the 2013 debt certificates totaled \$38 thousand in fiscal year 2014. Principal payments were not required in in fiscal year 2014. No payments were required in fiscal year 2013 on the 2013 Revenue Bond issue.

Additional information on long term debt may be found in Note 11 in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The financial well being of the Authority is tied in large measure to the economy and the property tax base. The Authority generates 27% of its revenues from taxes thus making this an important source of revenue to the Authority.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Continued)

The Authority operates the Prairie Capital Convention Center, (The Center) which was opened in November 1979 in Downtown Springfield with approximately 62,000 square feet of multi-functional space used for events ranging from conventions and tradeshow to family entertainment such as The Harlem Globetrotters and Sesame Street Live.

The Center is the largest indoor multi-purpose space in the greater Springfield area with two hotels containing over 600 combined housing rooms located next door to the property. A wide variety of restaurants, shopping, and tourist attractions are located all within walking distance of The Center.

The main draws to The Center are conventions and meetings. The Center is a smaller building that cannot compete with the over 13,000 seat facilities in the surrounding areas. The Center does bring a significant economic impact on the City of Springfield. Most events at The Center are large conventions, which contribute revenues to Springfield hotels, restaurants and retail stores.

The Center is a 36-year-old building that requires constant updating and repair, not only of the structure and décor, but also of the equipment needed to sustain the business (i.e. forklifts, computers, etc.). Due to a recent Downtown TIF district award of \$5 million, a recent State of Illinois economic development grant of \$4 million, and new bond issues to retire the old bonds and provide approximately \$8.1 million, the Center is now able to address these long overdue operational issues. A \$16 million renovation was completed in the fall of 2014. Adding restroom facilities on the Main Hall, updating the lighting, décor, and sound system in the lower level meeting rooms, and expanding the main lobby are just a few of the improvements that management expect to contribute to an increase in The Center's revenues for years to come.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

While this report is designed to provide full and complete disclosure of the financial condition and operations of the Authority, citizens groups, taxpayers or creditors may need further details. To obtain such details, please contact the Authority at One Convention Center Plaza, Springfield, Illinois 62701, or by calling (217) 788-7800 during regular office hours.

BASIC FINANCIAL STATEMENTS

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

STATEMENTS OF NET POSITION

July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,786,954	\$ 3,476,598
Restricted cash	83,582	1,017,590
Investments	88,911	88,769
Receivables:		
Property tax	813,327	795,415
Trade, net of allowance for uncollectible accounts of \$22,609 and \$7,785	64,516	49,576
Tax increment financing grant Department of Commerce and Economic Opportunity grant	-	420,439
	-	1,206,433
Inventories	56,822	50,420
Prepaid items	37,544	36,640
Total current assets	<u>3,931,656</u>	<u>7,141,880</u>
Capital assets:		
Land	2,541,404	2,541,404
Construction in progress	-	2,755,870
Center building	33,211,410	23,772,917
Parking garage	7,803,719	7,800,824
Center equipment	4,749,982	4,622,491
Garage equipment	503,610	491,673
	<u>48,810,125</u>	<u>41,985,179</u>
Less accumulated depreciation	<u>(26,190,453)</u>	<u>(25,164,840)</u>
Total capital assets, net of accumulated depreciation	<u>22,619,672</u>	<u>16,820,339</u>
Total assets	<u>\$ 26,551,328</u>	<u>\$ 23,962,219</u>

(continued)

See accompanying Notes to Financial Statements.

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

STATEMENTS OF NET POSITION

July 31, 2014 and 2013

	2014	2013
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 506,334	\$ 39,754
Accrued expenses	149,394	131,385
Deposits received	58,400	54,075
Ticket escrow payable	33,808	41,573
Unearned revenue	82,979	15,625
Current portion of long-term debt	419,976	319,550
Current portion of accrued postemployment health insurance	7,200	7,200
Accrued interest	38,946	32,140
Total current liabilities	1,297,037	641,302
Long-term liabilities:		
Long-term debt, less current portion	8,609,870	9,029,846
Accrued postemployment health insurance, less current portion	161,510	128,971
Total noncurrent liabilities	8,771,380	9,158,817
Total liabilities	10,068,417	9,800,119
NET POSITION		
Net investment in capital assets	13,928,303	11,673,891
Restricted for:		
Insurance	991,376	928,910
Debt service	94,285	100,949
Retirement	88,673	89,423
Annual audit	16,475	20,578
Unrestricted	1,363,799	1,348,349
TOTAL NET POSITION	\$ 16,482,911	\$ 14,162,100 (concluded)

See accompanying Notes to Financial Statements.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Event services	\$ 396,156	\$ 252,507
Catering, concessions and novelties	359,216	337,592
Catering commissions	55,536	32,473
Garage parking	518,584	434,474
Rental	488,377	402,417
Promotion	565,432	1,236,602
Advertising	53,575	38,500
Other	88,932	25,785
Total operating revenues	<u>2,525,808</u>	<u>2,760,350</u>
OPERATING EXPENSES		
Salaries and benefits	1,594,574	1,497,452
Direct costs of sales and services	1,185,681	1,464,468
Facilities	833,281	733,206
Depreciation	1,025,613	889,874
Other administrative	161,423	149,092
Total operating expenses	<u>4,800,572</u>	<u>4,734,092</u>
Net operating income (loss)	<u>(2,274,764)</u>	<u>(1,973,742)</u>
NONOPERATING REVENUES (EXPENSES)		
Tax revenues	1,826,920	1,733,961
Grant support	2,835,805	4,585,141
Investment income	10,891	9,843
Bond issuance expenses	-	(19,350)
Interest expense	(78,041)	(45,848)
Total nonoperating revenues (expenses)	<u>4,595,575</u>	<u>6,263,747</u>
CHANGE IN NET POSITION	<u>2,320,811</u>	<u>4,290,005</u>
NET POSITION, BEGINNING OF YEAR	14,162,100	17,162,823
Prior period adjustment	-	(7,290,728)
NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>14,162,100</u>	<u>9,872,095</u>
NET POSITION, END OF YEAR	<u>\$ 16,482,911</u>	<u>\$ 14,162,100</u>

See accompanying Notes to Financial Statements.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS

STATEMENTS OF CASH FLOWS

For the Years Ended July 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Customer and user receipts	\$ 2,485,850	\$ 2,662,209
Other receipts	88,932	25,785
Employee-related payments	(1,542,068)	(1,481,305)
Vendor payments	(2,184,204)	(2,297,421)
Net cash from operating activities	(1,151,490)	(1,090,732)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Tax receipts	1,809,008	1,710,517
Net cash from non-capital financing activities	1,809,008	1,710,517
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond principal repayments	(319,550)	(311,604)
Bond proceeds	-	1,661,000
Bond issuance costs	-	(19,350)
Interest paid on bonds and debt certificates	(229,498)	(173,159)
Grant receipts	4,462,677	2,497,755
Acquisition of capital assets	(6,205,548)	(6,579,028)
Net cash from capital and related financing activities	(2,291,919)	(2,924,386)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	10,749	9,843
Proceeds from maturity of investments	155,600	155,600
Purchase of investments	(155,600)	(244,369)
Net cash from investing activities	10,749	(78,926)
Net (decrease) in cash and cash equivalents	(1,623,652)	(2,383,527)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,494,188	6,877,715
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,870,536	\$ 4,494,188
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 2,786,954	\$ 3,476,598
Restricted cash	83,582	1,017,590
TOTAL CASH AND CASH EQUIVALENTS	\$ 2,870,536	\$ 4,494,188

(continued)

See accompanying Notes to Financial Statements.

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

STATEMENTS OF CASH FLOWS

For the Years Ended July 31, 2014 and 2013

	2014	2013
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:		
Net operating loss	(2,274,764)	(1,973,742)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation expense	1,025,613	889,874
Changes in operating assets and liabilities:		
Receivables	(14,940)	(21,924)
Inventories	(6,402)	1,018
Prepaid expenses	(904)	17,916
Accounts payable	5,445	1,020
Accrued expenses	50,548	45,538
Ticket escrow payable	(7,765)	41,573
Unearned revenue	67,354	-
Deposits received	4,325	(92,005)
Net cash flows from operating activities	\$ (1,151,490)	\$ (1,090,732)
		(concluded)

See accompanying Notes to Financial Statements.

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

July 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Authority was created by statute, 70 ILCS 345, as amended by public act 90-328. The Authority Board is an elected body which has the responsibility for directing the operation of the Prairie Capital Convention Center (the Center) and the adjacent Plaza Parking Garage (the Garage).

The Authority receives funding from local and state government sources and must comply with the requirements of these funding source entities. However, since Authority Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters of the Authority, the Authority is not included in any other governmental reporting entity as defined by the Governmental Accounting Standards Board (GASB).

B. Financial Statement Presentation

Pursuant to GASB Statement 34, Paragraph 138, *Reporting by Special-purpose Governments Engaged Only in Business-type Activities*, the Authority presents only financial statements that are required for enterprise funds. Further management's discussion and analysis and required supplementary information are limited to areas appropriate in such circumstances.

C. Basis of Accounting and Measurement

The economic resources measurement focus and the accrual basis of accounting are used by the Authority. Under this basis of accounting, all assets and all liabilities associated with the operation of the Authority are included on the statement of net position. Revenue is recognized when earned and expenses are recognized when the liability has been incurred.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position

Cash and cash equivalents

The Authority's policy is to report cash on hand, demand deposits, and short-term investments with original maturities of three months or less as cash and cash equivalents.

Restricted Assets

Restricted cash is primarily unspent bond proceeds that can only be used for capital purposes.

Investments

Valuation – Authority investments are reported at fair value, generally based on quoted market prices.

Accounts Receivable

Accounts receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivables are written off when deemed uncollectible. An account receivable is considered past due if any portion of the receivable balance is outstanding for more than 30 days.

Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out method and consist of items used in the concession activities of the Center. The cost of such inventories is recorded as an expense when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in the financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant and equipment, are defined by the Authority as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair value at the date of donation.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position (Continued)

Capital Assets (Continued)

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

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. Other property, plant, equipment items are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Center buildings	10-40
Parking structure	10-25
Machinery and equipment	5-10

Compensated Absences Payable

Eligible employees are granted vacation and sick leave in varying amounts. Vacation and sick leave is awarded on January 1 of each year. Employees may accumulate a maximum of two years of vacation leave and unlimited sick leave, however sick leave is not paid upon termination. Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. Accrued vacation leave is reported with Accrued Expenses on the Statement of Net Position.

Ticket Escrow Payable

Monies received for ticket sales are booked to ticket escrow payable until the events occur. After each event, a settlement is prepared. The settlement determines the amount to be paid to the promoter and the amount that the Authority will recognize as revenue.

Unearned Revenue

Unearned revenue represents monies received for sponsorships which have not yet been earned.

Long-Term Obligations

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used for acquisition, construction, or improvements of those assets. Net investment in capital assets excludes unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

E. Revenues and Expenses

Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. Principal Center revenues are from event promotion, hall and meeting room rental and catering and concessions. Garage revenues include monthly, daily and event parking fees. Operating expenses include salaries and benefits, the cost of sales and services, depreciation and other facilities expenses, and other administrative expenses.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses include property tax revenues, grant revenues that are restricted to meeting capital requirements and debt service of the Authority and other revenues and expenses that do not meet the definitions of operating revenues and expenses above. Property taxes are recognized as in the year for which they are intended to finance. Grants are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Trade/in-kind agreements

As part of doing business, the Authority has entered into a trade/in-kind agreement. This agreement primarily provides advertising services to the Authority in exchange for facility rental provided by the Authority to the third party. The Authority recognizes revenue as services are provided to the third party and recognizes expenses as the Authority redeems advertising services per the agreement.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

G. Reclassifications

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no material effect on the reported results of operations.

2. CASH AND INVESTMENTS

Authorized deposits/investments – The Authority is allowed to make deposits of public funds in accounts as authorized by the Public Funds Deposit Act (30 ILCS 225). The Authority is allowed to invest public funds in investments as authorized by the Public Funds Investment Act (30 ILCS 235). The Authority’s deposits were held in accounts authorized by the Public Funds Deposit Act as of July 31, 2014 and 2013. The Authority has not developed or implemented a written investment policy as of July 31, 2014.

Custodial credit risk for deposits – Custodial credit risk for deposits is the risk that in the event of bank failure the Authority’s deposits may not be returned to it.

Interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The Authority does not specifically address interest rate risk or limit the maximum maturity length of investments. However, the Authority manages its exposure to interest rate risk by limiting its purchases of long-term investments.

Credit risk – Credit risk is the risk that an entity in which an investment is held will not be able to honor the commitment to repay debt that is held as an investment. The Authority does not have a policy specifically addressing credit risk.

Concentration of credit risk – Concentration of credit risk is the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. The Authority does not have a policy specifically addressing concentration of credit risk.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

Custodial credit risk for 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 the possession of an outside party. The Authority does not have a policy specifically addressing custodial credit risk for investments.

Amounts on deposit with financial institutions at July 31, 2014 and 2013 totaled \$2,925,856 and \$4,552,526, respectively, of which \$2,425,856 and \$4,052,526 was exposed to custodial credit risk because it was not covered by FDIC insurance. At July 31, 2014 \$705,614 was uninsured and uncollateralized. At July 31, 2013 \$4,052,526 was collateralized by the pledging of securities by the financial institution, but not by placing such securities in the Authority’s name.

3. TRADE RECEIVABLES

Trade receivables, net of an allowance for uncollectible accounts, as of July 31, 2014 and 2013 are comprised of the following amounts:

	<u>2014</u>	<u>2013</u>
Center operations	\$ 75,958	\$ 44,226
Garage operations	<u>11,167</u>	<u>13,135</u>
	87,125	57,361
Allowance for uncollectible amounts	<u>(22,609)</u>	<u>(7,785)</u>
Trade receivables, net of allowance for uncollectible amounts	<u>\$ 64,516</u>	<u>\$ 49,576</u>

4. PROPERTY TAXES

The Authority’s property taxes are levied each calendar year on all taxable real property located in the Authority’s boundaries. The levy becomes an enforceable lien against the property as of the preceding January 1. These taxes become due and collectible in the following calendar year and are collected by the county collectors who, in turn, remit to the Authority its respective share. Collection dates vary according to the schedules of the individual counties with disbursements to the Authority normally made within 30 days of collection.

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The 2013 tax levy is intended to finance the 2014 fiscal year and accordingly, is reported as revenue. The 2014 tax levy has not been recorded as a receivable at July 31, 2014 as the tax attached as a lien on property as of January 1, 2014; however, the tax is not levied until after July 31, 2014 and, accordingly, is not measurable at July 31, 2014.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. PROPERTY TAXES (Continued)

Tax rate limits set by Illinois statute for 2013 taxes collected in 2014, as well as the actual amounts levied per \$100 of assessed valuation for taxes collected in 2014 and 2013. The following are the tax rates permitted and the actual rates levied per \$100 of assessed valuation:

<u>Purpose</u>	<u>Limit</u>	<u>2013 Levy Actual</u>	<u>2012 Levy Actual</u>
General	\$.0500	\$.0500	\$.0500
Insurance	None	.0158	.0152
Municipal Retirement	None	.0037	.0036
Audit	.0500	<u>.0006</u>	<u>.0006</u>
		<u>\$.0701</u>	<u>\$.0694</u>

5. CAPITAL ASSETS

A summary of changes in capital assets for the year ended July 31, 2014 and 2013 are as follows:

	<u>Balance August 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance July 31, 2014</u>
Capital assets, not being depreciated:				
Land	\$ 2,541,404	\$ -	\$ -	\$ 2,541,404
Construction in progress	<u>2,755,870</u>	<u>6,759,997</u>	<u>9,515,867</u>	<u>-</u>
Total capital assets, not being depreciated	<u>5,297,274</u>	<u>6,759,997</u>	<u>9,515,867</u>	<u>2,541,404</u>
Capital assets, being depreciated:				
Center building	23,772,917	9,438,493	-	33,211,410
Parking garage	7,800,824	2,895	-	7,803,719
Center equipment	4,622,490	127,492	-	4,749,982
Garage equipment	<u>491,674</u>	<u>11,936</u>	-	<u>503,610</u>
Total capital assets, being depreciated	<u>36,687,905</u>	<u>9,580,816</u>	<u>-</u>	<u>46,268,721</u>
Less accumulated depreciation for:				
Center building	(15,084,168)	(645,786)	-	(15,729,954)
Parking garage	(6,188,840)	(213,789)	-	(6,402,629)
Center equipment	(3,728,054)	(122,863)	-	(3,850,917)
Garage equipment	<u>(163,778)</u>	<u>(43,175)</u>	-	<u>(206,953)</u>
Total accumulated depreciation	<u>(25,164,840)</u>	<u>(1,025,613)</u>	<u>-</u>	<u>(26,190,453)</u>
Total capital assets, being depreciated, net	<u>11,523,065</u>	<u>8,555,203</u>	<u>-</u>	<u>20,078,268</u>
Total capital assets, net	<u>\$ 16,820,339</u>	<u>\$15,315,200</u>	<u>\$ 9,515,867</u>	<u>\$ 22,619,672</u>

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

	<u>Balance</u> <u>August 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>July 31, 2013</u>
Capital assets, not being depreciated:				
Land	\$ 2,541,404	\$ -	\$ -	\$ 2,541,404
Construction in progress	<u>2,491,458</u>	<u>264,412</u>	<u>-</u>	<u>2,755,870</u>
Total capital assets, not being depreciated	<u>5,032,862</u>	<u>264,412</u>	<u>-</u>	<u>5,297,274</u>
Capital assets, being depreciated:				
Center building	17,773,262	5,999,655	-	23,772,917
Parking garage	7,800,824	-	-	7,800,824
Center equipment	4,293,054	329,437	-	4,622,491
Garage equipment	<u>368,798</u>	<u>122,875</u>	<u>-</u>	<u>491,673</u>
Total capital assets, being depreciated	<u>30,235,938</u>	<u>6,451,967</u>	<u>-</u>	<u>36,687,905</u>
Less accumulated depreciation for:				
Center building	(14,489,613)	(594,555)	-	(15,084,168)
Parking garage	(6,043,911)	(144,929)	-	(6,188,840)
Center equipment	(3,617,568)	(110,486)	-	(3,728,054)
Garage equipment	<u>(123,874)</u>	<u>(39,904)</u>	<u>-</u>	<u>(163,778)</u>
Total accumulated depreciation	<u>(24,274,966)</u>	<u>(889,874)</u>	<u>-</u>	<u>(25,164,840)</u>
Total capital assets, being depreciated, net	<u>5,960,972</u>	<u>5,562,093</u>	<u>-</u>	<u>11,523,065</u>
Total capital assets, net	<u>\$ 10,993,834</u>	<u>\$ 5,826,505</u>	<u>\$ -</u>	<u>\$ 16,820,339</u>

6. ACCRUED EXPENSES

Accrued expenses at July 31, 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Payroll expenses	\$ 35,821	\$ 27,691
Compensated absences	79,801	65,375
Other	<u>33,772</u>	<u>38,319</u>
	<u>\$ 149,394</u>	<u>\$ 131,385</u>

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. PENSION OBLIGATIONS

a. Plan Description

The Authority's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. That report may be obtained online at www.imrf.org.

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

b. Funding Policy

As set by statute, the Authority's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 and 2012 was 10.29 and 9.16 percent, respectively. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. PENSION OBLIGATIONS (Continued)

c. Annual Pension Cost

For the fiscal years ended July 31, 2014 and 2013, the employer's annual pension cost of \$96,221 and \$89,977 for the plan was equal to your employer's required and actual contributions. The following is trend information for the annual cost of the pension plan.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
7/31/14	\$ 96,221	100%	\$ -
7/31/13	89,997	100%	-
7/31/12	88,595	100%	-
7/31/11	90,069	100%	-

d. Required Contribution

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service attributable to seniority or merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the employer plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer regular plan's overfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

e. Funded Status and Funding Progress

As of December 31, 2013 and 2012, the most recent actuarial valuation date, the regular plan was 101.84 and 94.91 percent funded. The actuarial accrued liability for benefits was \$1,997,930 and \$1,793,026 and the actuarial value of assets was \$2,034,728 and \$1,701,780, resulting in an unfunded actuarial accrued liability (UAAL) of (\$36,798) and \$91,246. The covered payroll for calendar year 2013 and 2012 (annual payroll of active employees covered by the plan) was \$970,979 and \$963,681 and the ratio of the UAAL to the covered payroll was (3.79%) and 9.47%.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. PENSION OBLIGATIONS (Continued)

e. Funded Status and Funding Progress (Continued)

The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

8. OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

The Authority recognizes the importance of available and affordable health insurance for its employees as they retire from employment, so in 2004 the Authority adopted a postemployment health insurance benefit plan that pays a portion of health insurance premium costs for retired employees who meet plan qualifications. During 2010, the Authority implemented Governmental Accounting Standards Board (GASB) Statement 45 "Other Postemployment Benefit (OPEB) Plans," which prescribes accounting, reporting and disclosures for the Authorities existing plan.

a. Plan Description

The Authority's "Postemployment Health Insurance Plan" is a single-employer, defined benefit plan. Benefits are paid monthly in an amount equal to the lesser of \$300 per month, or the monthly cost of individual premiums for health insurance for retirees who qualify by having been employed by the Authority 15 years or more, who retire upon leaving employment and who wish to continue to be insured under the Authority's employer sponsored health insurance plan.

b. Funding Policy

The plan was implemented by action of the Board of Directors in 2004 and may be amended or terminated by action of the Board. No contributions are made by employees or the employer to fund a reserve for payment of benefits. Benefits are paid from operating funds as needed. Since no reserve is maintained for benefit payments, no separate financial statements are issued for the plan.

c. Members and Types of Benefits

All employees of the Authority are eligible to participate in the plan, and all retirees meeting the qualifications receive the same level of benefits. There is no provision for cost of living adjustments to benefits. At July 31, 2014 and 2013, participants in the plan were as follows:

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (Continued)

c. Members and Types of Benefits (Continued)

	<u>2014</u>	<u>2013</u>
Number of retirees receiving benefits	3	2
Vested former employees not retired	-	-
Vested current employees	5	6
Other current employees	<u>15</u>	<u>15</u>
Total participants	<u><u>23</u></u>	<u><u>23</u></u>

d. Annual OPEB Expense and Net OPEB Liability

The Authority's other postemployment benefit (OPEB) annual expense is calculated based on the employer's annual required contribution (ARC), an amount actuarially determined in accordance with the requirements of GASB Statement 45. The ARC represents a level of funding that, if paid annually, is projected to cover both the normal cost each year and the prior years' unfunded costs amortized over thirty years.

The following table shows the components of the Authority's OPEB expense for the year, benefits paid during the year and changes in the Authority's accrued liability for the portion of plan obligations recognized in the financial statements for fiscal years 2014 and 2013.

	<u>2014</u>	<u>2013</u>
Normal expense for current year	\$ 18,292	\$ 27,219
Amortization of prior years' unfunded costs	<u>21,447</u>	<u>21,111</u>
Total postemployment health insurance expense	39,739	48,330
Benefits paid during the year	<u>(7,200)</u>	<u>(7,200)</u>
Increase in net accrued OPEB liability	32,539	41,130
Accrued liability at the beginning of the year	<u>136,171</u>	<u>95,041</u>
Accrued liability at the end of the year	<u><u>\$ 168,710</u></u>	<u><u>\$ 136,171</u></u>

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (Continued)

d. Annual OPEB Expense and Net OPEB Liability (Continued)

The Authority's annual OPEB expense, the percentage of annual OPEB expense contributed to the plan, and the net OPEB obligation for fiscal year 2014 and two preceding years were as follows:

Fiscal Year Ended July 31,	Annual OPEB Expense	Percentage of Annual Expense Contributed	Net OPEB Accrued Liability
2014	\$ 39,739	18.1%	\$ 168,710
2013	48,330	14.9%	136,171
2012	37,621	19.1%	95,041
2011	39,703	13.6%	64,620

e. Funded Status and Funding Progress

As of July 31, 2014 and 2013, the actuarial accrued liability for benefits was \$168,710 and \$136,171, respectively, and no provision was made to fund the plan, so the unfunded actuarial accrued liability (UAAL) is also \$168,710 and \$136,171. Benefits paid for the year ended July 31, 2014 and 2013 of \$7,200 and \$7,200 have also been considered OPEB contributions. The covered payroll (annual payroll of active employees covered by the plan) was \$1,020,185 and \$970,595 respectively, and the ratio of the UAAL to the covered payroll in 2014 and 2013 was 32.6 % and 33.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (Continued)

f. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Since the plan is a single-employer plan with fewer than 100 members, the plan's actuarial accrued liability is estimated using an "Alternative Measurement Method," as provided for under provisions of GASB Statement 45.

In the July 31, 2014 and 2013 valuations, the entry age actuarial cost method was used. The actuarial assumptions did not include investment return assumptions since the plan is unfunded. Likewise, since plan provisions do not provide for cost of living benefit increases, no cost increase trend rate was applied. The UAAL is being amortized as a level percentage of projected payroll on an open basis, over the maximum period of thirty years. The remaining amortization periods at July 31, 2014 and 2013, were twenty-five years and twenty-six years, respectively.

9. SIGNIFICANT COMMITMENTS

At July 31, 2014 the Authority has various commitments totaling \$126,487 that are expected to be honored upon performance by the vendor in the following year. The Authority had active construction projects as of July 31, 2013, which included Phases 4A and 4B of the renovation and expansion of the Center facilities. At July 31, 2013 the Authority's commitments totaled approximately \$6 million.

10. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health, and natural disasters. These risks are covered by insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage during the fiscal year or the prior two fiscal years.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. LONG-TERM LIABILITIES

Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended July 31, 2014 and 2013 is as follows:

	<u>Balance</u> <u>August 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>July 31, 2014</u>	<u>Due Within</u> <u>One Year</u>
2011 Bonds Series	\$ 7,688,396	\$ -	\$ 319,550	\$ 7,368,846	\$ 327,698
2013 Bond Series	<u>1,661,000</u>	<u>-</u>	<u>-</u>	<u>1,661,000</u>	<u>92,278</u>
	<u>\$ 9,349,396</u>	<u>\$ -</u>	<u>\$ 319,550</u>	<u>\$ 9,029,846</u>	<u>\$ 419,976</u>

	<u>Balance</u> <u>August 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>July 31, 2013</u>	<u>Due Within</u> <u>One Year</u>
2011 Bonds Series	\$ 8,000,000	\$ -	\$ 311,604	\$ 7,688,396	\$ 319,550
2013 Bond Series	<u>-</u>	<u>1,661,000</u>	<u>-</u>	<u>1,661,000</u>	<u>-</u>
	<u>\$ 8,000,000</u>	<u>\$ 1,661,000</u>	<u>\$ 311,604</u>	<u>\$ 9,349,396</u>	<u>\$ 319,550</u>

The Authority issued \$8,000,000 Civic Center Revenue Bonds, Series 2011 in 2011 for the purpose of paying the costs of certain capital equipment, remodeling and additions and refunding outstanding bonds of the Authority. Principal payments ranging from \$311,604 to \$502,783 are due each December 1 from 2012 to 2031. Variable interest ranges from 2.55% to 5.85% and is due semi-annually in June and December. Interest of 2.55% is subject to adjustment on December 1, 2016, December 1, 2021 and December 1, 2026 to a rate of interest equal to sixty-five percent (65%) of the sum of the FHLB 5 Year Rate plus two hundred fifty basis points (2.50%); provided however, the Interest Rate shall not exceed 4.39% prior to December 1, 2021 and shall not exceed 5.85% prior to December 1, 2026. "FHLB 5 Year Rate" means the 5 Year Regular Fixed Rate Advanced published by the Federal Home Loan Bank of Chicago.

The Authority issued \$1,661,000 General Obligation Debt Certificates, Series 2013 in 2013 for the purpose of paying the costs of acquisition, construction, and installation of building and facility improvements. Principal payments of \$92,278 are due each December 1 from 2014 to 2031. Variable interest ranges from 2.99% to 6.25% and is due semi-annually in June and December. Interest of 2.99% is subject to adjustment on June 1, 2018, June 1, 2023 and June 1, 2028 to a rate of interest equal to sixty-five percent (65%) of the sum of the FHLB 5 Year Rate plus three hundred fifty basis points (3.50%); provided however, the Interest Rate shall not exceed 4.71% prior to June 1, 2023 and shall not exceed 6.25% prior to June 1, 2028. "FHLB 5 Year Rate" means the 5 Year Regular Fixed Rate Advanced published by the Federal Home Loan Bank of Chicago.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. LONG-TERM LIABILITIES (Continued)

The Revenue Bonds and Debt Certificates are payable from revenues of any kind derived by the Authority such as catering, concessions, garage and other parking, rental activities, property taxes, investments income, and particularly including payments of hotel-motel taxes received from the City of Springfield pursuant to an intergovernmental agreement. In addition, the Authority pledges TIF Revenues from the City of Springfield pursuant to an intergovernmental agreement and State Revenues for the Project as defined in the bond ordinance as additional security for the Bonds and Debt Certificates.

The Authority incurred interest cost of \$236,667 and \$183,135 during fiscal year 2014 and 2013, respectively. Of the total interest expense, \$158,627 and \$137,287 was capitalized during fiscal years 2014 and 2013.

Bond Debt Service Requirements

The annual requirements to amortize all principal and interest as of July 31 are as follows:

<u>Year ending July 31</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
2015	419,976	232,012	651,988
2016	428,333	220,790	649,123
2017	436,902	209,352	646,254
2018	445,690	197,693	643,383
2019	454,702	185,807	640,509
2020 – 2024	2,416,940	742,388	3,159,328
2025 – 2029	2,679,316	407,688	3,087,004
2030 – 2032	<u>1,747,987</u>	<u>69,317</u>	<u>1,817,304</u>
Total	<u>\$ 9,029,846</u>	<u>\$ 2,265,047</u>	<u>\$ 11,294,893</u>

*Interest is computed using a rate of 2.55% for the Civic Center Revenue Bonds, Series 2011 and 2.99% for the General Obligation Debt Certificates, Series 2013.

12. CONTINGENCIES

The Authority is contingently liable with respect to lawsuits and other claims arising in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and, in the opinion of management, would not materially affect the financial position of the Authority at July 31, 2014 and 2013.

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. SUBSEQUENT EVENTS

On October 30, 2014, the Authority entered into an agreement with the University of Illinois for the purpose of hosting five University of Illinois men's basketball games. In exchange for hosting the basketball games, the Authority has guaranteed to pay \$1,625,000 to the University of Illinois. An additional \$100,000 is to be paid if all five games sell out at capacity.

14. PRIOR PERIOD ADJUSTMENTS

The Authority has restated beginning net position as of August 1, 2012 to a) correct for improper revenue recognition of grant and tax increment financing (TIF) funds, b) correct for unrecorded unearned sponsorship revenue and c) correct hotel/motel tax receivable.

Net position, August 1, 2012 (as previously reported)	\$ 17,162,823
Restated for	
Grant revenue	(4,000,000)
TIF revenue	(3,216,770)
Unearned revenue	(15,625)
Hotel/motel tax receivable	<u>(58,333)</u>
Net position, August 1, 2012 (as restated)	<u>\$ 9,872,095</u>

REQUIRED SUPPLEMENTARY INFORMATION

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

**ILLINOIS MUNICIPAL RETIREMENT FUND PLAN
SCHEDULE OF FUNDING PROGRESS**

July 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/13	\$ 2,034,728	\$ 1,997,930	\$ (36,798)	101.84%	\$ 970,979	(3.79%)
12/31/12	1,701,780	1,793,026	91,246	94.91%	963,681	9.47%
12/31/11	1,469,249	1,745,018	275,769	84.20%	919,576	29.99%
12/31/10	1,457,777	1,580,194	122,417	92.25%	913,370	13.40%
12/31/09	1,292,997	1,518,160	225,163	85.17%	917,512	24.54%
12/31/08	1,099,535	1,284,235	184,700	85.55%	873,378	21.15%

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

**POSTEMPLOYMENT HEALTHCARE PLAN
SCHEDULE OF FUNDING PROGRESS**

July 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
7/31/14	\$ -	\$ 332,336	\$ 332,336	0.00%	\$ 1,020,185	32.58%
7/31/13	-	321,244	321,244	0.00%	970,595	33.10%
7/31/12	-	301,675	301,675	0.00%	941,716	32.03%
7/31/11	-	288,592	288,592	0.00%	924,047	31.23%
7/31/10	-	271,495	271,495	0.00%	918,531	29.56%

The postemployment healthcare plan was established in 2004. Beginning in 2010, the Authority elected to reflect past service costs prospectively, in compliance with GASB Statement 45.

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

**ILLINOIS MUNICIPAL RETIREMENT FUND PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

July 31, 2014

<u>Fiscal Year Ending</u>	<u>Employer Contributions</u>	<u>Actuarial Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
7/31/14	\$ 96,221	\$ 96,221	100.00%
7/31/13	89,997	89,997	100.00%
7/31/12	88,595	88,595	100.00%
7/31/11	90,069	90,069	100.00%
7/31/10	80,526	80,526	100.00%
7/31/09	68,966	68,966	100.00%

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

**POSTEMPLOYMENT HEALTH CARE PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

July 31, 2014

Fiscal Year Ending	Employer Contributions	Actuarial Annual Required Contribution (ARC)	Percentage Contributed
7/31/14	\$ 7,200	\$ 32,539	22.13%
7/31/13	7,200	39,578	18.19%
7/31/12	7,200	31,973	22.52%
7/31/11	5,400	31,729	17.02%
7/31/10	3,116	29,700	10.49%

The postemployment healthcare plan was established in 2004. Beginning in 2010, the Authority elected to reflect past service costs prospectively, in compliance with GASB Statement 45.

SUPPLEMENTARY INFORMATION

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION - BY SUBFUND

July 31, 2014

	General Fund	Insurance Fund	Construction Fund	Grant Fund	Renovation Bond Payment Fund	Bond and Interest Fund	Illinois Municipal Retirement Fund	Audit Fund	Operating Fund	Garage Fund	Total
ASSETS											
Current assets:											
Cash and cash equivalents	\$ 94,043	\$ 770,514	\$ 738,801	\$ -	\$ -	\$ 133,231	\$ 45,744	\$ 9,514	\$ 766,550	\$ 228,557	\$ 2,786,954
Restricted cash	-	-	-	-	83,582	-	-	-	-	-	83,582
Investments	-	-	-	-	-	-	-	-	88,911	-	88,911
Receivables:											
Property tax	580,119	183,318	-	-	-	-	42,929	6,961	-	-	813,327
Trade, net of allowance	-	-	-	-	-	-	-	-	53,349	11,167	64,516
Due (to) from other funds	-	-	-	-	-	-	-	-	991	(991)	-
Inventories	-	-	-	-	-	-	-	-	56,822	-	56,822
Prepaid expenses	-	37,544	-	-	-	-	-	-	-	-	37,544
Total current assets	674,162	991,376	738,801	-	83,582	133,231	88,673	16,475	966,623	238,733	3,931,656
Capital assets:											
Land	-	-	-	-	-	-	-	-	2,541,404	-	2,541,404
Center building	-	-	-	-	-	-	-	-	33,211,410	-	33,211,410
Parking garage	-	-	-	-	-	-	-	-	-	7,803,719	7,803,719
Center equipment	-	-	-	-	-	-	-	-	4,749,982	-	4,749,982
Garage equipment	-	-	-	-	-	-	-	-	-	503,610	503,610
Total capital assets	-	-	-	-	-	-	-	-	40,502,796	8,307,329	48,810,125
Less accumulated depreciation	-	-	-	-	-	-	-	-	(19,580,871)	(6,609,582)	(26,190,453)
Total capital assets, net of accumulated depreciation	-	-	-	-	-	-	-	-	20,921,925	1,697,747	22,619,672
Total assets	\$ 674,162	\$ 991,376	\$ 738,801	\$ -	\$ 83,582	\$ 133,231	\$ 88,673	\$ 16,475	\$ 21,888,548	\$ 1,936,480	\$ 26,551,328

(continued)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION - BY SUBFUND

July 31, 2014

	General Fund	Insurance Fund	Construction Fund	Grant Fund	Renovation Bond Payment Fund	Bond and Interest Fund	Illinois Municipal Retirement Fund	Audit Fund	Operating Fund	Garage Fund	Total
LIABILITIES											
Current liabilities:											
Accounts payable	\$ -	\$ -	\$ 483,810	\$ 96	\$ -	\$ -	\$ -	\$ -	\$ 21,216	\$ 1,212	\$ 506,334
Accrued expenses	-	-	-	-	-	-	-	-	149,394	-	149,394
Deposits received	-	-	-	-	-	-	-	-	58,400	-	58,400
Ticket escrow payable	-	-	-	-	-	-	-	-	33,808	-	33,808
Unearned revenue	-	-	-	-	-	-	-	-	82,979	-	82,979
Current portion of long-term debt	-	-	-	-	-	419,976	-	-	-	-	419,976
Current portion of accrued postemployment health insurance	-	7,200	-	-	-	-	-	-	-	-	7,200
Accrued interest	-	-	-	-	-	38,946	-	-	-	-	38,946
Total current liabilities	-	7,200	483,810	96	-	458,922	-	-	345,797	1,212	1,297,037
Long-term liabilities:											
Long-term debt, less current portion	-	-	-	-	-	8,609,870	-	-	-	-	8,609,870
Accrued postemployment health insurance, less current portion	-	161,510	-	-	-	-	-	-	-	-	161,510
Total long-term liabilities	-	161,510	-	-	-	8,609,870	-	-	-	-	8,771,380
Total liabilities	-	168,710	483,810	96	-	9,068,792	-	-	345,797	1,212	10,068,417
NET POSITION											
Net investment in capital assets	-	-	254,991	(96)	83,582	(9,029,846)	-	-	20,921,925	1,697,747	13,928,303
Restricted for:											
Insurance	-	991,376	-	-	-	-	-	-	-	-	991,376
Debt service	-	-	-	-	-	94,285	-	-	-	-	94,285
Retirement	-	-	-	-	-	-	88,673	-	-	-	88,673
Annual audit	-	-	-	-	-	-	-	16,475	-	-	16,475
Unrestricted	674,162	(168,710)	-	-	-	-	-	-	620,826	237,521	1,363,799
TOTAL NET POSITION	\$ 674,162	\$ 822,666	\$ 254,991	\$ (96)	\$ 83,582	\$ (8,935,561)	\$ 88,673	\$ 16,475	\$ 21,542,751	\$ 1,935,268	\$ 16,482,911

(concluded)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION - BY SUBFUND

July 31, 2013

	General Fund	Insurance Fund	Construction Fund	Grant Fund	Renovation Bond Payment Fund	Bond and Interest Fund	Illinois Municipal Retirement Fund	Audit Fund	Operating Fund	Garage Fund	Total
ASSETS											
Current assets:											
Cash and cash equivalents	\$ 104,092	\$ 718,058	\$ 1,128,943	\$ 452,218	\$ -	\$ 133,089	\$ 48,162	\$ 13,701	\$ 678,662	\$ 199,673	\$ 3,476,598
Restricted cash	-	-	-	-	1,017,590	-	-	-	-	-	1,017,590
Investments	-	-	-	-	-	-	-	-	88,769	-	88,769
Receivables:											
Property tax	573,065	174,212	-	-	-	-	41,261	6,877	-	-	795,415
Trade, net of allowance	-	-	-	-	-	-	-	-	36,441	13,135	49,576
Tax increment financing grant	-	-	420,439	-	-	-	-	-	-	-	420,439
Department of Commerce and Economic Opportunity grant	-	-	-	1,206,433	-	-	-	-	-	-	1,206,433
Due (to) from other funds	-	-	-	-	-	-	-	-	858	(858)	-
Inventories	-	-	-	-	-	-	-	-	50,420	-	50,420
Prepaid expenses	-	36,640	-	-	-	-	-	-	-	-	36,640
Total current assets	677,157	928,910	1,549,382	1,658,651	1,017,590	133,089	89,423	20,578	855,150	211,950	7,141,880
Capital assets:											
Land	-	-	-	-	-	-	-	-	2,541,404	-	2,541,404
Construction in progress	-	-	-	-	-	-	-	-	2,755,870	-	2,755,870
Center building	-	-	-	-	-	-	-	-	23,772,917	-	23,772,917
Parking garage	-	-	-	-	-	-	-	-	-	7,800,824	7,800,824
Center equipment	-	-	-	-	-	-	-	-	4,622,491	-	4,622,491
Garage equipment	-	-	-	-	-	-	-	-	-	491,673	491,673
Total capital assets	-	-	-	-	-	-	-	-	33,692,682	8,292,497	41,985,179
Less accumulated depreciation	-	-	-	-	-	-	-	-	(18,812,222)	(6,352,618)	(25,164,840)
Total capital assets, net of accumulated depreciation	-	-	-	-	-	-	-	-	14,880,460	1,939,879	16,820,339
Total assets	\$ 677,157	\$ 928,910	\$ 1,549,382	\$ 1,658,651	\$ 1,017,590	\$ 133,089	\$ 89,423	\$ 20,578	\$ 15,735,610	\$ 2,151,829	\$ 23,962,219

(continued)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION - BY SUBFUND

July 31, 2013

	General Fund	Insurance Fund	Construction Fund	Grant Fund	Renovation Bond Payment Fund	Bond and Interest Fund	Illinois Municipal Retirement Fund	Audit Fund	Operating Fund	Garage Fund	Total
LIABILITIES											
Current liabilities:											
Accounts payable	\$ -	\$ -	\$ 10,000	\$ 12,675	\$ -	\$ -	\$ -	\$ -	\$ 15,416	\$ 1,663	\$ 39,754
Accrued expenses	-	-	-	-	-	-	-	-	131,385	-	131,385
Deposits received	-	-	-	-	-	-	-	-	54,075	-	54,075
Ticket escrow payable	-	-	-	-	-	-	-	-	41,573	-	41,573
Unearned revenue	-	-	-	-	-	-	-	-	15,625	-	15,625
Current portion of long-term debt	-	-	-	-	-	319,550	-	-	-	-	319,550
Current portion of accrued postemployment health insurance	-	7,200	-	-	-	-	-	-	-	-	7,200
Accrued interest	-	-	-	-	-	32,140	-	-	-	-	32,140
Total current liabilities	-	7,200	10,000	12,675	-	351,690	-	-	258,074	1,663	641,302
Long-term liabilities:											
Long-term debt, less current portion	-	-	-	-	-	9,029,846	-	-	-	-	9,029,846
Accrued postemployment health insurance, less current portion	-	128,971	-	-	-	-	-	-	-	-	128,971
Total long-term liabilities	-	128,971	-	-	-	9,029,846	-	-	-	-	9,158,817
Total liabilities	-	136,171	10,000	12,675	-	9,381,536	-	-	258,074	1,663	9,800,119
NET POSITION											
Net investment in capital assets	-	-	1,539,382	1,645,976	1,017,590	(9,349,396)	-	-	14,880,460	1,939,879	11,673,891
Restricted for:											
Insurance	-	928,910	-	-	-	-	-	-	-	-	928,910
Debt service	-	-	-	-	-	100,949	-	-	-	-	100,949
Retirement	-	-	-	-	-	-	89,423	-	-	-	89,423
Annual audit	-	-	-	-	-	-	-	20,578	-	-	20,578
Unrestricted	677,157	(136,171)	-	-	-	-	-	-	597,076	210,287	1,348,349
TOTAL NET POSITION	\$ 677,157	\$ 792,739	\$ 1,539,382	\$ 1,645,976	\$ 1,017,590	\$ (9,248,447)	\$ 89,423	\$ 20,578	\$ 15,477,536	\$ 2,150,166	\$ 14,162,100

(concluded)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BY SUBFUND

For the Year Ended July 31, 2014

	General Fund	Insurance Fund	Construction Fund	Grant Fund	Renovation Bond Payment Fund	Bond and Interest Fund	Illinois Municipal Retirement Fund	Audit Fund	Operating Fund	Garage Fund	Total
OPERATING REVENUES											
Event services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 396,156	\$ -	\$ 396,156
Catering, concessions and novelties	-	-	-	-	-	-	-	-	359,216	-	359,216
Catering commissions	-	-	-	-	-	-	-	-	55,536	-	55,536
Garage parking	-	-	-	-	-	-	-	-	-	518,580	518,580
Rental	-	-	-	-	-	-	-	-	488,377	-	488,377
Promotion	-	-	-	-	-	-	-	-	565,432	-	565,432
Advertising	-	-	-	-	-	-	-	-	53,575	-	53,575
Other	-	-	-	-	-	-	-	-	88,932	4	88,936
Total operating revenues	-	-	-	-	-	-	-	-	2,007,224	518,584	2,525,808
OPERATING EXPENSES											
Salaries	-	-	-	-	-	-	-	-	1,102,940	34,539	1,137,479
Payroll taxes	-	-	-	-	-	-	-	-	91,274	2,642	93,916
Retirement	-	-	-	-	-	-	96,221	-	-	-	96,221
Health, life and dental insurance	-	184,383	-	-	-	-	-	-	2,260	-	186,643
Workers compensation insurance	-	47,776	-	-	-	-	-	-	-	-	47,776
Postemployment health insurance	-	32,539	-	-	-	-	-	-	-	-	32,539
Salaries and benefits	-	264,698	-	-	-	-	96,221	-	1,196,474	37,181	1,594,574
Promotion	-	-	-	-	-	-	-	-	593,574	-	593,574
Event services	-	-	-	-	-	-	-	-	435,855	-	435,855
Catering, concessions and novelties	-	-	-	-	-	-	-	-	156,252	-	156,252
Direct costs of sales and services	-	-	-	-	-	-	-	-	1,185,681	-	1,185,681
Property and casualty insurance	-	114,802	-	-	-	-	-	-	-	-	114,802
Utilities	-	-	-	-	-	-	-	-	535,178	9,486	544,664
Repairs, maintenance and supplies	-	-	-	-	-	-	-	-	126,971	8,367	135,338
Janitorial supplies	-	-	-	-	-	-	-	-	38,477	-	38,477
Facilities	-	114,802	-	-	-	-	-	-	700,626	17,853	833,281
Depreciation	-	-	-	-	-	-	-	-	768,649	256,964	1,025,613
Advertising	-	-	-	-	-	-	-	-	12,925	-	12,925
Conference	-	-	-	-	-	-	-	-	10,430	-	10,430
Dues and subscriptions	-	-	-	-	-	-	-	-	15,052	-	15,052
License, fees and taxes	-	-	-	-	-	-	-	-	13,426	449	13,875
Office	-	-	-	-	-	-	-	-	6,661	-	6,661
Postage and office supplies	-	-	-	-	-	-	-	-	7,785	-	7,785
Printing	-	-	-	-	-	-	-	-	1,851	3,242	5,093
Telephone	-	-	-	-	-	-	-	-	24,289	936	25,225
Trustee and professional services	-	-	-	-	-	-	-	19,500	21,000	-	40,500
Miscellaneous	-	-	-	-	-	-	-	-	23,877	-	23,877
Other administrative	-	-	-	-	-	-	-	19,500	137,296	4,627	161,423
Total operating expenses	-	379,500	-	-	-	-	96,221	19,500	3,988,726	316,625	4,800,572
NET OPERATING INCOME (LOSS)	\$ -	\$ (379,500)	\$ -	\$ -	\$ -	\$ -	\$ (96,221)	\$ (19,500)	\$ (1,981,502)	\$ 201,959	\$ (2,274,764)

(continued)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BY SUBFUND

For the Year Ended July 31, 2014

	General Fund	Insurance Fund	Construction Fund	Grant Fund	Renovation Bond Payment Fund	Bond and Interest Fund	Illinois Municipal Retirement Fund	Audit Fund	Operating Fund	Garage Fund	Total
NONOPERATING REVENUES (EXPENSES)											
TAX REVENUES											
Property tax revenue	\$ 1,259,688	\$ 398,067	\$ -	\$ -	\$ -	\$ -	\$ 93,218	\$ 15,115	\$ -	\$ -	\$ 1,766,088
TIF tax refunds received	46,937	11,360	-	-	-	-	2,253	282	-	-	60,832
Tax revenues	1,306,625	409,427	-	-	-	-	95,471	15,397	-	-	1,826,920
GRANT SUPPORT											
Department of Commerce and Economic Opportunity	-	-	-	1,137,457	-	-	-	-	-	-	1,137,457
Hotel/motel tax revenue	-	-	-	-	-	100,000	-	-	-	-	100,000
Tax increment financing	-	-	1,598,348	-	-	-	-	-	-	-	1,598,348
Grant support	-	-	1,598,348	1,137,457	-	100,000	-	-	-	-	2,835,805
Investment income	2,271	549	1,095	-	-	142	109	14	6,146	565	10,891
Interest expense	-	-	-	-	-	(78,041)	-	-	-	-	(78,041)
Net nonoperating revenues (expenses)	1,308,896	409,976	1,599,443	1,137,457	-	22,101	95,580	15,411	6,146	565	4,595,575
TRANSFERS											
Transfers in	-	-	1,138,385	-	592,410	449,412	-	-	8,372,561	-	10,552,768
Transfers out	(1,311,891)	(549)	(4,022,219)	(2,783,529)	(1,526,418)	(158,627)	(109)	(14)	(331,990)	(417,422)	(10,552,768)
Net transfers	(1,311,891)	(549)	(2,883,834)	(2,783,529)	(934,008)	290,785	(109)	(14)	8,040,571	(417,422)	-
CHANGE IN NET POSITION	(2,995)	29,927	(1,284,391)	(1,646,072)	(934,008)	312,886	(750)	(4,103)	6,065,215	(214,898)	2,320,811
NET POSITION, BEGINNING OF YEAR	677,157	792,739	1,539,382	1,645,976	1,017,590	(9,248,447)	89,423	20,578	15,477,536	2,150,166	14,162,100
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-
NET POSITION, BEGINNING OF YEAR, AS RESTATED	677,157	792,739	1,539,382	1,645,976	1,017,590	(9,248,447)	89,423	20,578	15,477,536	2,150,166	14,162,100
NET POSITION, END OF YEAR	\$ 674,162	\$ 822,666	\$ 254,991	\$ (96)	\$ 83,582	\$ (8,935,561)	\$ 88,673	\$ 16,475	\$ 21,542,751	\$ 1,935,268	\$ 16,482,911

(concluded)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BY SUBFUND

For the Year Ended July 31, 2013

	General Fund	Insurance Fund	Construction Fund	Grant Fund	Renovation Bond Payment Fund	Bond and Interest Fund	Illinois Municipal Retirement Fund	Audit Fund	Operating Fund	Garage Fund	Total
OPERATING REVENUES											
Event services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,507	\$ -	\$ 252,507
Catering, concessions and novelties	-	-	-	-	-	-	-	-	337,592	-	337,592
Catering commissions	-	-	-	-	-	-	-	-	32,473	-	32,473
Garage parking	-	-	-	-	-	-	-	-	-	434,474	434,474
Rental	-	-	-	-	-	-	-	-	402,417	-	402,417
Promotion	-	-	-	-	-	-	-	-	1,236,602	-	1,236,602
Advertising	-	-	-	-	-	-	-	-	38,500	-	38,500
Other	-	-	-	-	-	-	-	-	25,785	-	25,785
Total operating revenues	-	-	-	-	-	-	-	-	2,325,876	434,474	2,760,350
OPERATING EXPENSES											
Salaries	-	-	-	-	-	-	-	-	1,033,666	33,824	1,067,490
Payroll taxes	-	-	-	-	-	-	-	-	87,253	2,587	89,840
Retirement	-	-	-	-	-	-	89,976	-	-	-	89,976
Health, life and dental insurance	-	155,159	-	-	-	-	-	-	-	-	155,159
Workers compensation insurance	-	46,657	-	-	-	-	-	-	-	-	46,657
Postemployment health insurance	-	48,330	-	-	-	-	-	-	-	-	48,330
Salaries and benefits	-	250,146	-	-	-	-	89,976	-	1,120,919	36,411	1,497,452
Promotion	-	-	-	-	-	-	-	-	978,456	-	978,456
Event services	-	-	-	-	-	-	-	-	313,266	-	313,266
Catering, concessions and novelties	-	-	-	-	-	-	-	-	172,746	-	172,746
Direct costs of sales and services	-	-	-	-	-	-	-	-	1,464,468	-	1,464,468
Property and casualty insurance	-	106,454	-	-	-	-	-	-	-	-	106,454
Utilities	-	-	-	-	-	-	-	-	396,851	19,105	415,956
Repairs, maintenance and supplies	-	-	-	-	-	-	-	-	161,308	18,019	179,327
Janitorial supplies	-	-	-	-	-	-	-	-	31,469	-	31,469
Facilities	-	106,454	-	-	-	-	-	-	589,628	37,124	733,206
Depreciation	-	-	-	-	-	-	-	-	705,041	184,833	889,874
Advertising	-	-	-	-	-	-	-	-	1,946	-	1,946
Conference	-	-	-	-	-	-	-	-	9,850	-	9,850
Dues and subscriptions	-	-	-	-	-	-	-	-	22,951	-	22,951
License, fees and taxes	-	-	-	-	-	-	-	-	25,518	610	26,128
Office	-	-	-	-	-	-	-	-	10,038	-	10,038
Postage and office supplies	-	-	-	-	-	-	-	-	5,428	-	5,428
Printing	-	-	-	-	-	-	-	-	2,820	1,463	4,283
Telephone	-	-	-	-	-	-	-	-	18,700	2,068	20,768
Trustee and professional services	-	-	-	-	-	-	-	10,000	26,388	-	36,388
Miscellaneous	-	-	-	-	-	-	-	-	11,224	88	11,312
Other administrative	-	-	-	-	-	-	-	10,000	134,863	4,229	149,092
Total operating expenses	-	356,600	-	-	-	-	89,976	10,000	4,014,919	262,597	4,734,092
NET OPERATING INCOME (LOSS)	\$ -	\$ (356,600)	\$ -	\$ -	\$ -	\$ -	\$ (89,976)	\$ (10,000)	\$ (1,689,043)	\$ 171,877	\$ (1,973,742)

(continued)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BY SUBFUND

For the Year Ended July 31, 2013

	General Fund	Insurance Fund	Construction Fund	Grant Fund	Renovation Bond Payment Fund	Bond and Interest Fund	Illinois Municipal Retirement Fund	Audit Fund	Operating Fund	Garage Fund	Total
NONOPERATING REVENUES (EXPENSES)											
TAX REVENUES											
Property tax revenue	\$ 1,244,849	\$ 378,429	\$ -	\$ -	\$ -	\$ -	\$ 89,623	\$ 14,938	\$ -	\$ -	\$ 1,727,839
TIF tax refunds received	4,724	1,143	-	-	-	-	227	28	-	-	6,122
Tax revenues	1,249,573	379,572	-	-	-	-	89,850	14,966	-	-	1,733,961
GRANT SUPPORT											
Department of Commerce and Economic Opportunity	-	-	-	2,866,719	-	-	-	-	-	-	2,866,719
Hotel/motel tax revenue	-	-	-	-	-	100,000	-	-	-	-	100,000
Tax increment financing	-	-	1,618,422	-	-	-	-	-	-	-	1,618,422
Grant support	-	-	1,618,422	2,866,719	-	100,000	-	-	-	-	4,585,141
Investment income	2,743	664	2,059	-	-	271	132	16	3,341	617	9,843
Bond issuance expenses	-	-	-	-	(19,350)	-	-	-	-	-	(19,350)
Interest expense	-	-	(64)	-	-	(45,784)	-	-	-	-	(45,848)
Net nonoperating revenues (expenses)	1,252,316	380,236	1,620,417	2,866,719	(19,350)	54,487	89,982	14,982	3,341	617	6,263,747
TRANSFERS											
Transfers in	-	-	31,650	-	1,725,113	387,491	22,404	-	8,152,373	122,875	10,441,906
Transfers out	(1,260,673)	(127,664)	(1,896,254)	(1,220,743)	(3,373,749)	(1,798,351)	(132)	(16)	(387,491)	(376,833)	(10,441,906)
Net transfers	(1,260,673)	(127,664)	(1,864,604)	(1,220,743)	(1,648,636)	(1,410,860)	22,272	(16)	7,764,882	(253,958)	-
CHANGE IN NET POSITION											
	(8,357)	(104,028)	(244,187)	1,645,976	(1,667,986)	(1,356,373)	22,278	4,966	6,079,180	(81,464)	4,290,005
NET POSITION, BEGINNING OF YEAR											
	685,514	896,767	5,000,339	4,000,000	2,685,576	(7,833,741)	67,145	15,612	9,413,981	2,231,630	17,162,823
Prior period adjustment	-	-	(3,216,770)	(4,000,000)	-	(58,333)	-	-	(15,625)	-	(7,290,728)
NET POSITION, BEGINNING OF YEAR, AS RESTATED											
	685,514	896,767	1,783,569	-	2,685,576	(7,892,074)	67,145	15,612	9,398,356	2,231,630	9,872,095
NET POSITION, END OF YEAR											
	\$ 677,157	\$ 792,739	\$ 1,539,382	\$ 1,645,976	\$ 1,017,590	\$ (9,248,447)	\$ 89,423	\$ 20,578	\$ 15,477,536	\$ 2,150,166	\$ 14,162,100

(concluded)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

**SCHEDULE OF ACTIVITIES - BUDGET AND ACTUAL
PRAIRIE CAPITAL CONVENTION CENTER (OPERATING SUBFUND)**

For the Year Ended July 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
OPERATING REVENUES			
Event Services	\$ 275,000	\$ 396,156	\$ 121,156
Concessions and catering	400,000	359,216	(40,784)
Catering commissions	30,000	55,536	25,536
Rental			
Main Hall	350,000	386,830	36,830
Meeting rooms	30,000	32,550	2,550
Equipment	40,000	68,997	28,997
Promotion	800,000	565,432	(234,568)
Advertising	150,000	53,575	(96,425)
Other	50,000	88,932	38,932
	<u>2,125,000</u>	<u>2,007,224</u>	<u>(117,776)</u>
OPERATING EXPENSES			
Salaries	1,100,000	1,102,940	2,940
Payroll taxes	95,000	91,274	(3,726)
Health, life and dental insurance	-	2,260	2,260
Salaries and benefits	<u>1,195,000</u>	<u>1,196,474</u>	<u>1,474</u>
Promotion	700,000	593,574	(106,426)
Event Services	271,250	435,855	164,605
Catering, concessions and novelties	178,000	156,252	(21,748)
Direct costs of sales and services	<u>1,149,250</u>	<u>1,185,681</u>	<u>36,431</u>
Utilities	360,000	535,178	175,178
Repairs and maintenance, and supplies	142,450	126,971	(15,479)
Janitorial supplies	35,300	38,477	3,177
Facilities	<u>537,750</u>	<u>700,626</u>	<u>162,876</u>
			(continued)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

SCHEDULE OF ACTIVITIES - BUDGET AND ACTUAL
PRAIRIE CAPITAL CONVENTION CENTER (OPERATING SUBFUND)

For the Year Ended July 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
OPERATING EXPENSES (CONTINUED)			
Advertising	\$ 10,000	\$ 12,925	\$ 2,925
Conference	15,500	10,430	(5,070)
Dues and subscriptions	12,375	15,052	2,677
License, fees and taxes	30,000	13,426	(16,574)
Office	7,700	6,661	(1,039)
Postage and office supplies	7,000	7,785	785
Printing	1,000	1,851	851
Telephone	18,000	24,289	6,289
Trustee and professional services	24,000	21,000	(3,000)
Miscellaneous	18,000	23,877	5,877
Other administrative	143,575	137,296	(6,279)
 Total operating expenses	 3,025,575	 3,220,077	 194,502
 NET OPERATING INCOME (LOSS)	 (900,575)	 (1,212,853)	 (312,278)
NONOPERATING REVENUES (EXPENSES)			
Investment income	4,000	6,146	2,146
Capital outlay	(204,458)	(6,759,998)	6,555,540
 Net nonoperating revenues (expenses)	 (200,458)	 (6,753,852)	 (6,553,394)
TRANSFERS			
Transfers in:			
From General Subfund	1,312,563	1,311,891	(672)
From Garage Subfund	300,000	300,000	-
From Insurance Subfund	-	549	549
From IMRF Subfund	-	109	109
From Audit Subfund	-	14	14
From Construction Subfund - capital assets	-	4,022,220	4,022,220
From Renovation Bond Payment Subfund - capital assets	-	934,008	934,008
From Grant Subfund - capital assets	-	1,803,770	1,803,770
Transfers out:			
To Bond and Interest Subfund	(511,530)	(331,990)	(179,540)
 Net Transfers	 1,101,033	 8,040,571	 6,939,538
 NET ACTIVITIES	 \$ -	 \$ 73,866	 \$ 73,866

(continued)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

SCHEDULE OF ACTIVITIES - BUDGET AND ACTUAL
PRAIRIE CAPITAL CONVENTION CENTER (OPERATING SUBFUND)

For the Year Ended July 31, 2014

	<u>Actual</u>
RECONCILIATION OF NET ACTIVITIES TO CHANGE TO NET POSITION	
Net activities	\$ 73,866
Depreciation expense	(768,649)
Capital outlay	<u>6,759,998</u>
CHANGE IN NET POSITION	<u>\$ 6,065,215</u> (concluded)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

**SCHEDULE OF ACTIVITIES - BUDGET AND ACTUAL
PLAZA PARKING GARAGE (GARAGE SUBFUND)**

For the Year Ended July 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
OPERATING REVENUES			
Garage parking			
Hourly	\$ 230,000	\$ 322,283	\$ 92,283
Event	28,000	37,949	9,949
Monthly	130,000	158,348	28,348
Other	-	4	4
	<u>388,000</u>	<u>518,584</u>	<u>130,584</u>
OPERATING EXPENSES			
Salaries	34,000	34,539	539
Payroll taxes	2,500	2,642	142
Salaries and benefits	<u>36,500</u>	<u>37,181</u>	<u>681</u>
Utilities	16,000	9,486	(6,514)
Repairs, maintenance and supplies	10,500	8,367	(2,133)
Facilities	<u>26,500</u>	<u>17,853</u>	<u>(8,647)</u>
License, fees and taxes	1,000	449	(551)
Printing	3,000	3,242	242
Telephone	1,000	936	(64)
Miscellaneous	1,000	-	(1,000)
Other administrative	<u>6,000</u>	<u>4,627</u>	<u>(1,373)</u>
	<u>69,000</u>	<u>59,661</u>	<u>(9,339)</u>
NET OPERATING INCOME (LOSS)	<u>319,000</u>	<u>458,923</u>	<u>139,923</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,000	565	(435)
Capital outlay	<u>(20,000)</u>	<u>(14,831)</u>	<u>(5,169)</u>
	<u>(19,000)</u>	<u>(14,266)</u>	<u>(4,734)</u>
			(continued)

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

**SCHEDULE OF ACTIVITIES - BUDGET AND ACTUAL
PLAZA PARKING GARAGE (GARAGE SUBFUND)**

For the Year Ended July 31, 2014

	Budget	Actual	Variance Over (Under)
TRANSFERS			
Transfers out:			
To Convention Center (Operating Subfund)	\$ (300,000)	\$ (300,000)	\$ -
To Bond and Interest Subfund	-	(117,422)	117,422
Net Transfers	(300,000)	(417,422)	117,422
NET ACTIVITIES	\$ -	\$ 27,235	\$ 27,235
RECONCILIATION NET ACTIVITIES TO CHANGE TO NET POSITION			
Depreciation expense		(256,964)	
Capital outlay		14,831	
CHANGE IN NET POSITION		\$ (214,898)	
		(concluded)	

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

NOTES TO SUPPLEMENTARY INFORMATION

July 31, 2014 and 2013

A. Budgetary Controls and Fund Accounting

For internal financial reporting purposes, the Authority uses *Fund Accounting*. A fund is a self balancing group of accounts, used to maintain control over resources segregated for specific activities of objectives, or to help ensure and demonstrate compliance with fiscal legal requirements. The Authority adopts annual budgets for the *Operating, Garage, General, Insurance, Illinois Municipal Retirement (IMRF)* and *Audit* sub-funds. The *Construction, Grant, Renovation Bond Payout and Bond and Interest* sub-funds do not have appropriated budgets since other means control the use of these resources and they span a period of more than one fiscal year.

The budgeting process involves the General Manager submitting a proposed budget to the Authority Board prior to the beginning of the fiscal year, which includes proposed expenditures and the means to finance them. A public hearing is held to obtain taxpayer comments, which may result in changes in budget appropriation amounts, but the form of the budget may not be changed. Prior to October 30, the budget is adopted by resolution of the Board.

Budgetary integration into the internal financial reporting process is used as a management control during the year. The Authority Board may make transfers between budgeted items in a fund not exceeding 10% of the aggregate budgeted amount in the fund. The Board may further amend the budget using the same procedures required for its original adoption.

Appropriations in all budgeted sub-funds lapse at the end of the fiscal year, even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders, contracts, and commitments). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

ADDITIONAL INFORMATION

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

SCHEDULE OF INSURANCE COVERAGE

July 31, 2014

Type of Coverage and Name of Company	Policy Number	Policy Period		Details of Coverage	Liability Limits	Annual Premium
		From	To			
General Liability K&K Insurance Group Inc.	AIP0000544724405	9/15/2013	9/15/2014	Commercial Liability	Each Occurrence: \$1,000,000 Fire Damage: \$300,000 Personal & Advertising Injury: \$1,000,000 General, Products, Completed Operations Aggregate: \$2,000,000.00 Liquor Liability: \$1,000,000 per occurrence \$1,000,000 aggregate Employee Benefits Liability: \$1,000,000 each occurrence \$1,000,000 aggregate \$1,000 deductible	\$ 28,079
Business Auto K&K Insurance Group Inc.	AIA0006789181800	9/15/2013	9/15/2014	Automobile Liability	\$1,000,000 combined single limit	\$ 1,245
Excess Liability K&K Insurance Group Inc.	AIX0009771232204	9/15/2013	9/15/2014	Excess Liability	\$5,000,000 each occurrence	\$ 8,960
General Liability - Tenants K&K Insurance Group Inc.	AIL0000544724605	9/15/2013	9/15/2014	General Liability for Tenant's of the PCCC to purchase that don't have their own policy	Each Occurrence: \$1,000,000 Fire Damage: \$300,000 Personal & Advertising Injury: \$1,000,000 General, Products, Completed Operations Aggregate: \$2,000,000.00	\$ 1,000
Computers Cincinnati Insurance Company	ENP 004 62 67	10/28/2013	10/28/2016	Electronic Data Processing Equipment & Terrorism	Computers \$60,600 Debris Removal \$50,000 Backup Media \$10,000 Pollutant Clean Up & Removal \$10,000 Recharge/Refill of a Fire Protection Device \$50,000 3rd Party Host \$10,000 Business Income & Extra Expense \$10,000 Denial of Service \$10,000 Loss Est Expenses \$5,000 Malicious Code \$10,000 Unauthorized Use \$10,000	\$ 372
Package Chubb	3592-20-55 WUC	11/1/2013	11/1/2014	Property Insurance (Fire, Flood, Employee Theft) Includes building and personal property, accounts receivable, money & securities, valuable papers, business income with extra expense and electronic data processing property (Boilers, Outdoor Message Center, Rented Equip)	\$25,000,000 per occurrence	\$ 59,585
Worker's Compensation Illinois Public Risk Fund	I-927	1/1/2014	1/1/2015	Workers Compensation Employers Liability	Bodily Injury: \$2,500,000 each accident \$2,500,000 policy limit \$2,500,000 each employee	\$ 45,651
Public Officials Liability Old Republic Insurance Company	ALT 68493	5/1/2014	5/1/2015	Management Liability	\$1,000,000 per occurrence	\$ 3,813

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

SCHEDULE OF RATES

July 31, 2014

ITEM	RENTAL FEE
Admin Services	\$2.00 sheet/send fax ; \$1.00 sheet/receive fax ; \$0.20 sheet/copies
Audio/Visual (A/V)	See invoice from Tom Merz (ATS) \$150.00 for 1 existing Projector with Screen (B11, B4, B6, B7) Laptop \$300
Box Office	\$1,000.00 per day or 5% of Gross Receipts (ticketed event)
Catering (PCCC)	See invoice from Concessions Manager or Preferred Caterer 18-20% Gratuity
Chairs for exhibits	\$5.00/each
Curtains (Main Hall)	\$500.00 for entire hall or \$300.00 for half hall
Dance Floor	\$75.00 (on Main Hall)
Deposit	Roll-over or 50% of Rental Fee
Easels/Chalkboards/Coatracks	No Charge
Electrical	See Electrical & Water Service form for prices
Entire Facility Rental	\$5,000.00 per day or \$0.42 per square foot (trade show) or 12% of Gross Receipts (ticketed event)
Firewatch	\$26.76/hour per fireman
Fork Lift	\$50.00 per hour
Freight Elevator	16'2" w X 8' d X 13'6" h
Furniture	\$300.00 for the set (couch, loveseat, overstuffed chair)
Lower Level Rental	See Price List (if catered meal, N/C)
Main Hall Rental	\$3,500.00 per day or \$0.42 per square feet (trade show) or 12% of Gross Receipts (ticketed event)
Move-In Fee (provided no organized event planned)	Main Hall - \$1,500.00 Lower Level – ½ Room Rental Fee
Organ	\$300.00 per day
Parking (PCCC Ramp)	\$0.75 per hour/\$7.00 per day (maximum charge) \$5.00 (Event Parking)
Piano	\$300.00 per day (grand) \$200.00 per day (upright)
Phones	\$50.00 per day/phone or \$100.00 per multi-day event
Phone line/Hard-line DSL (1)	\$100.00 per day/per line
Radios	1 free; each additional \$50.00
Retract-a-belt/Bike Rack	No Charge
Room Changeover	½ Room Rental Fee

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

SCHEDULE OF RATES

July 31, 2014

ITEM	RENTAL FEE
Security	\$25.00/hr off-duty police officers; min of 2 for beer events \$12.00 per hour for T-shirt security; \$15.00 per hour for In-House security.
Spotlights	\$70.00 (Trouper) \$85.00 (Super Trouper)
Stagehands/Loaders/Riggers	\$16.00; 24.00 OT/\$21.50/\$23.00; 34.50 OT (+ 20%)
Staging Above 32' x 40'	\$100.00
Tables With Skirts for exhibits	\$10.00/each
Ushers	\$9.50 per hour

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

SCHEDULE OF RATES

July 31, 2014

Room Name	Daily Rate	Approx. Dimensions	Square Footage
B1, B9	\$200.00	32'x 38'x 12'	1,216
B2, B10	\$250.00	32'x 44'x 12'	1,408
B3, B8,	\$200.00	29'x 30'x 12'	870
B4W, B6W, B7W	\$200.00	29'x 30'x 12'	870
B4E, B6E, B7E	\$200.00	29'x 30'x 12'	870
B4, B6, B7	\$300.00	29'X 59'X 12'	1,711
B11/Entire Room	\$1,500.00	65'x 140'x 14'	9,100
B11A or B11D	\$350.00	65'x 40'x 14'	2,600
B11B** or B11C	\$350.00	65'x 30'x 14'	1,950
B11AB or B11CD	\$700.00	65'x 70'x 14'	4,550
B11ABC or B11BCD	\$1,200.00	65'x 100'x 14'	6,500
Entire Lower Level	\$2,500.00		21,830
Main Hall	\$3,500.00	200'x 200'x 40'	40,000
Entire Facility	\$5,000.00		61,830
Move-In Fee	\$1,500.00		
VIP Room	\$300.00		
North Terrace & Patio	\$500.00	140'x 30'x 12'	4,200
South Terrace	\$250.00	89'x 24'x 12'	2,136

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

SCHEDULE OF RATES

July 31, 2014

Electric	Advance Fee **	Floor Order Fee ***	QTY.	Total
110 Volt 20 Amps.	\$60.00	\$80.00		
110 Volt 30 Amps.	\$85.00	\$100.00		
220 Volt 60 Amps.	\$100.00	\$125.00		
208V 3 Phase	\$125.00	\$150.00		

Water Service	Advance Fee **	Floor Order Fee ***	QTY.	Total
Water and Sewer	\$75.00	\$100		

EXHIBITOR MUST SUPPLY 5/8" HOSES WITH STANDARD COUPLING

Forklift Service	Advance Fee **	Floor Order Fee ***	QTY.	Total
Per Hour	\$50.00	\$75.00		

** 5 days prior to Move-In Day

*** Within 4 Days before Event

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

SCHEDULE OF RATES

July 31, 2014

Concession Price List

<u>ITEM</u>	<u>PRICING</u>
Wine 9 oz	\$ 5.00
Mixers 10 oz	\$ 7.00
Beer 16 oz	\$ 5.00
Bisc n Gravy FULL	\$ 5.00
Bisc n Gravy HALF	\$ 3.00
Bosco Pizza Stick	\$ 5.00
Walking Taco	\$ 6.00
Chix/Tuna Croissant	\$ 5.00
Sub Sandwich	\$ 5.00
Italian Beef	\$ 5.00
Chicken Sandwich	\$ 5.00
BBQ Sandwich	\$ 5.00
Hamburger/Cheeseburger	\$ 5.00
Nachos	\$ 4.00
Bfast Sandwich	\$ 3.00
Pretzels	\$ 3.00
Corn Dog	\$ 3.00
Hot Dog	\$ 3.00
Popcorn	\$ 3.00
Bottled water/tea/soda	\$ 3.00
Gatorade	\$ 3.00
Hot Chocolate	\$ 2.00
Coffee LARGE	\$ 3.00
Coffee SMALL	\$ 2.00
Fruit Juice	\$ 2.00
Milk	\$ 1.00
Yogurt	\$ 2.00
Danish/Muffin	\$ 2.00
Donut	\$ 1.25
Fruit	\$ 1.00
Chips	\$ 1.25
Candy/Granola Bar	\$ 2.00
Cookie	\$ 1.00

SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS

SCHEDULE OF RATES

July 31, 2014

PCCC Beverage Service
Wedding Service

Soft Drinks

- Pepsi products available in 12oz cans *\$2.00 per can*
- 20 oz Bottled Water *\$3.00 per bottle*

Standard Keg Selection

- Miller Lite
 - Coors Light
 - Bud Light
 - Budweiser
- \$200.00 per Keg Host*
\$ 5.00 per 16oz cup Cash

Premium Keg Selection

- Blue Moon
 - Leinenkugel
 - Heineken
 - Michelob Ultra
- \$250.00 per Keg*
\$ 6.00 per 16oz cup Cash

* Other Beer available, please ask

Wine Selection

- Patch Block Pinot Noir (Red)
 - La Terre Merlot (Red)
 - La Terre White Zinfandel (White)
 - Crossings Sauvignon Blanc (White)
- \$5 per 9oz cup Host or Cash*

* Champagne and other wines available at additional charge

Cash or Host Bar

- Standard liquor selection to include:
 - Jack Daniels, Jim Beam & Seagrams 7 Whisky
 - Smirnoff Vodka
 - Captain Morgan Rum*\$7 per 10oz cup host or cash*

Additional Information

- Bar service subject to fee of \$45 per bartender (1 bartender per 150 people)
- PCCC will provide plastic cups for beer, wine and mixed drink bar
- Sales Tax of 8.5% and 18% Gratuity will be added to final bill
- Orders for Kegs and Bar Service due no later than two weeks before event or a \$45 late fee will be assessed

**SPRINGFIELD METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY
SPRINGFIELD, ILLINOIS**

SCHEDULE OF RATES

July 31, 2014

SERVICES INCLUDED IN RENTAL:

- Heating/Air Conditioning
- Lighting
- Event Coordinator on duty during entire event
- Maintenance Crew on duty during entire event for clean-up, changeovers, etc.
- One Security Guard on duty during the week from 4 pm to 8 am and 24 hours over the weekend to make rounds of the facility
- Tables (with or without skirting) and padded or metal chairs (unless for exhibits – exhibitor equipment needs to come from a decorator)
- Staging with stairs, safety rails, and skirting
- Podiums (standing and tabletop)
- Coatracks & Retract-a-belt (rope and stanchion)
- Flatbed carts for transporting materials
- Water stations upon request
- Event posted on the Outdoor Message Center at the corner of 9th and Adams upon request, on the automated phone system, on the website, and in the Calendar of Events which is displayed in the Main Lobby.
- Set-up, tear-down, and clean-up of areas used in the facility.
- Chalkboards & Easels
- Risers with steps and skirting
- One standard microphone per room at no charge
- Wifi Internet throughout the facility