Financial Statements and Report of Independent Certified Public Accountants

Navy Pier, Inc.

December 31, 2020 and 2019

Contents

Grant Thornton

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Navy Pier, Inc.

We have audited the accompanying financial statements of Navy Pier, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 risks 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 financial statements referred to above present fairly, in all material respects, the financial position of Navy Pier, Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Supplementary information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidated year-end report as of and for the year ended December 31, 2020, is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 18, 2021, on our consideration of Navy Pier, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Navy Pier, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Navy Pier, Inc.'s internal control over financial reporting and compliance.

Grant Thornton LLP

Chicago, Illinois
June 18, 2021

Navy Pier, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 5,990,634	$ 26,162,862
Short-term investments	921,228	960,525
Accounts receivable, net	441,876	2,025,107
Pledges receivable, net	1,163,658	303,833
Prepaid expenses	921,399	1,142,258
Current assets	9,438,795	30,594,585
NON-CURRENT ASSETS		
Pledges receivable, net	2,292,521	916,893
Property and equipment, net	175,321,377	178,273,069
Non-current assets	177,613,898	179,189,962
Total assets	$ 187,052,693	$ 209,784,547
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 4,962,132	$ 9,357,494
Advance deposits	995,284	1,025,873
Deferred revenue	1,092,364	880,096
Capital leases	352,722	376,827
Bonds and loans payable, net	1,242,676	3,091,000
Total current liabilities	8,645,178	14,731,290
NON-CURRENT LIABILITIES		
Deferred revenue	6,183,654	6,453,519
Interest rate swap	1,713,939	972,787
Capital leases	1,864,848	1,921,762
Bonds and loans payable, net	63,480,156	58,347,264
Total non-current liabilities	73,242,597	67,695,332
Total liabilities	81,887,775	82,426,622
NET ASSETS		
Without donor restrictions	101,262,753	126,267,698
With donor restrictions	3,902,165	1,090,227
Total net assets	105,164,918	127,357,925
Total liabilities and net assets	$ 187,052,693	$ 209,784,547

The accompanying notes are an integral part of these financial statements.

Navy Pier, Inc.

STATEMENTS OF ACTIVITIES

Years ended December 31,

	2020					2019				
	Without Donor Restrictions			With Donor Restrictions		Without Donor Restrictions			With Donor Restrictions	
	Operating	Non-Operating	Total		Total	Operating	Non-Operating	Total		Total
Revenues and Support										
Contributions and Grants	$ 1,139,034	$ 419,707	$ 1,558,741	$ 2,985,271	$ 4,544,012	$ 2,221,217	$ -	$ 2,221,217	$ 64,659	$ 2,285,876
Sponsorships	2,338,909	-	2,338,909	-	2,338,909	4,018,257	-	4,018,257	-	4,018,257
In-Kind Support	191,330	-	191,330	-	191,330	606,538	-	606,538	-	606,538
Pier Park Amusements	943,786	-	943,786	-	943,786	13,587,640	-	13,587,640	-	13,587,640
Programming Events	935,832	-	935,832	-	935,832	2,981,315	-	2,981,315	-	2,981,315
Retail	5,004,354	102,627	5,106,981	-	5,106,981	15,748,133	111,273	15,859,406	-	15,859,406
Parking	3,232,511	-	3,232,511	-	3,232,511	11,557,512	-	11,557,512	-	11,557,512
Facility Rental	1,009,140	-	1,009,140	-	1,009,140	5,397,955	-	5,397,955	-	5,397,955
Food and Beverage	1,075,415	-	1,075,415	-	1,075,415	2,491,974	-	2,491,974	-	2,491,974
Investment Return, net	67,964	64,436	132,400	-	132,400	175,652	116,939	292,591	-	292,591
Change in Value of Swap	-	(741,152)	(741,152)	-	(741,152)	-	(712,750)	(712,750)	-	(712,750)
Loss on Disposal of Fixed Assets	-	-	-	-	-	-	(66,776)	(66,776)	-	(66,776)
Other	102,880	83,876	186,756	-	186,756	324,092	158,754	482,846	-	482,846
Net Assets Released from Donor Restriction	73,333	100,000	173,333	(173,333)	-	358,333	100,000	458,333	(458,333)	-
Total Revenues and Support	16,114,488	29,494	16,143,982	2,811,938	18,955,920	59,468,618	(292,560)	59,176,058	(393,674)	58,782,384
Expenses										
Program	22,970,034	12,261,334	35,231,368	-	35,231,368	42,617,755	12,037,361	54,655,116	-	54,655,116
Administration	5,130,329	124,242	5,254,571	-	5,254,571	5,585,705	119,937	5,705,642	-	5,705,642
Fundraising	600,867	62,121	662,988	-	662,988	1,907,318	59,968	1,967,286	-	1,967,286
Total Expenses	28,701,230	12,447,697	41,148,927	-	41,148,927	50,110,778	12,217,266	62,328,044	-	62,328,044
Change in Net Assets Before Transfers	(12,586,742)	(12,418,203)	(25,004,945)	2,811,938	(22,193,007)	9,357,840	(12,509,826)	(3,151,986)	(393,674)	(3,545,660)
Board-Designated Transfers	(12,417,915)	12,417,915	-	-	-	(12,050,925)	12,050,925	-	-	-
Change in Net Assets	$ (25,004,657)	$ (288)	(25,004,945)	2,811,938	(22,193,007)	$ (2,693,085)	$ (458,901)	(3,151,986)	(393,674)	(3,545,660)
Net Assets, Beginning of Year			126,267,698	1,090,227	127,357,925			129,419,684	1,483,901	130,903,585
Net Assets, End of Year			$ 101,262,753	$ 3,902,165	$ 105,164,918			$ 126,267,698	$ 1,090,227	$ 127,357,925

The accompanying notes are an integral part of these financial statements.

Navy Pier, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31,

	2020				2019			
	Program	**Administrative**	**Fundraising**	**Total**	**Program**	**Administrative**	**Fundraising**	**Total**
Salaries and Benefits	$ 7,195,599	$ 2,788,452	$ 419,891	$ 10,403,942	$ 10,945,071	$ 3,543,971	$ 897,603	$ 15,386,645
Contracted Services	8,032,071	13,826	6,549	8,052,446	17,430,690	45,984	181,930	17,658,604
Professional Fees	765,549	1,178,715	68,749	2,013,013	1,478,812	1,144,036	275,615	2,898,463
Advertising and Promotions	1,779,801	944	18,048	1,798,793	3,735,620	13,474	71,977	3,821,071
Utilities	1,532,887	15,982	7,781	1,556,650	2,748,890	27,908	13,954	2,790,752
Maintenance	844,789	138,395	-	983,184	1,408,401	140,827	495	1,549,723
Equipment	286,533	134,937	127	421,597	481,494	221,023	119,520	822,037
Supplies	431,159	7,405	2,459	441,023	1,283,784	17,550	13,417	1,314,751
Insurance	1,603,166	89,150	7,989	1,700,305	1,614,521	82,661	7,547	1,704,729
Information Technology	156,051	258,875	21,046	435,972	267,200	143,146	13,130	423,476
Postage and Shipping	2,552	2,216	1,056	5,824	5,242	3,776	1,271	10,289
Printing	22,733	1,055	-	23,788	79,191	4,113	23,818	107,122
Travel and Entertainment	24,933	8,966	40,831	74,730	91,783	83,884	247,235	422,902
Training	5,831	3,182	1,821	10,834	8,740	24,688	17,069	50,497
Credit Card and Bank Fees	219,269	433,263	1,952	654,484	855,258	32,037	3,949	891,244
Dues and Subscriptions	26,009	14,193	1,020	41,222	41,780	27,668	6,802	76,250
Miscellaneous	71,084	40,839	1,581	113,504	307,619	28,959	11,986	348,564
Interest	2,104,199	21,362	10,681	2,136,242	2,053,018	20,358	10,179	2,083,555
Depreciation and Amortization	10,127,153	102,814	51,407	10,281,374	9,818,002	99,579	49,789	9,967,370
	$ 35,231,368	$ 5,254,571	$ 662,988	$ 41,148,927	$ 54,655,116	$ 5,705,642	$ 1,967,286	$ 62,328,044

The accompanying notes are an integral part of these financial statements.

Navy Pier, Inc.

STATEMENTS OF CASH FLOW

Years ended December 31,

		2020		2019
Cash flows from operating activities:				
Change in net assets	$	(22,193,007)	$	(3,545,660)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:				
Depreciation		10,225,095		9,914,034
Amortization of debt issuance costs		56,279		53,336
Interest expense added to principal		1,568,441		-
Realized and unrealized investment gains and losses		(13,005)		(1,484)
Unrealized loss on interest rate swap		741,152		712,750
Loss on disposal of equipment		-		66,776
Contributions and grants restricted for capital projects		(200,000)		-
Amortization of discount for pledges receivable		(8,961)		(24,660)
Changes in assets and liabilities:				
Accounts receivable		1,583,231		926,621
Pledges receivable		(2,226,492)		(8,166)
Prepaid expenses		220,859		(57,386)
Accounts payable and accrued expenses		(4,395,363)		(2,007,114)
Advance deposits		(30,589)		277,931
Deferred revenue		(57,597)		(374,020)
Net cash (used in) provided by operating activities		(14,729,957)		5,932,958
Cash flows from investing activities:				
Proceeds from sales and maturities of investments		90,000		6,021,000
Purchases of investments		(37,698)		(1,052,891)
Proceeds from sale of equipment		-		25,299
Acquisition of property and equipment via capital lease		101,943		2,651,749
Purchases of property and equipment		(7,273,403)		(6,620,829)
Net cash used in investing activities		(7,119,158)		1,024,328
Cash flows from financing activities:				
Loan proceeds		3,989,500		6,600,000
Bond and loan repayment		(2,316,000)		(3,081,000)
Principal payments on capital lease		(196,613)		(353,160)
Contributions restricted for capital projects		200,000		-
Debt issuance costs		-		(40,597)
Net cash provided by financing activities		1,676,887		3,125,243
Net change in cash and cash equivalents		(20,172,228)		10,082,529
Cash and cash equivalents - beginning of year		26,162,862		16,080,333
Cash and cash equivalents - end of year	$	5,990,634	$	26,162,862
Supplemental disclosure of cash flow information				
Cash paid for interest	$	925,965	$	2,112,000

The accompanying notes are an integral part of these financial statements.

NOTE A - NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Navy Pier, Inc. (NPI) is a not-for-profit organization established on January 4, 2011 for the purpose of managing, operating, and redeveloping Navy Pier (the Pier). The Pier is a tourist and leisure destination located in Chicago, Illinois, and provides dining, shopping, cultural events, amusement park rides, and various other entertainment options to its visitors. The Pier is owned by the Metropolitan Pier and Exposition Authority (MPEA), a local government entity established by the Illinois General Assembly. NPI was created to lessen the burden of the government by operating and facilitating the redevelopment of the Pier. The long-term strategic plan for the Pier is to improve the mix of retail, dining, cultural, and entertainment options in an effort to further expand the Pier's customer base to drive an increase in year-round attendance. A key component of the plan is the redevelopment of the infrastructure to update the look and feel of the Pier and improve the overall facility. While MPEA retains ownership of the Pier, NPI has the authority to make key decisions on operations, maintenance, and implementation of the Pier's revitalization.

Basis of Presentation

The financial statements of NPI have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

These financial statements have been prepared to focus on NPI as a whole and to present balances and transactions classified according to the existence or absence of donor-imposed restrictions. This has been accomplished by classifying transactions into two classes of net assets – net assets without donor restrictions and net assets with donor restrictions. Furthermore, NPI distinguishes activities within net assets without donor restrictions as either operating or non-operating. Descriptions of the two net asset categories are as follows:

- Net assets without donor restrictions –

  Operating – include all operating revenues and expenses, which are an integral part of NPI's programs and supporting activities, as well as net assets released from donor restrictions to support operating activities. NPI considers operating the Pier as its only program.

  Non-Operating – include all Board-designated funds and related investment returns (not subject to donor restriction), the value of the interest rate swap, contributions for capital projects, capitalized property and equipment and its related depreciation, debt service, and certain expenses related to the physical re-development of the Pier.

  Board-designated transfers between operating and non-operating net assets without donor restrictions are to fund NPI's depreciation and debt service requirements.

- Net assets with donor restrictions – include assets whose use is limited by donor-imposed time and/or purpose restrictions.

Cash and Cash Equivalents

Cash consists of cash on hand and demand deposits. Cash equivalents consist of highly liquid short-term investments with original maturities of 90 days or less. NPI maintains cash in bank deposit accounts, which may exceed federally insured limits. NPI has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk therein.

Accounts Receivable

Accounts receivable consist of rents due from the Pier tenants, trade accounts receivable due for NPI's convention and meeting business, and amounts due from NPI's parking and foodservice contractors. A bad debt reserve of approximately $1,030,000 and $42,000 was recorded as of December 31, 2020 and 2019, respectively, related to tenant and event accounts receivable.

Prepaid Expenses

Prepaid expenses consist primarily of prepayments for insurance coverage, maintenance agreements and expenses for events that will occur in 2021.

Investments

Investments are measured at fair value in the accompanying statements of financial position. Investments in debt securities have maturities within one year. Interest, realized gains and losses on sales of investments, and unrealized gains and losses are reported as investment return, net.

Property and Equipment

Property and equipment consist of leasehold improvements to the real property of the Pier and equipment and other personal property. The leasehold improvements and equipment and other assets are stated at cost and depreciated over their estimated useful lives using the straight-line method. Interest on borrowings used to fund capital projects is capitalized and amortized over the life of the asset. Contributed property and equipment is stated at fair value as of the date of the gift. Useful lives are estimated as follows:

Leasehold improvements (the shorter of the lease term or estimated useful life)	7 - 40 years
Furniture	7 years
Equipment	2 - 20 years

Betterments, improvements, and repairs that extend the useful life of an asset and which have a cost of more than $25,000 are capitalized. Furniture and equipment that have a useful life of more than one year and a unit cost of more than $10,000 are capitalized. Group asset purchases are capitalized when the cost exceeds $50,000. Routine repairs and maintenance are expensed as incurred.

NPI reviews its assets for impairment on an annual basis to determine whether events or changes in circumstances indicate whether the carrying amount of an asset may not be recoverable. NPI did not recognize any impairment charges during the years ended December 31, 2020 and 2019.

Total property and equipment, net, is as follows at December 31:

	2020	2019
Construction in progress	$ 404,335	$ 1,581,904
Leasehold improvements	187,013,832	178,875,017
Equipment and other	34,475,376	34,163,220
Total property and equipment	221,893,543	214,620,141
Less accumulated depreciation	(46,572,166)	(36,347,072)
Total property and equipment, net	$ 175,321,377	$ 178,273,069

Revenue

Revenue from contracts with customers is recognized when NPI's related performance obligations are satisfied and includes tenant rentals (retail revenue), parking fees, amusement park and programming event revenue, rental of exhibition facilities (facility rental revenue), food and beverage services primarily related to facility rental revenue, and certain sponsorships. Advance collections and deposits related to event revenue are recorded as advance deposits. Advance collections for sponsorship and rental agreements are recorded as deferred revenue. Advance deposits and deferred revenue are reflected as liabilities in the accompanying statements of financial position.

Sponsorships are exchange transactions whereby NPI provides visibility, recognition and certain other benefits to third parties. Revenue is recognized over time based on when NPI provides benefits.

Pier Park Amusements are the sales of admissions to the Pier's amusement rides, such as the Centennial Wheel, Pepsi Waveswinger, the carousel and others. Revenue is recognized when access to the amusement is provided.

Programming events includes sales of admissions to events produced by NPI, primarily Winter Wonderfest. Revenue is recognized when access to the event is provided.

Retail revenue includes rental income and other revenues from multiple tenants in exchange for NPI providing space for retail, dining, and boat docking business operations. Revenue is recognized as NPI provides access to the tenant in accordance with respective lease terms.

Parking revenues are the fees charged to park in NPI's parking garage. Revenue is recognized as the parking is provided.

Facility rental includes fees received for the use of NPI's convention and meeting facilities, Festival Hall, and the Aon Grand Ballroom. Revenue is recognized as the related events take place.

Food and beverage revenue includes primarily license fees earned on sales of food and beverage related to the facility rental events provided by a third-party caterer. Revenue is recognized as the related events take place.

Contributions and programmatic grants, including donations of cash, property, in kind contributions and unconditional pledges, are recognized in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value at the date of donation. Contributions to be received subsequent to year end are discounted at an appropriate rate commensurate with the risks involved. The amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, as the pledge is satisfied. If a donor restriction is fulfilled in the same period in which the contribution is received, NPI reports the support as without donor restriction.

Government Support

NPI receives no on-going financial support from any City, State of Federal agency. NPI applies for competitive grants when available, which are recorded as contributions and grants on the statements of activities. The Illinois Arts Council (IAC) funded NPI's Arts and Cultural programming in the amount of $19,100 for 2020 and was notified of an award of $18,700 for 2021, both of which have been recorded as revenue in 2020. The Illinois Department of Commerce and Economic Opportunity awarded grants to NPI in both 2020 and 2019 for $92,426 and $100,000, respectively, to support the State's efforts with tourism. The Federal Emergency Management Agency (FEMA) awarded two grants to NPI to support safety upgrades to Navy Pier, of which $294,707 was recorded as revenue in 2020. The FEMA grants required NPI to contribute a match in order to receive the funds.

In-Kind Contributions

NPI received goods and services as in-kind contributions in 2020 and 2019 which are recorded at estimated fair value.

Expenses by Function

Expenses are reductions in net assets without donor restrictions and are recorded as incurred. Expenses related to the operation of the Pier are classified as program expenses on the accompanying statements of functional expenses; this may include, but not be limited to, Arts, Culture and Engagement, maintenance and repairs, facility costs and security services. Administrative expenses include all expenses other than those incurred for the direct conduct of program services or fundraising activities. Fundraising expenses are costs incurred to generate philanthropic contributions to NPI.

Costs which are shared by more than one function include depreciation, interest, and most insurance, and are shared based on approximate square footage associated with staff involved.

Interest Rate Swap

NPI has entered into interest rate swap agreements as part of its interest rate risk management strategy, not for speculation. NPI records the interest rate swap at fair value.

Pledges Receivable

Pledges receivable represent unconditional promises to give and are reported at fair value by discounting the expected future payments beyond one year at rates ranging from 2.21% to 2.73%. The discount rate used to determine the present value of pledges receivable represents a risk adjusted rate of return at the date of donation. Management evaluates payment history and market conditions and has determined that no allowance for doubtful pledges is needed.

Pledges receivable are estimated to be collected as follows at December 31:

	2020	2019
Within one year	$ 1,163,658	$ 303,833
In one to five years	2,166,667	666,667
Beyond five years	233,333	366,667
	3,563,658	1,337,167
Less discount to net present value	(107,479)	(116,441)
	$ 3,456,179	$ 1,220,726

Income Taxes

NPI is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC). NPI has adopted the requirements for accounting for uncertain tax positions in accordance with Accounting Standards Codification (ASC) Subtopic 740-10, *Income Taxes - Overall.* NPI is subject to income taxes only on income determined to be unrelated business income.

Management believes there are no material uncertain tax positions that require recognition in the accompanying financial statements. NPI has a policy to record interest and penalties (if any) related to income tax matters in income tax expense.

NPI recognized no interest or penalties for the years ended December 31, 2020 and 2019.

Management's Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for NPI for 2021. Early adoption is permitted.

Subsequent Events

NPI has performed an evaluation of subsequent events through June 18, 2021, which is the date the financial statements were issued.

Subsequent to year-end, NPI received a Second Paycheck Protection Program loan in the amount of $1,910,000 on March 24, 2021. In addition, it has begun a fundraising campaign to enable NPI to re-open the Pier, to replenish its cash reserves and to continue to allow to offer rent relief to its tenant partners. As of April 30, 2021, total cash and pledges raised was $7.9 million to support this initiative.

NOTE B - COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a “pandemic”. First identified in late 2019 and known now as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations.

The accompanying financial statements have been prepared assuming that NPI will continue as a going concern.

Out of concern for the safety and health of its guests and employees, NPI temporarily closed the Pier on March 16, 2020. Illinois Governor J.B. Pritzker issued Executive Order 2020-10 on March 20, 2020 which required non-essential businesses to temporarily cease operations. Approximately 80 staff were furloughed or laid-off after March 27, 2020. NPI was able to secure a Paycheck Protection Program Term Note (PPP Loan) through its primary lender on April 20, 2020, allowing furloughed and laid-off staff to return to work in order to prepare for the upcoming summer season. As of the issuance of these financial statements, forgiveness of the PPP Loan has been applied for using a 12-week covered period for salaries, employee benefits, utility and lease expenses. The Pier remained closed to the public until June 10, 2020, when it reopened per the terms of Executive Order 2020-38.

Pursuant to State of Illinois restrictions, NPI was not able to operate Pier Park amusements, or its convention and meeting facilities after March 16, 2020. Due to the anticipated drop in attendance, each tenant was offered a rent-relief package in order to ensure the tenants' long-term survival; agreements for rent relief were reached with all but three tenants by the end of 2020.

The operating restrictions and decreased attendance negatively impacted NPI's revenues, liquidity, and net assets without donor restrictions. NPI moved to mitigate the impact by reducing its workforce, reducing salaries, delaying capital expenditures, reducing advertising costs and other discretionary spending, and actively managing cash disbursements, which has allowed NPI to meet its obligations as they become due. NPI's debt obligations were renegotiated with its primary lender and are detailed in Note H. The Board of NPI engaged in a fundraising campaign to allow the Pier to re-open, replenish cash reserves and continue to offer rent relief to its tenant partners. Despite these proactive measures, attendance during summer 2020 was approximately 15% of that from the prior year. In an effort to preserve its liquidity, NPI decided to close the Pier to the general public after Labor Day, and re-opened April 30, 2021. Tenant leases were again modified during this closure period.

No impairments were recorded as of the balance sheet date as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future.

NOTE C - LEASE AGREEMENT

Effective July 1, 2011, NPI entered into a long-term lease agreement (the Lease Agreement) with MPEA to manage, operate, and develop the Pier. MPEA retains ownership of the Pier and NPI has the authority to make key decisions related to operations, maintenance, and the implementation of the Pier's revitalization. MPEA does not provide any ongoing financial subsidy to NPI to support operations of the Pier.

Significant terms of the Lease Agreement as amended are as follows:

- The Lease Agreement term is from July 1, 2011 through June 30, 2036, with four renewal options of 20 years each, for a total possible term of 105 years. The Lease Agreement requires NPI to pay MPEA rent of $1 per year and to operate the Pier in accordance with the Framework Plan, a comprehensive, long-term plan to maintain and guide redevelopment of the Pier. NPI has prepaid rent of $1 per year for the initial lease term of 25 years ending June 30, 2036;

- NPI can terminate the Lease Agreement at any time. MPEA can terminate the agreement only upon default by NPI. Events of default include; (a) failure by NPI to comply in any material respect with the Framework Plan, or with the terms of the Lease Agreement (if failure is not remedied within 90 days after written notice); (b) NPI abandons the premises; or (c) NPI is bankrupt or insolvent; and

- At termination, all assets, including the premises and revenue from all sources, must be returned to MPEA. If donations cannot be legally transferred due to the intention of the donor, NPI and MPEA must mutually agree to the disposition.

NPI has accounted for the Lease Agreement as an operating lease. The contributed fair value of the lease is not presented on the financial statements due to the absence of verifiable measurement criteria.

NOTE D - INVESTMENTS

The following table summarizes the types of investments as of December 31:

	2020	2019
Type of investments:		
Mutual funds	$ 51,089	$ 12,073
Domestic equity securities	13,139	1,452
Corporate bonds:		
Domestic fixed-income securities	857,000	947,000
Total investments - at fair value	$ 921,228	$ 960,525

NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS

NPI evaluates its financial instruments in accordance with the fair value disclosure requirements of U.S. GAAP, which requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels: quoted market prices in active markets for identical assets or liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for an asset or liability (Level 3).

The following methods and assumptions are used to estimate the fair value of NPI's financial instruments:

Cash equivalents are money market funds carried at cost as an approximation of fair value.

Fixed maturity investments, including municipal bonds and corporate bonds, are carried at fair value, based upon quoted market prices on nationally recognized securities exchanges (Level 1 inputs) or on quoted market prices of similar securities by relying on these securities relationship to other benchmark quoted prices (Level 2 inputs). These techniques make use of assumptions that market participants would use in pricing the respective asset and may require some degree of judgment.

Interest rate swap is computed using the present value of cash flows based on the notional amount, term, and fixed and variable interest rates contained in the contract. The model prices the instrument at an exit value were the agreement terminated at the date of valuation. Significant fair value inputs can be verified and do not involve management judgments (Level 2 inputs). NPI's cash equivalents and investments are accounted for at fair value on a recurring basis, using the fair value hierarchy as follows:

	December 31, 2020	
	Level 1	Level 2
Cash equivalents	$ 1,284,229	$ 3,104,328
Investments:		
Mutual funds	$ 51,089	$ -
Domestic equity securities	13,139	-
Corporate bonds:		
Domestic fixed-income securities	857,000	-
Total investments – at fair value	$ 921,228	$ -
Liabilities:		
Interest rate swap	$ -	$ 1,713,939

	December 31, 2019	
	Level 1	Level 2
Cash equivalents	$ 6,603,483	$ 16,118,237
Investments:		
Mutual funds	$ 12,073	$ -
Domestic equity securities	1,452	-
Corporate bonds:		
Domestic fixed-income securities	947,000	-
Total investments – at fair value	$ 960,525	$ -
Liabilities:		
Interest rate swap	$ -	$ 972,787

Transfers between levels of the fair value hierarchy are recognized on the actual date of the event of the change in circumstance, which caused the transfer. There were no transfers between the levels of the fair value hierarchy in 2020 or 2019.

NOTE F - LIQUIDITY AND AVAILABLE RESOURCES

NPI's financial assets available within one year of the statement of financial position date for general expenditures are as follows as of December 31:

	2020	2019
Cash and cash equivalents	$ 5,990,634	$ 26,162,862
Short-term investments	921,228	960,525
Accounts receivable, net	441,876	2,025,107
Pledges receivable, net	1,163,658	303,833
Total financial resources available within one year	8,517,396	29,452,327
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(1,263,441)	(73,332)
Debt issuance proceeds for capital improvements	(1,159,292)	(6,600,000)
Board-designation	-	(3,408,663)
Total amounts unavailable within one year for general expenditures	(2,422,733)	(10,081,995)
Total financial assets available for general expenditures within one year	$ 6,094,663	$ 19,370,332

As part of NPI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage liquidity needs during the COVID-19 pandemic, NPI drew on its line of credit of $1,500,000. The Board authorized its designated reserves to be allocated for general operations in concert with its fundraising campaign.

NOTE G - CAPITAL LEASES

Property recorded in property and equipment, net under the capital leases included the following amounts at December 31:

	2020	2019
Leasehold improvements	$763,000	$763,000
Equipment and other	1,990,693	1,888,749
Less accumulated amortization	(480,122)	(222,073)
Net capitalized leased property	$2,273,571	$2,429,676

Amortization expense for assets recorded under capital leases is included within depreciation and amortization expense.

The future minimum lease payments under the capital leases are as follows:

Fiscal years ending December 31,	
2021	$389,632
2022	433,785
2023	432,310
2024	419,731
2025	381,727
Thereafter	286,295
Total minimum payments required	$2,343,480
Less amount representing interest	(125,910)
Present value of capital lease obligation	$2,217,570

NOTE H - DEBT

Short-term and long-term debt outstanding at December 31 consisted of the following:

	Interest rate	Fiscal year maturity	December 31, 2020	December 31, 2019
Illinois Finance Authority (IFA):				
Series 2014A Bonds [a]	2.90%	2024	$ 23,248,822	$ 23,899,000
Series 2014B-R Bonds [b]	Variable	2023	16,650,649	17,250,000
Bank Construction loan 2017[c]	Variable	2024	14,307,858	13,950,000
Bank Construction loan 2019[d]	Variable	2024	6,730,460	6,600,000
Paycheck Protection Program loan[e]	1.0%	2022	2,489,500	-
Line of Credit[f]	Variable	2022	1,500,000	-
Total debt			64,927,289	61,699,000
Unamortized debt issuance costs			(204,457)	(260,736)
Bonds and loans payable, net			$ 64,722,832	$ 61,438,264

As a result of the financial and operational effects of COVID-19 pandemic, NPI entered into loan modification agreements with its primary lender on December 19, 2020 for the two bond issuances, two construction loans and revolving line of credit. The modifications, outlined below, allowed for certain principal and interest payments to be deferred between April 1, 2020 and March 31, 2022 (the deferral period). In exchange, NPI must provide regular financial updates to the lender on the results of its operations and status of its fundraising efforts. Covenants from original agreements were also suspended to allow for operational flexibility. Should NPI achieve certain revenue or unrestricted cash targets, the lender has the right to receive interest and/or principal payments prior to the end of the deferral period. In addition, the parking improvements loan and housekeeping equipment loan both had modifications with the respective lender.

a) In December 2014, NPI issued $26,500,000 in IFA general obligation bonds, Series 2014A, which were purchased by the lender. The proceeds of the bonds were designated to pay the costs of manufacturing and installing a new Observation Wheel and completing necessary structural improvements to Pier

Park. The Series 2014A bonds were interest only through 2017, with principal payments commencing on January 1, 2018, and with a lump-sum payment due on January 1, 2024. Interest on the Series 2014A bonds is payable quarterly in arrears through January 1, 2024 at a fixed rate of 2.90%. The loan modification agreement in 2020 allowed for $665,823 of accrued interest to be added to the outstanding principal balance and for principal payments to be suspended until January 1, 2023.

b) In December 2014, NPI issued $20,000,000 in IFA general obligation drawdown bonds, Series 2014B. The proceeds of the bonds were designated for capital projects subject to lender approval, including $15,000,000 for construction of a live performance theater.

In October 2017, the IFA, the lender and NPI entered into the First Amendment to the Bond and Loan Agreement (the First Amendment). The First Amendment issued 2014B-R bonds to replace the prior Series 2014B bonds and the parties agreed to a revised payment schedule and interest rate. Payments on the Series 2014B-R bonds commenced on January 1, 2018 and are payable in a lump sum on January 1, 2023.

Interest on the Series 2014B-R bonds is payable quarterly in arrears at a floating rate of 1.982% plus 65.01% of one-month London Interbank Offered Rate (LIBOR). The stated interest rate on the Series 2014B-R bonds was 2.1328% and 3.2206% as of December 31, 2020 and 2019, respectively. The loan modification agreement in 2020 allowed for $400,649 of accrued interest to be added to the outstanding principal balance, and principal payments to be suspended until January 1, 2023.

In July 2018, NPI and the lender entered into an interest rate swap agreement to fix the interest rate on the Series 2014B-R at 4.175%.

c) In September 2017, NPI and the lender entered into a Construction Loan Agreement in the amount of $15,500,000 to complete a renovation construction project (Bank Construction loan 2017). The Bank Construction loan 2017 is being repaid in installments of $775,000 annually beginning October 1, 2022 through September 2024 with a lump-sum payment due at maturity on September 22, 2024.

Interest on the Bank Construction loan 2017 is payable quarterly in arrears at a floating rate of the one-month LIBOR rate plus 1.85%. At December 31, 2020 and 2019, the stated interest rate on the Construction loan was 2.00475% and 3.5585%, respectively. The loan modification agreement in 2020 allowed for $357,858 of accrued interest to be added to the outstanding principal balance.

In September 2017, NPI and the lender entered into an interest rate swap agreement to fix the interest rate on the Construction loan at 4.15%.

d) In December 2019, NPI and the lender entered into a Construction Loan Agreement in the amount of $6,600,000 to complete a renovation construction project (Bank Construction loan 2019). The Bank Construction loan 2019 is payable in annual installments of $330,000 commencing on January 1, 2023 with a lump-sum payment due at maturity on December 20, 2026. Interest on the Construction loan 2019 is payable monthly in arrears at a floating rate of the one-month LIBOR rate plus 1.85%. At December 31, 2020 and 2019, the stated interest rate on the Bank Construction loan 2019 was 2.100% and 3.725%, respectively. Interest expense paid on this loan was $40,310 and $8,195 in 2020 and 2019, respectively. The loan modification agreement in 2020 allowed for $130,460 of accrued interest to be added to the outstanding principal balance.

e) On April 20, 2020, NPI received loan proceeds in the amount of $2,489,500 from its primary lender, a Small Business Administration ("SBA") approved lender under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, and interest on other debt obligations incurred before February 15, 2020, and maintains its employment and payroll levels.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months and is 100% guaranteed by the SBA. NPI used the proceeds for purposes consistent with the PPP and believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan. The initial PPP loan amount is recorded as a loan, and contribution grant revenue will be recognized when conditions are explicitly waived, which is expected in the form of forgiveness application approval by the lender and the SBA.

f) On August 8, 2017, NPI entered into a line of credit arrangement and revolving note with its primary lender for one year that expired on August 8, 2018. On August 15, 2018, NPI entered into a loan modification agreement that extended the due date of the line of credit arrangement to August 6, 2019. The note carried a maximum balance of $1,500,000 and a variable interest rate of one-month LIBOR plus 1.9%. Effective December 20, 2019, NPI entered into a second loan modification agreement that extended the due date of the line of credit to December 20, 2020. Effective December 19, 2020, NPI entered into a third loan modification agreement that extended the due date of the line of credit to December 20, 2022. The note carries a maximum balance of $1,500,000 and a variable interest rate of one-month LIBOR plus 3.00%. During the year ended December 31, 2019, NPI made no draws on the lines of credit. On May 15, 2020, NPI drew $1,500,000 on the line of credit. Interest paid in 2020 was $20,173.

Interest expense for the years ended December 31, 2020 and 2019 was $2,136,242 and $2,083,555, respectively.

All bank debt and rate management obligations are secured by the general revenue of NPI.

Required principal payments for bonds and loans as of December 31, 2020 are as follows:

Year(s) ending December 31:	
2021	$ 1,242,676
2022	3,521,824
2023	19,109,649
2024	34,982,680
2025	330,000
Thereafter	5,740,460
	$ 64,927,289

NOTE I - DERIVATIVE FINANCIAL INSTRUMENTS

NPI has entered into two interest rate swap agreements with its primary lender in order to hedge overall exposure to variable rate debt.

Effective October 1, 2017, and expiring September 22, 2024, NPI has agreed to pay the lender interest at a fixed rate of 2.3% with the counterparty paying NPI a floating rate based on one-month LIBOR. The notional amount of the interest rate swap decreases annually as principal payments were scheduled to be made prior the 2020 Loan Modification Agreement. The notional amounts were $13,175,000 and $13,950,000 as of December 31, 2020 and 2019, respectively.

Effective July 1, 2018, and expiring January 1, 2023, NPI has agreed to pay the lender interest at a fixed rate of 2.193% with the counterparty paying NPI a floating rate based on 65.01% of three-month LIBOR. The notional amount of the interest rate swap decreases annually as principal payments were scheduled to be made prior to the 2020 Loan Modification Agreement. The notional amounts were $16,250,000 and $17,250,000 as of December 31, 2020 and 2019, respectively.

The unrealized loss related to the two swap agreements was $741,152 and $712,750 for the years ended December 31, 2020 and 2019, respectively. Interest expense related to the swap agreements was $497,273 and $109,830 for the years ended December 31, 2019 and 2018, respectively.

NOTE J - EMPLOYEE BENEFITS AND RETIREMENT PLANS

401(k) Plan

NPI offers its employees who have reached the age of 21 and have completed 1,000 hours of continuous service in their anniversary year a Section 401(k) deferred compensation retirement plan (the Plan). The Plan commenced effective August 1, 2013. NPI contributes to the Plan for eligible non-represented employees, and the Plan also permits eligible employees to defer a portion of their salaries. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Plan only allows for voluntary contributions from union employees.

The provisions of the Plan allow employees to contribute a portion of current earnings up to limits established by the Internal Revenue Service. NPI contributes 3% of earnings for eligible employees. During 2019 and the first quarter of 2020, NPI made a matching contribution equal to 100% of the first 3% of annual salary contributed by the eligible employee.

All assets of the Plan are held in a trust in the name of the Plan and are used exclusively to pay benefits to the participants and their beneficiaries. As such, NPI does not report the assets and liabilities of the retirement plans in the accompanying financial statements.

NPI contributed $208,748 to the Plan for 89 eligible employees during the year ended December 31, 2020 and $380,162 to the Plan for 98 eligible employees during the year ended December 31, 2019.

457(b) Plan

NPI offers certain senior employees a defined contribution retirement plan (the 457(b) Plan) under Section 457(b) of the IRC. The 457(b) Plan commenced September 1, 2019 and permits eligible employees to contribute up to 100% of their gross earnings on a pretax basis, subject to IRC limitations. Though the 457(b) Plan allows for NPI to make contributions, it did not do so in 2020 or 2019. Employee contributions are remitted to a third-party custodian and are used to purchase investments at the participant's direction. Until paid or made available to the participant or beneficiary, all deferred amounts and investment earnings related to deferral amounts are solely the property of NPI and are subject to claims of NPI's general creditors. Participants' rights under the 457(b) Plan are equal to those of a general creditor of NPI. Assets of the 457(b) Plan are recorded on the accompanying statements of financial position in cash and cash equivalents, and investments. Liabilities under the 457(b) Plan are recorded on the accompanying statements of financial position in accounts payable and accrued expenses. Assets and corresponding liabilities for the 457(b) Plan were $90,351 and $19,349 at December 31, 2020 and December 31, 2019, respectively.

Multiemployer Retirement Plans

NPI contributes to a number of defined benefit multi-employer pension plans under the terms of collective-bargaining agreements which cover its union-represented employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following respects:

a) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers;

b) If a participating employer stops contributing to the plan, the unfunded obligations of the Plan may be borne by the remaining participating employers; and

c) If NPI chooses to stop participating in any of its multi-employer plans, NPI may be required to pay those plans an amount based on NPI's proportionate share of unfunded vested plan benefits, referred to as a withdrawal liability.

NPI participates in eight multi-employer defined benefit plans, four of which are material to NPI's financial position. NPI's participation in the plans which cover Carpenter, Engineer, Painter, and Stagehand employees is outlined in the following table. "EIN/Pension Plan Number" provides the Employee Identification Number (EIN) and the three-digit plan number. The most recent Pension Protection Act (PPA) zone status available is for the plan's year-end. The zone status is based on information that NPI received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. "FIP/RP Status" indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The changes in contributions between 2020 and 2019 were largely driven by total wages paid and hours worked given NPI's COVID-19 related closure of the Pier in 2020.

	Carpenters	Engineers	Painters	Stagehands
Pension Fund	Chicago Regional Council of Carpenters Pension Fund	Central Pension Fund of The IUOE and Participating Employers	Chicago Painters and Decorators Pension Fund	Stagehands Local Two Retirement Plan
EIN/pension plan number	36-6130207/001	36-6052390/001	51-6030238/001	36-6099766/001
Expiration date of collective bargaining agreement	5/31/2024	05/01/2021	5/31/2021	12/31/2024
NPI Contributions				
2020	$ 67,617	$ 159,657	$ 71,261	$ 44,032
2019	$ 126,391	$ 211,847	$ 112,132	$ 141,787
Plan year-end of most recent Form 5500 filing	6/30/2020	1/31/2020	3/31/2020	12/31/2019
PPA Zone Status				
Most recent year	Green	Green	Green	Green
Two years prior	Green	Green	Green	Green
FIP/RP status	Not applicable	Not applicable	Not applicable	Not applicable
Surcharge Imposed	No	No	No	No
NPI contributed more than 5% of total contributions	No	No	No	No

NPI contributed a total of $73,133 and $117,050 to four other defined benefit multi-employer plans in 2020 and 2019, respectively. NPI also contributed $88,073 and $190,090 to various defined contribution multi-employer plans in 2020 and 2019, respectively.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

All net assets with donor restrictions at December 31, 2020 and 2019 are restricted by donors for building projects to support the programmatic transformation of the Pier, or time restriction. Such amounts will be released to net assets without donor restrictions when the long-lived assets are placed in service or at collection of the pledge.

Net assets with donor restrictions as of December 31 are as follows:

	2020	2019
Purpose restricted		
Annual operations	$ 485,684	$ 40,000
Save the Pier Campaign	50,000	-
Facility improvements	2,411,822	-
Time restricted	954,659	1,050,227
	$ 3,902,165	$ 1,090,227

In addition, net assets without donor restrictions included board-designated amounts of $0 and $3,408,663 at December 31, 2020 and 2019, respectively. The Board authorized the designated reserves to be used for operations in 2021.

NOTE L - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors for the years ended December 31 are as follows:

	2020	2019
Purpose restricted		
Annual operations	$ 40,000	$ 325,000
Time restricted	133,333	133,333
	$ 173,333	$ 458,333

NOTE M - RELATED PARTY TRANSACTIONS

MPEA previously brokered certain utility payments on behalf of NPI. The multi-year agreement ended in 2019, at which point NPI began procuring its utility services independent of MPEA. In addition, MPEA also procures a pollution insurance policy on behalf of NPI. Costs for services purchased from the MPEA totaled approximately $45,000 and $1,100,000 for the years ended December 31, 2020 and 2019, respectively.

NOTE N - RISK MANAGEMENT

NPI is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to customers, employees, contractors, or vendors; and natural disasters. NPI utilizes a comprehensive insurance program for its property and casualty coverage provided by commercial insurance carriers.

NPI is subject to legal proceedings arising in the course of its normal business activities. In the opinion of management, any such matters will be resolved without material adverse effect on NPI's financial position or change in net assets.

SUPPLEMENTARY INFORMATION

Illinois Grant Accountability and Transparency Act
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Add a Program | Certify & Submit

	CSFA #	Program Name	$ State	$ Federal	$ Other	$ Total
View	420-25-0524	Local Tourism & Convention Bureau (Historic Tourism)	92,426	0	0	92,426
View	503-00-0885	Arts and Cultural Programs	19,100	0	0	19,100
View		Other grant programs and activities		294,707	0	294,707
View		All other costs not allocated			40,742,694	40,742,694
		Totals:	111,526	294,707	40,742,694	41,148,927

Please note the following:

- The CYEFR may be per-populated with programs based on existing awards in the GATA system. These programs cannot be removed. If no spending occurred in a program leave the amounts at zero.
- Any grant expenditures not associated with funding received through the State of Illinois are to be entered in "Other grant programs and activities". The expenditures must be identified as federal (direct or pass-through) or other funding.
- All other expenditures not associated with state or federal dollars are to be entered in "All other costs not allocated".
- The grand total must account for all expenditures for the fiscal year and must tie to the audited financials.

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Cancel Save

Agency	Department Of Commerce And Economic Opportunity (420)
Program	Local Tourism & Convention Bureau (Historic Tourism) (420-25-0524) *This program as added due to awards found in the CSFA. It cannot be removed.*
Program Limitations	○ Yes ◉ No Identify Limitations (required if Yes)
Mandatory Match %	○ Yes ◉ No Rate (required if Yes):
Indirect Cost Rate	0.00 %
Indirect Cost Rate Base	

Category	State Amount	Federal Amount	Match Amount	Total
Personal Services (Salaries and Wages)	0.00	0.00	0.00	0.00
Fringe Benefits	0.00	0.00	0.00	0.00
Travel	0.00	0.00	0.00	0.00
Equipment	0.00	0.00	0.00	0.00
Supplies	0.00	0.00	0.00	0.00
Contractual Services	0.00	0.00	0.00	0.00
Consultant (Professional Services)	0.00	0.00	0.00	0.00
Construction	0.00	0.00	0.00	0.00
Occupancy - Rent and Utilities	0.00	0.00	0.00	0.00
Research and Development	0.00	0.00	0.00	0.00
Telecommunications	0.00	0.00	0.00	0.00
Training and Education	0.00	0.00	0.00	0.00
Direct Administrative Costs	0.00	0.00	0.00	0.00
Miscellaneous Costs	0.00	0.00	0.00	0.00
Administration	0.00	0.00	0.00	0.00
Purchase of Services	0.00	0.00	0.00	0.00

Category	State Amount	Federal Amount	Match Amount	Total
Marketing/Promotion	92426.04	0.00	0.00	92,426.04
Equipment/Facility Rental	0.00	0.00	0.00	0.00
PROGRAMMATIC COSTS/HOST EVENT	0.00	0.00	0.00	0.00
Capital Projects	0.00	0.00	0.00	0.00
Studies	0.00	0.00	0.00	0.00
Interpretive Programs	0.00	0.00	0.00	0.00
Advertising	0.00	0.00	0.00	0.00
Familiarization Tours	0.00	0.00	0.00	0.00
Research/Technical Assistance	0.00	0.00	0.00	0.00
Trade Shows/Sales Missions	0.00	0.00	0.00	0.00
Technology	0.00	0.00	0.00	0.00
Sponsorship	0.00	0.00	0.00	0.00
Association Fees	0.00	0.00	0.00	0.00
Operating Expense	0.00	0.00	0.00	0.00
International Development and Tourism	0.00	0.00	0.00	0.00
Total Direct Expenses	**92,426.04**	**0.00**	**0.00**	**92,426.04**
Indirect Costs	0.00	0.00	0.00	0.00
Total Expenses	**92,426.04**	**0.00**	**0.00**	**92,426.04**

Cancel Save

Illinois Grant Accountability and Transparency Act
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Cancel Delete Save

Agency	Illinois Arts Council (503)
Program	Arts and Cultural Programs (503-00-0885)
Program Limitations	○ Yes ◉ No Identify Limitations (required if Yes)
Mandatory Match %	○ Yes ◉ No Rate (required if Yes):
Indirect Cost Rate	0.00 %
Indirect Cost Rate Base	

Category	State Amount	Federal Amount	Match Amount	Total
Personal Services (Salaries and Wages)	0.00	0.00	0.00	0.00
Fringe Benefits	0.00	0.00	0.00	0.00
Travel	0.00	0.00	0.00	0.00
Equipment	0.00	0.00	0.00	0.00
Supplies	0.00	0.00	0.00	0.00
Contractual Services	0.00	0.00	0.00	0.00
Consultant (Professional Services)	0.00	0.00	0.00	0.00
Construction	0.00	0.00	0.00	0.00
Occupancy - Rent and Utilities	19100.00	0.00	0.00	19,100.00
Research and Development	0.00	0.00	0.00	0.00
Telecommunications	0.00	0.00	0.00	0.00
Training and Education	0.00	0.00	0.00	0.00
Direct Administrative Costs	0.00	0.00	0.00	0.00
Miscellaneous Costs	0.00	0.00	0.00	0.00
Total Direct Expenses	**19,100.00**	**0.00**	**0.00**	**19,100.00**
Indirect Costs	0.00	0.00	0.00	0.00
Total Expenses	**19,100.00**	**0.00**	**0.00**	**19,100.00**

Illinois Grant Accountability and Transparency Act
Grantee Portal - Audit Consolidated Year-End Financial Report

Grantee Portal / Audit Reviews / Audit / CYEFR / Program

Cancel Save

Program	Other grant programs and activities

Category	Direct Federal	Other Amount	Total
Personal Services (Salaries and Wages)	0.00	0.00	0.00
Fringe Benefits	0.00	0.00	0.00
Travel	0.00	0.00	0.00
Equipment	0.00	0.00	0.00
Supplies	0.00	0.00	0.00
Contractual Services	0.00	0.00	0.00
Consultant (Professional Services)	0.00	0.00	0.00
Construction	294707.00	0.00	294,707.00
Occupancy - Rent and Utilities	0.00	0.00	0.00
Research and Development	0.00	0.00	0.00
Telecommunications	0.00	0.00	0.00
Training and Education	0.00	0.00	0.00
Direct Administrative Costs	0.00	0.00	0.00
Miscellaneous Costs	0.00	0.00	0.00
Total Direct Expenses	**294,707.00**	**0.00**	**294,707.00**

Cancel Save

Illinois Grant Accountability and Transparency Act
Grantee Portal - Audit Consolidated Year-End Financial Report

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Cancel Save

Program	All other costs not allocated

Category	Other Amount
Personal Services (Salaries and Wages)	0.00
Fringe Benefits	0.00
Travel	0.00
Equipment	0.00
Supplies	0.00
Contractual Services	0.00
Consultant (Professional Services)	0.00
Construction	0.00
Occupancy - Rent and Utilities	0.00
Research and Development	0.00
Telecommunications	0.00
Training and Education	0.00
Direct Administrative Costs	0.00
Miscellaneous Costs	40742694.00
Total Direct Expenses	**40,742,694.00**

Cancel Save

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Navy Pier, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Navy Pier, Inc. (the Entity), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 18, 2021.

Internal control over financial reporting
In planning and performing our audit of the financial statements, we considered the Entity's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and other matters
As part of obtaining reasonable assurance about whether the Entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial

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statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Intended purpose

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

Chicago, Illinois
June 18, 2021