

2010

Illinois
Sports
Facilities
Authority
Annual
Report





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board of directors

Governor James R. Thompson, Chairman

John T. McCarthy, Treasurer

Timothy Ray, Secretary

Joan M. Etten

William R. Power

Peter Q. Thompson

Alvin Boutte, Jr.

Special thanks to:

Ron Vesely/Chicago White Sox,
Michael Prizant Photography and Stephan Bates

ISFA staff

Perri L. Irmer
Chief Executive Officer

Dana Phillips Goodum
Chief Financial Officer

Charles P. Sampey
Director of Development and Facilities

Maureen Gorski
Director of Accounting

Eric C. Stefancic
Director of Special Events & Marketing

P.J. Frayer
Office Manager/Administrative Coordinator

'10 message from the chairman

As I conclude my fifth year as Chairman of the Illinois Sports Facilities Authority, I remain proud of our success in making U.S. Cellular Field a multi-use, world-class facility and a great home to Chicago White Sox baseball. I thank the Board of Directors and Chief Executive Officer, Perri Irmer, for her commitment to the Authority, and to her talented staff for their continued diligent efforts.

Opened as the "New Comiskey Park" in 1991, the 2010 season marked our 20th year of Major League Baseball at U.S. Cellular Field. In that time we have hosted an All-Star game, rock concerts, a perfect game and a World Series. Over the years we have transformed the park inside and out, including adding a roof over the upper deck; new stadium seats; new bullpen locations; a centerfield fan deck; several new premium seating and dining areas; state-of-the-art video boards, controls and sound; an interactive sports deck for children; a year-round Conference and Learning Center; North America's largest permeable paved green parking lot and an enclosed vertical transportation structure at Gate 5 which, we are pleased to say, will now house a new, sports-themed restaurant that will open for the 2011 baseball season. The two-level restaurant, tentatively dubbed "Comiskey's Bar & Grill", will feature 70 flat screen video displays, and accommodate 350 patrons inside and an additional 150 in its outdoor beer garden. This first-class venue operated by Gibson's Restaurant Group will be open year-round, creating new jobs, offering a much needed amenity for the neighborhood, and providing another exciting attraction for Sox fans and residents alike.

Future development along 35th street will feature a two-story retail store with direct access to the 100-Level pedestrian bridge connecting to the ballpark. This component will offer a state-of-the-art shopping experience featuring mixed media focal areas, memorabilia displays, translucent street-side promotional graphics and the latest in Chicago White Sox and other sports apparel. The team gear store will also be open year-round, and both of these new projects represent an important advancement of the long-term development plan for our 80-acre footprint.

During 2010, the Authority made a number of necessary stadium improvements and repairs, including concrete repairs and replacement of the membrane on the pedestrian ramps, the second phase of the chiller replacement program and the first phase of renovations to the existing air-handling systems, both focusing on energy conservation and efficiency as a priority. These improvements, with a total value of approximately \$9.2 million, are examples of our continuing commitment to the maintenance and enhancement of U.S. Cellular Field.

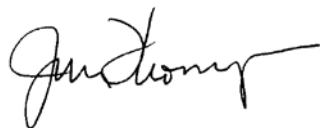
The Authority's community outreach effort in 2010 was driven by our annual ticket program, which allocated nearly 9,000 individual complimentary game tickets to community youth groups, neighborhood organizations and other non-profits, both local and state-wide. Additionally, we continue to donate the vast majority of our suite dates and premium seats to charitable and civic organizations to assist them in raising funds for programs that benefit our citizens.

The Authority once again partnered with Chicago's diplomatic community for the third annual "Consular Corps Sports Night" which brought together more than 250 international diplomats and guests from nearly 80 countries to enjoy America's pastime. And in cooperation with the humanitarian organization "Malaria No More" the Authority donated use of its Diamond Suite for an event in recognition of World Malaria Day. "Malaria No More" is a national not-for-profit which is dedicated to ending malaria deaths in Africa by the year 2015.

In our commitment to ensuring greater access to U.S. Cellular Field beyond that of the 81 home games played here by the Chicago White Sox, the Authority hosted numerous special and civic events. Nearly 4,000 people attended the annual Chicago Police Department vs. Chicago Fire Department charity baseball game this past August. Ticket proceeds are donated to the families of fallen firefighters and police officers, and to date the Authority has helped raise over \$170,000 for this cause. New this year was a charity run in conjunction with the Les Turner ALS Foundation during which participants ran a 5k around the property, inside the stadium and around the warning track. In conjunction with World Sport Chicago, the legacy organization to "Chicago 2016", the city's Olympics bid team, we utilized our outfield for a day-long youth archery exhibition. World Sport Chicago is committed to raising awareness and increasing local youth participation in Olympic sports. The Authority will continue to work with these and other charitable organizations in support of their important missions of health, education and youth welfare.

The Illinois Sports Facilities Authority's excellent stewardship of U.S. Cellular Field, on behalf of the people of Illinois, is our number one mission. We remain committed to that cause and extend our sincere thanks to the State of Illinois, the City of Chicago, the Chicago Park District and the Chicago White Sox for their partnership in furthering this mission. As we reflect on the successes of our first 20 years, we embrace the future by preparing for the next generation of sports fans, continuing to work effectively and efficiently toward strengthening the Authority's role as a great community partner and maintaining U.S. Cellular Field's status as one of the premier venues in all of sports for generations to come.

Sincerely,



Governor James R. Thompson

- 1 A Chicago Urban League youth group poses for a picture during a Sox game.
- 2 Residents of Tri-care Inc. pose in front of the 2005 World Series Monument after a White Sox victory.
- 3 Two teens with The Answer Inc. join White Sox player, Juan Pierre, prior to the game.
- 4 Members of the Roseland Youth Safety Network Coalition cheer on the Sox from the bleachers.
- 5 South Central Community Services Inc., a comprehensive human service agency, enjoys a day-game at U.S. Cellular Field.
- 6 Students from Urban Prep Academy pose with Anaheim Angels manager, Mike Scioscia, prior to the game. The Authority honored Urban Prep's 102-student inaugural graduating class at a night of baseball in recognition of its 100% college acceptance rate.
- 7 Whittier Elementary students enjoy a Chicago White Sox game.
- 8 The Proviso-Leyden Council for Community Action, Inc., an organization that serves the townships' low-income residents, pose outside gate 5 prior to the start of the game.



'10 charitable donations

Every year, the Authority donates the use of its Diamond Suites, Scout Seats and Home Plate Club tickets to local not-for-profits for use in their fundraising efforts. These donations help support numerous worthy causes. Below is a list of entities which received a donation during the 2010 season.

In addition, the Authority also donated nearly 9,000 regular game tickets to not-for-profit community groups through our ticket program.



20/30 Club
 Access Living
 AIBI/BBF
 Alcuin Montessori
 Alexian Brothers Foundation
 Alternatives Inc.
 Alzheimer's Association
 AKArma
 America Against Malaria
 American Cancer Society
 American Diabetes Foundation
 American Heart Association
 Ancona School
 Antioch Rotary Club
 Aspire
 Association House
 Autism Speaks
 Avenues
 Avon Breast Cancer Walk

Bear Necessities
 Best Buddies of Illinois
 BCNos
 Big Brothers Big Sisters
 Big Shoulders Fund
 Blue Sky Inn
 Boundless Readers
 Boys & Girls Club Elgin
 Briggz 4 Kids
 Cal's All-Stars
 CARA Program
 Carcinoid Cancer Foundation
 Catholic Theological Union
 Center for Independence
 CFFU Burn Foundation
 Chicago Area Women Coalition
 Chicago Association for Retarded Children
 Chicago Bar Association

Chicago Blues Fest
 Chicago Chamber of Commerce
 Chicago Children's Museum
 Chicago Convention & Tourism Bureau
 Chicago Dramatists
 Chicago International Film Festival
 Chicago Lighthouse
 Chicago Sinfonietta
 Chicago Youth Centers
 Chicago Zoological Society
 Child Cause
 Children at Crossroads
 Children's Heart Foundation
 Children's Neuroblastoma
 Chinese American Service League
 C.H.I.W.
 Christ the King Prep

Christopher and Dan Reeves Foundation
 Christopher House
 Court Appointed Special Advocates
 CPD vs. CFD Charity Baseball
 Cradle Foundation
 Cristo Rey
 Cystic Fibrosis
 Daniel Murphy Foundation
 Disney II Magnet
 DuPage Children's Museum
 Earth Angels Relay for Life
 Edge Alliance
 Education Center
 Elgin Community College
 Elmhurst College
 Elmhurst Hospital
 Erickson Institute
 ETA Creative Arts

Families Together
 Friends of Audubon
 Friends of Payton
 Friends of Prentice
 Friends of the Parks
 Foundation Fighting Blindness
 Girls in the Game
 Girls on the Run
 Golf Fore Justice
 Good Sports Inc.
 Guild for Blind
 HACIA
 Haven Youth Foundation
 Helping Hands
 High Jump
 High Sight
 Human Rhythm Project
 Human Rights Campaign
 Humane Society

- 9 Students with the Pilsen Wellness Center enjoy an evening at the ballpark.
- 10 Students with the Barat Education Foundation display Sox tickets donated by the Authority.
- 11 Glen Ellyn Park District youth softball participants pose on-field prior to the start of the Sox vs. Rangers game.
- 12 Students with Robert Morris College pose outside gate 5.
- 13 A group from the local chapter of The First Tee in front of the World Series monument prior to game time.
- 14-18 Now in its 4th year, the Authority's partnership with World Chicago provides international visitors the opportunity to experience our national pastime.
- 14 Visitors from Egypt take in their first ever baseball game.
- 15 A group from Pakistan gathers for a picture.
- 16 Taiwanese teens pose for a picture during a Sox game in April.
- 17 Two teens from the United Kingdom enjoy a game at U.S. Cellular Field.
- 18 A delegation from Iraq poses for a group photo.



Hyde Park Art Center
 Ibero-American Consular Association
 Illinois Eye Bank
 Illinois Institute of Art-Chicago
 Immaculate Conception School
 Inner City
 Instituto del Progreso Latino
 Integrative Touch for Kids
 Interfaith House
 Jobs for Youth Chicago
 Juvenile Protection Agency
 Kankakee Animal Foundation
 Kankakee Montessori School
 Keystone Montessori
 Kids Fight Cancer
 Kids in Danger
 Lake Forest Spring Fair
 LaSalle II PTO

Leadership Greater Chicago
 Les Turner – ALS
 Life Link
 Literacy Chicago
 Links Unlimited
 Loretto Hospital
 Lupus Foundation
 Make-A-Wish
 Malaria No More
 Marianjoy Foundation
 Maternal & Child Health
 Mercy Home for Boys & Girls
 Midwest Brain Injury Clubhouse
 Misericordia
 Mitchell Museum
 Mulliganeers
 Muntu Dance
 NAMI
 National Able Network

National Multiple Sclerosis Society
 National Urban Fellows
 National Latino Education Institute
 North Shore Senior Center
 North Suburban Youth Foundation
 Omni Youth Services
 Orchard Village
 Otis Wilson Foundation
 Palantine Senior Center
 PACTT Foundation
 Park Lawn
 Pediatric Aids
 Perspectives Charter Schools
 Piven Theatre Workshop
 Proviso Leyden Council for Community Action, Inc.
 Project Exploration
 Ready Set Ride
 The Resurrection Project

RML Specialty Hospital
 Rock for Kids
 Ronald McDonald House
 Rush University Medical Center
 Safer Foundation
 Salvation Army
 Sarcoidosis Foundation
 Saving Tiny Hearts
 Sequin Services
 Seratoma Center
 South Central Community Services
 Special Children's Charities
 Special Olympics
 Starlight Children's Foundation
 St. James Food Pantry
 St. Jude's
 St. Rita High School
 St. Xavier University
 Tabula Rosa

Teen Living Program
 The Cradle Foundation
 The Hope Institute
 Thresholds
 United Cerebral Palsy of Chicago
 United Negro College Fund
 United States Marine Corps
 University of Chicago Cancer Research
 University of Chicago Lab Schools
 Wish List
 Women in Film
 Women's Board Northwestern Hospital
 Women's Club of Evanston
 Women's Health Foundation
 Working in the Schools
 World Chicago
 Youth Guidance
 Youth Job Center Evanston

1-3 World Sport Chicago utilized the outfield at U.S. Cellular Field for a youth archery exhibition in conjunction with the B.A.M. (Becoming a Man) program. World Sport Chicago was founded as the living legacy of the Chicago 2016 Olympic and Paralympic bid to promote the awareness of and involvement in Olympic and Paralympic sports to the youth of Chicago.

4 General Motors leased B-Lot at U.S. Cellular Field to conduct a ride-and-drive in conjunction with the 2010 Chicago Auto Show.

5-6 The annual Catholic League vs. Public League baseball game showcases the area's best talent from both leagues. The game was back and forth, but the Catholic League eventually prevailed by a final score of 9-5.

7-8 Whitney Young players celebrate their victory over the Taft Eagles at the annual Public League Championship at U.S. Cellular Field. Whitney Young jumped out to a big lead and never looked back, ultimately winning by a final of 12-2. This is the third time in four seasons that the Dolphins have taken the title.

9-11 For the second consecutive year the Authority hosted "Buddy Baseball" at U.S. Cellular Field. This event allows special-needs children the opportunity to play baseball on a major league field, with the assistance of a buddy. Family, friends and White Sox mascot, Southpaw, cheered them on while former White Sox great, Ron Kittle, coached.



'10 special events

The Illinois Sports Facilities Authority is committed to ensuring that U.S. Cellular Field is utilized for more than Chicago White Sox home games.

ISFA welcomes hundreds of citizens throughout the year to experience the world-class facility at a variety of special events. New to the 2010 events calendar were World Sport Chicago's archery exhibition, held on the outfield grass, and the Les Turner ALS Foundation's "Strike Out ALS" 5K charity run. Annual events welcomed back in 2010 included the Public League Championship, the Catholic League vs. Public League All-Star game and the Chicago Police Department vs. Chicago Fire Department Charity Baseball Classic.

12-13 The second "Rundown Alzheimer's" charity run featured approximately 100 runners participating in a 3-mile run around the concourse and warning track.

14-15 "Strike Out ALS" a 5k charity run sponsored by the Les Turner ALS Foundation, began at old home plate in B-lot and

then came into and around the ball park. Approximately 120 runners completed the course, raising \$10k for the organization's mission of the treatment and elimination of amyotrophic lateral sclerosis (ALS), better known as Lou Gehrig's disease.

16-19 The 11th annual Chicago Police Department vs. Chicago Fire Department Charity Baseball Classic was held on Saturday August 21, 2010, at U.S. Cellular Field. Funds raised benefited Chicago Fire Department and Chicago Police Department charities. The Chicago Police Department won the game,

8-5. New to the pre-game ceremony this year was a motorcycle honor guard provided by the Warrior Watch Riders. The motorcycle club, which is dedicated to supporting U.S. troops, ringed the warning track with 100 motorcycles displaying the American flag.



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1-3 As a kickoff to the 2010 BMW Golf Championship held in Lemont, Illinois, BMW of North America utilized the parking lots at U.S. Cellular Field to conduct a teen safe driving event for area students. During the event, students improved their driving skills and increase their road knowledge through classroom instruction, driver awareness demos, and hands-on driving exercises.

4-5 Allstate Insurance Company's "Family Driving Challenge", which utilized the parking lots at U.S. Cellular Field, is a hands-on experience where parents and teens learned what distractions can do to a driver behind the wheel. Professional driving instructors took parent-teen teams through a special advanced driving course which included distractions such as phone calls, texting and rowdy passengers.

6-7 For the third consecutive year, the Authority hosted the "Driving Skills for Life" program sponsored by the Ford Motor Company and the Governors Highway Safety Association. U.S. Cellular Field parking lots were converted into road courses aimed at teaching teens vehicle handling, hazard recognition, speed and space management in specially equipped vehicles under the guidance of professional instructors.

8-10 The 10th annual Chicago Fire Department Safety Fair was again hosted by the Authority at U.S. Cellular Field. The day-long event for area grade-school children included lectures on railroad safety, pool safety and proper use of 911. A mobile smoke house was stationed in the parking lots and teaches proper evacuation procedures. Students also participated in a safety themed mural contest with winners taking home White Sox tickets, courtesy of the Authority.

'10 community outreach

From public safety and anti-violence programming to global health initiatives, the Authority reaffirms its commitment to being a good neighbor and community asset by providing the use of the facility and property to organizations which share that commitment.



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11 Chicago Police 9th District Commander, David Jarmusz poses with local students at the annual G.R.E.A.T. (Gang Resistance, Education and Training) graduation hosted by ISFA. Students in attendance have completed the G.R.E.A.T. program, which aims to make young people aware of the consequences of gang activity.

12 (L-R) American Idol contestant Elliot Yamin, Ozzie Guillen, actor Jeremy Piven, Illinois Governor Pat Quinn, and Malaria No More CEO, Scott Case, pose on-field in recognition of World Malaria Day. Malaria No More hosted an awareness event in the Authority's diamond suite to bring attention to its mission of ending malaria deaths in Africa by the year 2015.

13 ISFA CEO Perri Irmer (center) poses with Patricia Maza-Pittsford, Consul General of El Salvador and Dean of the Chicago Consular Corps, (second from left) and guests at the 3rd annual "Consular Corps Sports Night" held in the lower terrace at U.S. Cellular Field. Hosted by the Authority and the White Sox the gathering brought together 250 representatives of Chicago's diplomatic community.

14 The third annual Shredder Day, which seeks to decrease the spread of identity theft, was hosted by the City of Chicago in A-Lot at U.S. Cellular Field. Commercial shredding trucks allow area residents to dispose of sensitive material free of charge.



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- 1 United States Senator Dick Durbin address students attending the Our American Voice event in the Auditorium at U.S. Cellular Field. Our American Voice connects middle school students to the democratic process through active community problem solving in an after-school program that is engaging, interactive and grounded in real life.
- 2 The Illinois Department of Transportation in conjunction with CREATE (a partnership between

U.S. DOT, the State of Illinois, City of Chicago, Metra, Amtrak, and the nation's freight railroads) hosts a business exchange with Chicago area small businesses to connect with small disadvantaged businesses, minority and women-owned enterprises and the rail industry.

- 3 The board of The First Tee Chicago utilizes the board room of the Conference and Learning Center for a meeting. The First Tee is an international youth development initiative of the World Golf Foundation, a

nonprofit organization that is supported by the leading organizations in golf. The First Tee of Greater Chicago is one of over two hundred chapters dedicated to teaching life skills and character education through the game of golf.

- 4 Mayor Daley greets attendees of the Chicago Public Schools' Interfaith Breakfast in the Scout Lounge at U.S. Cellular Field. The annual breakfast brings together school officials and leaders from the faith-based community to

promote the message about the importance of school attendance.

- 5 City of Chicago Treasurer Stephanie Neely speaks to Chicago Public school students during a day-long assembly regarding the importance of personal fiscal responsibility. Treasurer Neely's talk centered around creating a spending budget and the pitfalls associated with credit card debt.

'10 conference & learning center

Since its opening in 2001 the Conference and Learning Center has hosted hundreds of non-profit, civic and community events. Available free-of-charge to the community, the Conference and Learning center offers a dynamic, state-of-the-art venue while furthering the Authority's effort of making U.S. Cellular Field a year-round destination.

In 2010, the Conference and Learning Center was utilized by organizations such as Boy Scouts of America, Chicago Housing Authority, Chicago Public Schools, Girls in the Game and the Bronzeville Community Development Partnership.



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'10 independent auditor's report

Wolf & Company LLP

Certified Public Accountants

Board of Directors
Illinois Sports Facilities Authority

We have audited the accompanying combined statements of assets, liabilities, and equity - bond indenture basis of the Illinois Sports Facilities Authority (the "Authority") as of June 30, 2010 and 2009, and the related combined statement of revenues, expenditures and changes in fund balance - bond indenture basis for the years then ended. These financial statements are the responsibility of the Authority's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the respective financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1 to the combined bond indenture basis financial statements, the Authority has prepared these combined bond indenture basis financial statements in accordance with the accounting principles required by the Bond Indenture securing the Bonds issued by the Authority, which practices differ from accounting principles generally accepted in the United States of America. The effects on such combined bond indenture basis financial statements of the differences between the bond indenture basis of accounting and accounting principles generally accepted in the United States of America are also described in Note 1.

In our opinion, such combined bond indenture basis financial statements present fairly, in all material respects, the assets, liabilities, and equity of the Authority as of June 30, 2010 and 2009, and its revenues, expenditures and changes in fund balances for the years then ended, on the bond indenture basis of accounting described in Note 1.



Oak Brook, Illinois
October 26, 2010

Combined Statements of Assets, Liabilities and Equity—Bond Indenture Basis

ASSETS

| Current Assets: | General Fund | Comiskey Park Capital Improvement Fund | Supplemental Stadium Fund | Chicago White Sox Reserve Fund | Revenue Funds | 1999 Debt Service Funds | 2001 Debt Service Funds | 2003 Debt Service Funds | 2008 Debt Service Funds | Soldier Field Capital Improvement Fund | Soldier Field Reserve Fund | Construction Fund | Combined Total June 30, | |
|---|----------------------|--|---------------------------|--------------------------------|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|----------------------------|-----------------------|-------------------------|-----------------------|
| | | | | | | | | | | | | | 2010 | 2009 |
| Cash, Cash Equivalents, and Investments | \$ 43,395,009 | \$ 24,461,182 | \$ 3,856,410 | \$ - | \$ - | \$ - | \$ - | \$ 550,864 | \$ 812,626 | \$ 3,846,534 | \$ - | \$ - | \$ 76,922,625 | \$ 82,058,523 |
| Hotel Tax Revenues Receivable | - | - | - | - | 11,414,412 | - | - | - | - | - | - | - | 11,414,412 | 10,279,527 |
| Interest and Other Receivables | 78,834 | 150,511 | - | - | 121,018 | 3 | 8 | 457,806 | 1 | - | - | - | 808,181 | 611,919 |
| Prepaid Expenditures | 303,396 | - | - | - | - | - | - | - | - | - | - | - | 303,396 | 316,444 |
| Due From Other Funds: | | | | | | | | | | | | | | |
| General Fund | - | - | - | 6,897,555 | - | - | - | - | - | - | 6,804,558 | - | 13,702,113 | 25,267,393 |
| Comiskey Park Capital Improvement Fund | 1,961 | - | - | - | - | - | - | - | - | - | - | - | 1,961 | 391 |
| 1999 Debt Service Funds | 3 | - | - | - | - | - | - | - | - | - | - | - | 3 | 13 |
| 2001 Debt Service Funds | 8 | - | - | - | - | - | - | - | - | - | - | - | 8 | 26 |
| 2003 Debt Service Funds | 2 | 251,662 | - | - | - | - | - | - | - | - | - | - | 251,664 | 251,669 |
| 2008 Debt Service Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 |
| Total Current Assets: | 43,779,213 | 24,863,355 | 3,856,410 | 6,897,555 | 11,535,430 | 3 | 8 | 1,008,670 | 812,627 | 3,846,534 | 6,804,558 | - | 103,404,363 | 118,785,906 |
| Long-Term Assets: | | | | | | | | | | | | | | |
| Stadium | - | - | - | - | - | - | - | - | - | - | - | 153,260,885 | 153,260,885 | 153,260,885 |
| Stadium Improvements | - | - | - | - | - | - | - | - | - | - | - | 74,917,198 | 74,917,198 | 73,991,483 |
| Scoreboard | - | - | - | - | - | - | - | - | - | - | - | 8,777,201 | 8,777,201 | 8,777,201 |
| Replacement Housing | - | - | - | - | - | - | - | - | - | - | - | 4,763,939 | 4,763,939 | 4,763,939 |
| Land | - | - | - | - | - | - | - | - | - | - | - | 28,165,461 | 28,165,461 | 28,165,461 |
| Land Improvements | - | - | - | - | - | - | - | - | - | - | - | 4,367,560 | 4,367,560 | 4,367,560 |
| Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | 8,933,867 | 8,933,867 | 8,933,867 |
| Total Long-Term Assets: | - | - | - | - | - | - | - | - | - | - | - | 283,186,111 | 283,186,111 | 282,260,396 |
| TOTAL ASSETS: | \$ 43,779,213 | \$ 24,863,355 | \$ 3,856,410 | \$ 6,897,555 | \$ 11,535,430 | \$ 3 | \$ 8 | \$ 1,008,670 | \$ 812,627 | \$ 3,846,534 | \$ 6,804,558 | \$ 283,186,111 | \$ 386,590,474 | \$ 401,046,302 |

See notes to combined bond indenture basis financial statements and independent auditor's report.

June 30, 2010 (With Comparative Totals for 2009)

LIABILITIES & EQUITY

| | General Fund | Comiskey Park Capital Improvement Fund | Supplemental Stadium Fund | Chicago White Sox Reserve Fund | Revenue Funds | 1999 Debt Service Funds | 2001 Debt Service Funds | 2003 Debt Service Funds | 2008 Debt Service Funds | Soldier Field Capital Improvement Fund | Soldier Field Reserve Fund | Construction Fund | Combined Total June 30, | | |
|--|----------------------|--|---------------------------|--------------------------------|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|----------------------------|-----------------------|-------------------------|-----------------------|--------------------|
| | | | | | | | | | | | | | 2010 | 2009 | |
| Current Liabilities: | | | | | | | | | | | | | | | |
| Accounts Payable | \$ 273,119 | \$ 4,094,946 | \$ 317,711 | \$ - | \$ - | \$ - | \$ - | \$ 478,166 | \$ - | \$ 135,282 | \$ - | \$ - | \$ - | \$ 5,299,224 | \$ 9,926,876 |
| Hotel Tax Advance Payable | - | - | - | - | 1,643,338 | - | - | - | - | - | - | - | - | 1,643,338 | - |
| Interest Payable | - | - | - | - | 456,576 | - | 935,397 | 95,300 | 20,491 | - | - | - | - | 1,507,764 | 564,822 |
| State Administration Fee Payable | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 411,181 |
| Due to Other Funds: | | | | | | | | | | | | | | | |
| General Fund | - | 1,961 | - | - | - | 3 | 8 | 2 | - | - | - | - | - | 1,974 | 438 |
| Comiskey Park Capital Improvement Fund | - | - | - | - | - | - | - | 251,662 | - | - | - | - | - | 251,662 | 12,751,662 |
| Chicago White Sox Reserve Fund | 6,897,555 | - | - | - | - | - | - | - | - | - | - | - | - | 6,897,555 | 7,088,210 |
| Soldier Field Reserve Fund | 6,804,558 | - | - | - | - | - | - | - | - | - | - | - | - | 6,804,558 | 5,679,183 |
| Total Current Liabilities: | 13,975,232 | 4,096,907 | 317,711 | - | 2,099,914 | 3 | 935,405 | 825,130 | 20,491 | 135,282 | - | - | - | 22,406,075 | 36,422,372 |
| Long-Term Liabilities: | | | | | | | | | | | | | | | |
| Long-Term Liabilities | - | - | - | - | - | - | 395,755,304 | 40,010,000 | 9,705,000 | - | - | - | - | 445,470,304 | 460,230,620 |
| Total Liabilities: | 13,975,232 | 4,096,907 | 317,711 | - | 2,099,914 | 3 | 396,690,709 | 40,835,130 | 9,725,491 | 135,282 | - | - | - | 467,876,379 | 496,652,992 |
| Equity: | | | | | | | | | | | | | | | |
| Fund Balance (Deficit) | 29,803,981 | 20,766,448 | 3,538,699 | 6,897,555 | 9,435,516 | - | (399,933,437) | (42,351,460) | (9,207,864) | 3,711,252 | 6,804,558 | 126,449,111 | (244,085,641) | (243,646,110) | |
| Principal Amount of Bonds Retired from Revenue | - | - | - | - | - | - | 3,242,736 | 2,525,000 | 295,000 | - | - | 150,000,000 | 156,062,736 | 141,302,420 | |
| Principal Amount of Scoreboard Note Retired from Revenue | - | - | - | - | - | - | - | - | - | - | - | 6,737,000 | 6,737,000 | 6,737,000 | |
| Total Equity: | 29,803,981 | 20,766,448 | 3,538,699 | 6,897,555 | 9,435,516 | - | (396,690,701) | (39,826,460) | (8,912,864) | 3,711,252 | 6,804,558 | 283,186,111 | (81,285,905) | (95,606,690) | |
| TOTAL LIABILITIES & EQUITY: | \$ 43,779,213 | \$ 24,863,355 | \$ 3,856,410 | \$ 6,897,555 | \$ 11,535,430 | \$ 3 | \$ 8 | \$ 1,008,670 | \$ 812,627 | \$ 3,846,534 | \$ 6,804,558 | \$ 283,186,111 | \$ 386,590,474 | \$ 401,046,302 | |

See notes to combined bond indenture basis financial statements and independent auditor's report.

Combined Statements of Revenues, Expenditures and Changes in Fund Balance

| Revenues: | General Fund | Comiskey Park Capital Improvement Fund | Supplemental Stadium Fund | Chicago White Sox Reserve Fund | Revenue Funds | 1999 Debt Service Funds | 2001 Debt Service Funds | 2003 Debt Service Funds | 2008 Debt Service Funds | Soldier Field Capital Improvement Fund | Soldier Field Reserve Fund | Construction Fund | Combined Total June 30, | | |
|--|--------------------|--|---------------------------|--------------------------------|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|----------------------------|-------------------|-------------------------|--------------------|---------------------|
| | | | | | | | | | | | | | 2010 | 2009 | |
| State Subsidy | \$ - | \$ - | \$ - | \$ - | \$ 5,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,000,000 | \$ 5,000,000 |
| City Subsidy | - | - | - | - | 5,000,000 | - | - | - | - | - | - | - | - | 5,000,000 | 5,000,000 |
| Investment Income | 153,271 | 74,157 | 1,172 | - | - | 419,696 | 8 | 106 | 51 | 4,685 | - | - | - | 653,146 | 3,043,423 |
| Hotel Tax Revenue | - | - | - | - | 30,114,550 | - | - | - | - | - | - | - | - | 30,114,550 | 33,403,924 |
| Special Events Revenue | 66,295 | - | - | - | - | - | - | - | - | - | - | - | - | 66,295 | 21,588 |
| Fees to the Authority from the Chicago White Sox | - | - | - | - | 2,233,135 | - | - | - | - | - | - | - | - | 2,233,135 | 2,672,085 |
| Other Income | 19,526 | 66,234 | - | - | - | - | - | - | - | - | - | - | - | 85,760 | 21,412 |
| Total Revenues | 239,092 | 140,391 | 1,172 | - | 42,347,685 | 419,696 | 8 | 106 | 51 | 4,685 | - | - | - | 43,152,886 | 49,162,432 |
| Expenditures: | | | | | | | | | | | | | | | |
| General Expenditures: | | | | | | | | | | | | | | | |
| Salaries and Benefits | 756,156 | - | - | - | - | - | - | - | - | - | - | - | - | 756,156 | 698,799 |
| Office Expenditures | 74,642 | - | - | - | - | - | - | - | - | - | - | - | - | 74,642 | 98,875 |
| Insurance Expenditures | 517,539 | - | - | - | - | - | - | - | - | - | - | - | - | 517,539 | 567,258 |
| Professional Services | 1,104,582 | 904,259 | 2,352 | - | - | - | - | (181,586) | - | - | - | - | - | 1,829,607 | 4,876,996 |
| Trustee Fees | - | - | - | - | 20,500 | - | - | - | - | - | - | - | - | 20,500 | 18,050 |
| State Administration Fee | - | - | - | - | 1,204,582 | - | - | - | - | - | - | - | - | 1,204,582 | 1,336,157 |
| Amusement Tax Payments | - | - | - | - | 216,060 | - | - | - | - | - | - | - | - | 216,060 | 104,524 |
| Marketing and Special Events | 91,450 | - | - | - | - | - | - | - | - | - | - | - | - | 91,450 | 112,408 |
| Debt Service Expenditures: | | | | | | | | | | | | | | | |
| Bond Interest | - | - | - | - | - | 531,808 | 10,837,457 | 2,345,986 | 515,148 | - | - | - | - | 14,230,399 | 13,560,769 |
| Bond Principal Payments | - | - | - | - | - | 11,800,000 | 2,010,316 | 655,000 | 295,000 | - | - | - | - | 14,760,316 | 12,906,033 |
| Bond Issuance Cost | - | - | - | - | - | - | - | - | 12,971 | - | - | - | - | 12,971 | 393,630 |
| Total General Expenditures | 2,544,369 | 904,259 | 2,352 | - | 1,441,142 | 12,331,808 | 12,847,773 | 2,819,400 | 823,119 | - | - | - | - | 33,714,222 | 34,673,499 |
| Other Expenditures: | | | | | | | | | | | | | | | |
| Capital Improvements | - | 1,502,583 | 317,711 | - | - | - | - | (53,965) | - | 1,731,346 | - | - | - | 3,497,675 | 27,042,389 |
| Park Maintenance | - | 3,115,981 | - | - | - | - | - | (34,323) | - | - | - | - | - | 3,081,658 | 2,885,442 |
| Chicago White Sox Maintenance Subsidy | 45,394 | - | - | - | - | - | - | - | - | - | - | - | - | 45,394 | 193,919 |
| Soldier Field Maintenance Subsidy | 4,179,183 | - | - | - | - | - | - | - | - | - | - | - | - | 4,179,183 | 4,557,459 |
| Total Other Expenditures | 4,224,577 | 4,618,564 | 317,711 | - | - | - | - | (88,288) | - | 1,731,346 | - | - | - | 10,803,910 | 34,679,209 |
| TOTAL EXPENDITURES | 6,768,946 | 5,522,823 | 320,063 | - | 1,441,142 | 12,331,808 | 12,847,773 | 2,731,112 | 823,119 | 1,731,346 | - | - | - | 44,518,132 | 69,352,708 |
| Excess (Deficiency) of Revenues Over Expenditures | (6,529,854) | (5,382,432) | (318,891) | - | 40,906,543 | (11,912,112) | (12,847,765) | (2,731,006) | (823,068) | (1,726,661) | - | - | - | (1,365,246) | (20,190,276) |

See notes to combined bond indenture basis financial statements and independent auditor's report.

— Bond Indenture Basis

For the Year Ended June 30, 2010 (With Comparative Totals for 2009)

| Other Financing Sources (Uses): | General Fund | Comiskey Park Capital Improvement Fund | Supplemental Stadium Fund | Chicago White Sox Reserve Fund | Revenue Funds | 1999 Debt Service Funds | 2001 Debt Service Funds | 2003 Debt Service Funds | 2008 Debt Service Funds | Soldier Field Capital Improvement Fund | Soldier Field Reserve Fund | Construction Fund | Combined Total June 30, | |
|--|----------------------|--|---------------------------|--------------------------------|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|----------------------------|-----------------------|-------------------------|-------------------------|
| | | | | | | | | | | | | | 2010 | 2009 |
| In-kind Donation from the Chicago White Sox | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 110,073 | \$ 110,073 | \$ 496,279 |
| Stadium Improvements | - | - | - | - | - | - | - | - | - | - | - | 2,384,505 | 2,384,505 | 28,539,429 |
| Stadium Disposals | - | - | - | - | - | - | - | - | - | - | - | (1,568,863) | (1,568,863) | (5,716,902) |
| Land | - | - | - | - | - | - | - | - | - | - | - | - | - | 634,393 |
| Bond Proceeds | - | - | - | - | - | - | - | - | - | - | - | - | - | 10,091,588 |
| Bond Proceeds Applied | - | - | - | - | - | - | - | - | - | - | - | - | - | (10,000,000) |
| Transfers-In: | | | | | | | | | | | | | | |
| General Fund | - | 3,800,311 | - | - | - | - | - | - | - | 1,500,000 | 1,125,375 | - | 6,425,686 | 18,828,061 |
| Comiskey Park Capital Improvement Fund | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,491,348 |
| Chicago White Sox Reserve Fund | 190,655 | - | - | - | - | - | - | - | - | - | - | - | 190,655 | 357,294 |
| Revenue Funds | 12,987,770 | 116,360 | - | - | - | 12,354,600 | 12,336,750 | 3,002,144 | 810,857 | - | - | - | 41,608,481 | 47,083,469 |
| 1999 Debt Service Funds | 419,697 | - | - | - | - | - | - | - | - | - | - | - | 419,697 | 413,640 |
| 2001 Debt Service Funds | 8 | - | - | - | - | - | - | - | - | - | - | - | 8 | 13,752 |
| 2003 Debt Service Funds | 2 | - | - | - | - | - | - | - | - | - | - | - | 2 | - |
| 2008 Debt Service Funds | 59 | - | - | - | - | - | - | - | - | - | - | - | 59 | - |
| Transfers-Out: | | | | | | | | | | | | | | |
| General Fund | - | - | - | (190,655) | (12,987,770) | (419,697) | (8) | (2) | (59) | - | - | - | (13,598,191) | (21,862,349) |
| Supplemental Stadium Fund | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,373,130) |
| Comiskey Park Capital Improvement Fund | (3,800,311) | - | - | - | (116,360) | - | - | - | - | - | - | - | (3,916,671) | (16,885,357) |
| 1999 Debt Service Funds | - | - | - | - | (12,354,600) | - | - | - | - | - | - | - | (12,354,600) | (12,351,352) |
| 2001 Debt Service Funds | - | - | - | - | (12,336,750) | - | - | - | - | - | - | - | (12,336,750) | (10,916,752) |
| 2003 Debt Service Funds | - | - | - | - | (3,002,144) | - | - | - | - | - | - | - | (3,002,144) | (2,940,508) |
| 2008 Debt Service Funds | - | - | - | - | (810,857) | - | - | - | - | - | - | - | (810,857) | (236,392) |
| Soldier Field Capital Improvement Fund | (1,500,000) | - | - | - | - | - | - | - | - | - | - | - | (1,500,000) | (1,500,000) |
| Soldier Field Reserve Fund | (1,125,375) | - | - | - | - | - | - | - | - | - | - | - | (1,125,375) | (121,724) |
| TOTAL OTHER FINANCING SOURCES (USES) | 7,172,505 | 3,916,671 | - | (190,655) | (41,608,481) | 11,934,903 | 12,336,742 | 3,002,142 | 810,798 | 1,500,000 | 1,125,375 | 925,715 | 925,715 | 24,044,787 |
| Net Change in Fund Balance | 642,651 | (1,465,761) | (318,891) | (190,655) | (701,938) | 22,791 | (511,023) | 271,136 | (12,270) | (226,661) | 1,125,375 | 925,715 | (439,531) | 3,854,511 |
| Fund Balance (Deficit)— June 30, 2009 | 29,161,330 | 22,232,209 | 3,857,590 | 7,088,210 | 10,137,454 | (22,791) | (399,422,414) | (42,622,596) | (9,195,594) | 3,937,913 | 5,679,183 | 125,523,396 | (243,646,110) | (247,500,621) |
| Fund Balance (Deficit)— June 30, 2010 | \$ 29,803,981 | \$ 20,766,448 | \$ 3,538,699 | \$ 6,897,555 | \$ 9,435,516 | \$ - | \$ (399,933,437) | \$ (42,351,460) | \$ (9,207,864) | \$ 3,711,252 | \$ 6,804,558 | \$ 126,449,111 | \$ (244,085,641) | \$ (243,646,110) |

See notes to combined bond indenture basis financial statements and independent auditor's report.

Notes to Combined Bond Indenture Basis Financial Statements June 30, 2010

1. Summary of Significant Accounting Policies

A. Organization of the Authority

The Illinois Sports Facilities Authority (the "Authority") is a political subdivision, unit of local government, body politic, and municipal corporation of the State of Illinois (the "State"). The Authority was established by legislation originally adopted by the Illinois General Assembly in 1987 for the purpose of providing sports stadiums for professional sports teams. On July 7, 1988, the Governor of Illinois signed into law amendatory legislation, which increased the amount of bonds that the Authority could issue, provided additional security for those bonds, modified provisions of the law governing agreements between the Authority and professional sports teams and otherwise facilitated financing of the New Comiskey Park (as defined below) by the Authority. Prior to the adoption of the 1988 amendatory legislation, the Authority and the Chicago White Sox, Ltd. (the "Team"), an Illinois limited partnership, entered into an agreement (the "Management Agreement") by which the Authority agreed to acquire and construct a new baseball stadium and related facilities for the Team. The Management Agreement was approved by both the Commissioner of Major League Baseball and the President of the American League of Professional Baseball Clubs.

On March 29, 1989, the Authority issued \$150,000,000 Series 1989 Bonds to finance the construction of the New Comiskey Park, which was placed in service in April 1991. On June 1, 1999, the Authority issued \$103,755,000 Series 1999 Refunding Bonds and used the proceeds for the advance refunding of the Series 1989 Bonds at a call premium of 102% for amounts maturing after June 15, 1999.

On January 5, 2001, the Governor of Illinois signed into law Public Act 91-935. The principal changes contained in the Act included an increase in the Authority's bond authorization by \$399,000,000 and authorization to use those bond proceeds and to provide financial assistance to another governmental body to provide the design, construction, and renovation of a facility owned or to be owned by that governmental owner. The law was effective June 1, 2001. The 1987 legislation, together with the 1988 and 2001 amendatory legislation, is referred to as the "Authorizing Legislation."

In 2001, the Authority entered various agreements with the Chicago Park District, the Chicago Bears Football Club, Inc. (the "Bears"), the Chicago Bears Stadium, LLC (the "Developer"), and LaSalle Bank N.A. as bond trustee and disbursement agent that outline the terms and conditions with respect to the redevelopment of a 97-acre parcel of Chicago lakefront park land that includes Soldier Field (the "Project"). Included in these agreements are the Development Assistance Agreement and the Operation Assistance Agreement.

On October 4, 2001, the Authority issued \$398,998,040 Series 2001 Bonds to provide financial assistance to the Project. The Project included the restoration of the existing colonnades and the shell of Soldier Field; and construction of a 61,500 seat state-of-the-art facility for athletic, artistic, and cultural events; construction of a new 2,500 space underground parking structure between Soldier Field and the Field Museum utilized for general use by the public, including Museum patrons, throughout the year; the construction of a two-story above-ground parking structure south of Soldier Field; the reconstruction and landscaping of a surface parking lot near McCormick Place; and the creation of 17 new acres of park facilities. Soldier Field officially reopened for National Football League games on September 29, 2003.

In 2003, the Authority and the Team agreed that the Team could license to United States Cellular Corporation the naming rights for the New Comiskey Park. In turn, the Authority and the Team reached agreement on certain changes and modifications including the extension of the term of the Management Agreement from 2010 until 2029, a plan and project list for construction, and the method for financing the improvements via a bond issuance and a corresponding maintenance subsidy reduction to cover the debt service. The

New Comiskey Park is now known as U.S. Cellular Field and corresponding various improvements were made to the park in both the 2004 and 2005 off seasons, most notably the upper deck renovations, the addition of the Fundamental deck and the Scout Seating Area.

On December 29, 2008, the Authority issued \$10,000,000 Series 2008 Bonds to finance the redevelopment of the 35th Street infrastructure. The project consisted of the demolition of portions of the pedestrian ramps and replacement with a new enclosed system of elevators and escalators to provide access for members of the general public.

The Series 1999 Refunding Bonds, the Series 2001 Bonds, the Series 2003 Bonds and the Series 2008 Bonds (collectively the "Bonds") outstanding at June 30, 2010 and 2009, are secured by an assignment of and a first lien on amounts which are to be paid to U.S. Bank N.A. (the "Trustee") from the Illinois Sports Facilities Fund, a fund in the Treasury of the State.

The Bonds were also secured by Authority Tax Revenues subject to the interest of the Team under the Management Agreement until the date the Trustee first received payments from the Sports Facilities Fund after completion of the Soldier Field project. A formal certificate of completion on the Project was issued on February 7, 2007.

B. Establishment of Funds

The financial activities of the Authority are recorded in the following funds required either by the Indenture of Trust, the First Supplemental Indenture of Trust, the Second Supplemental Indenture of Trust, and the Third Supplemental Indenture of Trust (collectively the "Bond Indenture") securing the Series 1999, Series 2001 Bonds, the Series 2003 Bonds, and the Series 2008 Bonds or the Management Agreement and the Operation Assistance Agreement, as noted below:

General Fund

The General Fund accounts for the overall operations of the Authority, as well as construction-related expenditures not paid for through the Construction Fund. Overhead items such as professional fees, commercial insurance, salaries, and office expenditures are paid from this fund. Certain excess revenues in the Revenue Funds are transferred into this fund.

Revenue Funds

- *Sports Facilities Fund*- Revenues received from the Illinois Sports Facilities Fund of the State Treasury, such as subsidies received from the City of Chicago (the "City") and the State, are deposited into this fund.
- *Investment Earnings Fund* - Investment earnings in funds other than the Construction Fund, Debt Service Reserve Fund, Bond Interest Fund, Bond Principal Fund, Bond Redemption Fund, Extraordinary Redemption Fund, and Rebate Fund are transferred into this fund. The amounts held in this fund are to be applied to debt service payments in the event needed. If additional funding is not required, the balance is to be transferred into the Sports Facilities Fund. As a result, when sufficient funding has been appropriated to meet debt service obligations for the fiscal year, the Authority is not required to maintain this fund.
- *Other Revenues Fund*- Authority Hotel Tax revenues and advances from the State along with excess monies in any of the Debt Service Funds at fiscal year-end are deposited into this fund. Fees to the Authority from the Chicago White Sox under Article III and Article XXXI of the Management Agreement are also recorded in this fund.

Debt Service Funds

- *Bond Interest Fund* - Interest payments on the Bonds are paid from this fund. Revenues for payment of interest are generally transferred from the Revenue Funds.
- *Bond Principal Fund*- Principal payments on the Bonds are paid from this fund. Revenues for principal payments are generally transferred from the Revenue Funds.

- *Bond Redemption Fund* - Payments for redemption of term bonds are made from this fund. Revenues for payments are generally transferred from the Revenue Funds.
- *Capitalized Interest Fund* - A portion of the proceeds of the 2001 Series Bonds was placed into this fund to meet part of the interest obligations on such bonds for the first three fiscal years. The interest earned on these proceeds is placed into the fund and will also be used to offset interest payments on the 2001 Series Bonds.
- *Cost of Issuance Fund* - A portion of the proceeds from the issuance of the 2003 Series Bonds and the 2008 Series Bonds were placed into the funds to meet the costs associated with issuing the 2003 and 2008 Series Bonds. The interest earned on these proceeds accumulates within the fund and continues to be used to pay expenditures related to issuing these bonds. Any funds not depleted shall be used as specified in the Bond Indenture.
- *Debt Service Reserve Fund* - The reserve requirement for debt service is maintained in this fund. Transfers may be made to other funds for interest, principal and redemption payments. Additional revenues, if needed, in this fund are obtained through transfers from the Revenue Funds. The reserve requirement for the 1999 through 2003 Series Bonds is currently being met by a surety bond issued by Ambac Assurance Corporation.
- *Extraordinary Redemption Fund* - Payments for early redemption of bonds are made from this fund. Revenues in this fund are obtained through transfers from the Debt Service Funds.
- *Bond Refunding Fund* - Payments for the refunding of outstanding bonds are made from this fund. Revenues for payments are obtained from proceeds of new bond issuances and through transfers from the General Fund.
- *Project Fund* - Upon the financial closing of the 2001 Series Bonds, the 2001 Series Project Fund received the net proceeds of the bonds after payment of costs of issuance and deposits to the Capitalized Interest Fund and was utilized by the Project as defined above. Additionally, the interest earned on these proceeds was deposited into the fund. As of August 20, 2004, these dollars were fully expended. Upon the financial closing of the 2003 Series Bonds, the 2003 Series Project Fund received the net proceeds of the bonds after payment of costs of issuance. Such proceeds were utilized for renovations at U.S. Cellular Field as agreed to by the Authority and Team. Upon the financial closing of the 2008 Series Bonds, the 2008 Series Fund received the net proceeds of the bonds after payment of costs of issuance and debt service reserve. Such proceeds were utilized for the redevelopment of the 35th Street infrastructure. Additionally, interest earned on these proceeds is deposited into the fund.

For financial statement purposes, the debt service funds for each series of bonds have been consolidated into a single column, specifically one column for the 1999 Debt Service Funds, one column for the 2001 Debt Service Funds, one column for the 2003 Debt Service Funds, and one column for the 2008 Debt Service Funds.

Capital Projects Funds

- *Construction Fund* - As created by the Series 1989 Indenture, this fund reflects the majority of the costs associated with the construction of the New Comiskey Park. The majority of the Series 1989 Bond proceeds were deposited into this fund. During fiscal year 1992, the Construction Fund exhausted the balance of the original bond proceeds and all remaining construction expenditures were made from the General Fund.

Other Funds

- *Comiskey Park Capital Improvement Fund (formerly known as the Maintenance and Repairs Fund)* - This fund was created by the Management Agreement and is used to finance the Authority's share of capital improvements to U.S. Cellular Field, as well as ongoing stadium maintenance and repair obligations of the Authority after completion of the New Comiskey Park.

Required annual reserves for maintenance and repair costs are transferred into this fund from the General Fund. In addition, the Three-Party Agreement between the Chicago Park District, the Chicago White Sox, and the Authority provides for portions of fees paid to the Authority by the Chicago White Sox to be deposited within this fund.

- *Supplemental Stadium Fund* - This fund was created by the Management Agreement and is used to finance capital improvements to U.S. Cellular Field mutually agreed by the Authority and the Team. The Authority is required to transfer into the Fund by November 21 of each year amounts determined pursuant to a formula set forth in the Management Agreement. The formula requires the transfer of the lesser of (i) net ticket fees paid to the Authority by the Chicago White Sox for the season most recently ended and (ii) the Amount of Authority hotel tax receipts, if any, in excess of specified annual levels set forth in the Management Agreement. The initial deposit was due in fiscal year 2008 and was paid from the Comiskey Capital Improvement Fund.
- *Chicago White Sox Reserve Fund* - This fund was created by the Management Agreement and is used to retain the reserve required by the Management Agreement between the Authority and the Team. Required annual reserves covering the Authority's good faith estimate of obligations to the Team for the following fiscal year are transferred into this fund from the General Fund.
- *Soldier Field Capital Improvement Fund* - This fund was created by the Operation Assistance Agreement and is used to finance the Authority's subsidy to the Chicago Park District for the capital improvement expenditures at Soldier Field. The required annual subsidy for Chicago Park District's capital improvement costs are transferred into this fund from the General Fund, per the agreement. The obligation for payments started in fiscal year 2004; such obligations are remitted by the Chicago Park District to the Authority for reimbursement.
- *Soldier Field Reserve Fund* - This fund was created by the Operation Assistance Agreement and is used to retain the reserve required by the Operation Assistance Agreement between the Authority and the Chicago Park District.
- *Rebate Fund* - This fund is used to reserve funds for any federal income tax arbitrage rebate liability incurred on excess investment interest income. No federal income tax liability was incurred for the years ended June 30, 2010 and 2009.

The funds shown in these financial statements are those for which activity has been recorded for the period in accordance with the Bond Indenture.

C. Establishment of Accounting Principles

As provided by the Authorizing Legislation, the Authority originally issued Series 1989 Bonds to construct the New Comiskey Park. Additionally, the Authority issued Series 2001 Bonds to provide financial assistance to the Chicago Park District for the Chicago Lakefront and Stadium Improvement Project, Series 2003 Bonds to renovate U.S. Cellular Field and Series 2008 Bonds to redevelop the 35th Street infrastructure. To set forth obligations and agreements of the Authority with regard to these Bonds, the Authority adopted the Bond Indenture.

Under the Bond Indenture and the Authorizing Legislation, various accounting principles are to be followed by the Authority, which differ in certain respects, which in some cases may be material, from accounting principles generally accepted in the United States of America ("GAAP"). The more significant of these differences are as follows:

- Instead of using the modified accrual basis of accounting for governmental funds required under GAAP, the Authority's financial statements are prepared using the accrual basis of accounting and for certain revenues and expenditures, and, as described below, the cash basis of accounting.
- Under GAAP, the Authority would have been required for the year ended June 30, 2003 to adopt the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements - and Management's*

Discussion and Analysis -for State and Local Governments; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis -for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. The principal impact of such standards include:

- In addition to the currently prepared government fund financial statements, the Authority would be required to prepare separate government-wide financial statements under the accrual basis of accounting including recording depreciation expenditures for capital assets.
- The Authority would be required to prepare Management's Discussion and Analysis as required supplementary information to the financial statements.

Therefore, the accompanying financial statements, which are prepared in accordance with the aforementioned accounting principles, are not intended to, and do not, present the financial position or results of operations in conformity with GAAP. Following are the significant accounting policies required by the Bond Indenture:

- **Accrual Basis of Accounting** - The accompanying financial statements were prepared using the accrual basis of accounting, except for the Chicago White Sox Maintenance Subsidy, the Chicago Park District Maintenance Subsidy, payment requisitions from the Project Fund and certain Fees to the Authority from the Chicago White Sox, which are accounted for on a cash basis. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
- **Long-Term Assets and Liabilities** - Every transaction involving an expenditure for a long-term asset is recorded as an expenditure on the combined statement of revenues, expenditures and changes in fund balance. To record the asset on the combined balance sheet, a second entry is made. This second entry records an asset for the amount of the expenditure, with the offsetting entry going to an "other financing sources" account on the combined statement of revenues, expenditures and changes in fund balance. Certain expenditures in the Comiskey Park Capital Improvement Fund, Series 2003 and Series 2008 Project Funds for capital improvements are recorded as long-term assets. Some transactions involving long-term liabilities are recorded as revenue on the combined statement of revenues, expenditures and changes in fund balance. To record the liability on the combined balance sheet, a second entry records the liability for the amount of the revenue, with the offsetting entry going to an "other financing uses" account in the combined statement of revenues, expenditures and changes in fund balance.

The types of costs that have been recorded as long-term assets as described above include construction costs, stadium improvements, land purchases, capitalized interest and 1989 Bond issuance costs. Expenditures surrounding the above-mentioned categories prior to fiscal year 2001 were recorded as long-term assets.

In fiscal year 2001, the Authority undertook a comprehensive process of performing both improvements and renovations to existing components at the park. In situations where these stadium improvements replaced or renovated existing components, the Authority expensed such dollars as park maintenance. However, in situations where the stadium improvement related to a new component and/or to an enhancement to the facility, the Authority recorded the expenditure as a long-term asset. This process was ongoing until fiscal year 2008. Beginning in fiscal year 2009, the historical value of replacements, when indeterminable, was derived using a capital cost reverse escalation calculator model. The model was created using data published by the Engineering News Record ("ENR") Building Cost Index ("BCI") for Chicago, Illinois. The information needed to derive the historical value for

disposals includes the initial year the asset was put into service or the year the replacement asset was installed and the current amount expended on the replacement of those assets.

- **Interest** - Interest on the Bonds is provided from revenues and paid semiannually on June 15th and December 15th from the Bond Interest Fund. In addition, an accrual is made for the amount of interest owed to bondholders. Interest is accrued and paid for all bonds with the exception of the 2001 Series Conversion and Capital Appreciation Bonds, for which payment is deferred until future years.
- **Investment Income** - Income from investments, and profits and losses realized from such investments, are credited or charged to the investing fund on a monthly basis.
- **Revenues** - The Authority's major revenue sources are described below:
 - **State and City Subsidy Payments** - Under the Authorizing Legislation, the Authority is to receive, subject to sufficient appropriation by the General Assembly of the State of Illinois, \$10 million per fiscal year through fiscal year 2032. Of this \$10 million, \$5 million is a subsidy to be provided from a portion of the net proceeds of the State Hotel Operators' Occupation Tax (the "State Hotel Tax") and \$5 million is a subsidy to be provided from a portion of the Local Government Distributive Fund in the State Treasury which is allocated to the City of Chicago.
 - **Proceeds of the State Hotel Tax** - The State imposes a statewide tax on persons engaged in the business of renting, leasing or letting hotel rooms. In each fiscal year, \$5 million is remitted to the Authority from the net proceeds of the State Hotel Tax. Subject to annual appropriation, the payments are made to the Authority from the State Treasury in eight equal monthly installments for the first eight months of the fiscal year. This tax is separate from and in addition to the Authority Hotel Tax described below.
 - **The Local Government Distributive Fund** - In each fiscal year, subject to annual appropriation, \$5 million is remitted to the Authority from the portion of the Local Government Distributive Fund allocated to the City of Chicago. The payments are made to the Authority from the State Treasury in eight equal monthly installments in the first eight months of the fiscal year.
 - **Authority Hotel Tax Collections** - Under the Authorizing Legislation, the Authority is empowered to and has imposed a 2% tax on the receipts from the occupation of renting, leasing or letting hotel rooms in the City (the "Authority Hotel Tax"). The Authority Hotel Tax is collected by the Illinois State Department of Revenue, which withholds 4% of the amount collected as an administrative fee for collecting and remitting these tax revenues to the Authority.
 - **State Advance** - Subject to annual appropriation, every month, for the first eight months of a fiscal year, the State advances to the Authority the difference between the annual amount certified by the Chairman of the Authority pursuant to Section 8.25-4 of the State Finance Act (and appropriated to the Authority from the Illinois Sports Facilities Fund) less the subsidy portion of the appropriation. The amount advanced is drawn from the State Hotel Tax revenues.

The original Act set the advance amount at \$8 million. Public Act 91-935 increased the advance amount to \$22,179,000 for fiscal year 2002 and 105.615% of the previous year's amount for fiscal year 2003 and each fiscal year thereafter through 2032.

Every month during the respective fiscal year until such time as the advance is repaid in full, the State withholds collections of the Authority Hotel Tax to repay the amount advanced to the Authority. The withholding amount is equal to the balance of the advance or the total amount of

collections for the month, if those collections are less than the balance of the advance. During fiscal years 2010 and 2009, the State continued to withhold the tax collections until such time that the advance balance was completely repaid to the State. Upon complete repayment of the advance, the State remitted all Authority Hotel Tax collections to the Authority at month-end. There is generally a three-month lag between the time a hotel collects the tax, remits the tax to the State, and the State remits the collections to the Authority. This lag results in the year-end hotel tax revenues receivable. To the extent that the Authority Hotel Tax is not adequate to repay the advance, the City of Chicago repays the advance deficiency from its share of the State Income Tax and the Authority would reflect a zero balance in the year-end hotel tax revenues receivable.

The Authorizing Legislation provides that on June 15th of each year all amounts which the Authority has received from net proceeds of the Authority Hotel Tax and which remain available after payment of debt service on bonds or notes of the Authority, deposits for debt service reserves, obligations under management agreements with users of the Authority's facilities and/or users of other government entity's facilities for which the Authority has entered into financial assistance agreements, deposits to other reserve funds, and payments of its other capital and operating expenditures, are to be repaid to the State Treasury. The Authority repaid \$0 for the fiscal years 2010 and 2009.

- Fees to the Authority from the Chicago White Sox - The Management Agreement, as amended, currently provides three mechanisms by which the Chicago White Sox remit fees to the Authority. The first mechanism is through ticket revenues; the second is through a guaranteed fee; and the third is an escalating fee for the use of the Conference Center.

Under Article III of the Management Agreement, upon completion of the new stadium, the Authority is entitled to certain ticket fees, which represent a percentage of ticket revenues after attendance reaches a certain level, as defined by the Management Agreement. Total ticket fees for the 2009 Season were \$836,940 resulting in a receivable and net payment to the Authority of \$698,805. Ticket fees for the 2010 Season are projected to exceed the minimum ticket threshold and fee credit in a net amount of \$251,346 at the conclusion of the 2010 Season.

The Authority presents ticket fees as revenue in the combined financial statements net of other payments due to the Chicago White Sox. Tickets sold are subject to the City of Chicago's Amusement Tax. Under the Management Agreement, the Authority is required to reimburse the Chicago White Sox for a certain portion of taxes on the sale of tickets. As of June 30, 2010 and 2009, \$121,018 and \$269,108, respectively, was accrued as net estimated receivables under this agreement.

In addition to ticket fees, the Authority is entitled to a base fee of \$1,200,000 beginning in 2008, which increases annually through 2011 by \$100,000. For Seasons 2012 and thereafter, the fee of \$1,500,000 is escalated by a fraction, the numerator of which is the Consumer Price Index (as defined in the Management Agreement, "CPI") for the month of December preceding such Season and the denominator of which is the CPI for the month of December 2010.

The Authority is also entitled to a rental payment for the Conference Center in the amount of \$100,000 beginning in 2001 and escalating by a fraction, the numerator of which is the Consumer Price Index (as defined in the Management Agreement, "CPF") for the month of May during such Season and the denominator of which is the CPI for the month of May 2001. In no event may the rental payment be reduced below \$100,000.

- Application of Revenues Under the Indenture - Monthly revenues are disbursed in the following order from the following accounts in the Revenue Fund:
 1. From the Investment Earnings Account;
 2. From the Sports Facilities Fund Account;

3. From the Authority Tax Revenues Account;
4. From the Other Revenues Fund.

These disbursements are used to pay the following expenditures in the following order on a monthly basis:

1. One-eighth of the annual interest requirements on outstanding bonds for the first eight months of the fiscal year into the Bond Fund-Interest Account, after taking into account amounts on deposit in and available for transfer from any capitalized interest account;
2. The same as 1. above for the annual principal requirements on serial bonds into the Bond Fund-Principal Account;
3. The same as 2. above for the annual principal requirements on term bonds into the Bond Fund-Redemption Account;
4. An amount, if any, needed to increase the reserve in the Debt Service Reserve Fund for: (i) first, to reimburse in full the Debt Service Reserve Fund Facility Providers for any amounts paid under their Debt Service Reserve Fund Facilities pursuant to a Deficiency Drawing, on a pro rata basis, if any; (ii) second, to increase the balance of such Fund to the Debt Service Reserve Requirement which is equal to the lesser of (a) 50% of Maximum Annual Debt Service or (b) 10% of the aggregate principal amount of all series of the outstanding bonds; and (iii) third, to reimburse in full the Debt Service Reserve Fund Facility Providers for any amounts paid under their Debt Service Reserve Fund Facilities pursuant to an Expiration Drawing, on a pro rata basis, if any;
5. Trustee fees and credit enhancement costs;
6. On a pro rata basis, any interest due and payable to each Debt Service Reserve Fund Facility Provider pursuant to the relevant agreements;
7. All remaining amounts under the Indenture are paid to the Authority, except no investment earnings on amounts in the Revenue Fund are paid to the Authority.

- Disposition of Revenues After Receipt by the Authority - Amounts that the Authority receives under the Indenture, together with the proceeds of the Authority Hotel Tax, investment earnings, receipts from the Chicago White Sox and other revenues and receipts of the Authority are spent for the corporate purposes of the Authority, including to satisfy its obligations under the Management Agreement and its various contracts with the Chicago Park District. The Authority, the Chicago Park District and the Chicago White Sox have entered into a Three-Party Agreement that describes the following relative priority of expenditures by the Authority after making the transfers, deposits and payments required under the Indenture and described above and before rebating any surplus revenues to the State as required under Section 19 of the Act:

1. Payment of the Chicago White Sox maintenance subsidy;
2. Payment of the Authority's ordinary and necessary expenditures;
3. Payment of U.S. Cellular Field capital repairs to a set amount;
4. Payment of the annual subsidy amount to the Chicago Park District;
5. Payment of any U.S. Cellular Field capital repairs not provided for in item 3;
6. Payment of the required deposits to the Soldier Field Capital Improvement Fund;
7. Deposits of the required amounts to the Chicago White Sox Reserve Fund;
8. Deposits of the required amounts to the Soldier Field Reserve Fund;
9. Reserving of any amounts determined by the Authority as protection against fluctuations in the Authority Hotel Tax that might affect the Authority's ability to repay amounts advanced by the State;
10. Payment of any amounts under any agreement with the Chicago White Sox or Chicago Park District entered into after the Three-Party Agreement.

In fiscal year 2007, the Authority established a real estate account within the General Fund of the Authority for the purpose of funding projects to acquire land relevant to the Authority. The balance in the real estate account at the conclusion of fiscal years 2010 and 2009 was \$7,155,000.

In fiscal year 2010, \$190,655 was transferred to the General Fund from the Chicago White Sox Reserve Fund; \$1,125,375 was transferred from the General Fund to the Soldier Field Reserve Fund; and \$3,821,310 was drawn from the

hotel tax variation reserve within the year offset by a \$2,359,200 replenishment to bring the reserve balance at the conclusion of the fiscal year to \$17,837,890.

In fiscal year 2009, \$357,294 was transferred to the General Fund from the Chicago White Sox Reserve Fund; \$121,724 was transferred from the General Fund to the Soldier Field Reserve Fund; and \$431,988 was drawn from the hotel tax variation reserve within the year offset by a \$431,988 replenishment to bring the reserve balance at the conclusion of the fiscal year to \$19,300,000.

- *Investments* - The Authority follows the provisions of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, issued by the Governmental Accounting Standards Board. In accordance with the statement, investments, which are held to their original maturity of one year or less, are recorded at amortized cost, which approximates fair value due to the short-term nature of the investments. Investments that mature greater than one year from the date of purchase are recorded at fair value. If an investment security is to be sold prior to maturity and amortized cost exceeds the expected proceeds from such sale, a loss provision for such excess is recorded in the period in which the decision to sell is made.

The investment of funds is also restricted to permitted investments of public agencies as defined by Illinois law. These permitted investments include direct obligations of the U.S. Treasury, Agencies and Instrumentalities; commercial paper of U.S. corporations with assets exceeding \$500,000,000 if such commercial paper is rated within the three highest rating classifications; interest-bearing savings accounts; certificates of deposit; time deposits; money market accounts; and certain repurchase agreements.

- *Operations* - Operating costs and expenditures are expensed as incurred. In addition, accruals have been made for goods and services received but not paid.
- *Fund Transfers* - The Authority records transfers between funds for various purposes, including earnings transfers, funding, and payment of debt service of the Authority.

2. Cash and Investments

A. Cash

During fiscal years 2010 and 2009, the Authority maintained four checking accounts (one within the General Fund, one within the Comiskey Park Capital Improvement Fund, one within the Supplemental Stadium Fund, and one within the Soldier Field Capital Improvement Fund) for which amounts in excess of a preset figure were swept into a Money Market Mutual Fund that invests in securities issued or guaranteed by the U.S. Government (see the Investments section below). The checking accounts are covered by federal depository insurance up to \$250,000.

B. Cash Equivalents

Cash equivalents are defined and include highly liquid debt instruments purchased with a maturity date of three months or less. Cash equivalents include certain money market mutual funds that allow checks to be written from that fund.

C. Investments

The following investment vehicles were maintained at June 30, 2010 and 2009:

| Investments | Fair Value | Investment Maturities | |
|--------------------------|---------------|-----------------------|---------------|
| | | Less than 1 Year | 1-5 Years |
| Investments-2010 | | | |
| U.S. Government Agencies | \$ 50,728,369 | \$ 50,728,369 | \$ - |
| Investments-2009 | | | |
| U.S. Government Agencies | \$ 71,342,784 | \$ 61,160,771 | \$ 10,182,013 |

The following schedule as of June 30, 2010 and 2009, summarizes cash, cash

equivalents, and investments to their totals in the Combined Statement of Assets, Liabilities, and Equity:

| | 2010 | 2009 |
|----------------------------------|----------------------|----------------------|
| Cash and Cash Equivalents | \$ 26,194,256 | \$ 10,715,739 |
| Investments | 50,728,369 | 71,342,784 |
| Totals | \$ 76,922,625 | \$ 82,058,523 |

D. Credit Risk

State law authorizes the Authority to invest in direct obligations of the U.S. Treasury, Agencies and Instrumentalities; short-term commercial paper of U.S. corporations with assets exceeding \$500,000,000 if such commercial paper is rated within the three highest rating classifications; interest-bearing savings accounts; certificates of deposit; time deposits; money market accounts; and certain repurchase agreements.

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Authority's policy to limit its investments in these investment types to the top two ratings issued by NRSROs. As of June 30, 2010 and 2009, the Authority's investments in commercial paper and money market funds were rated A1 or better by Standard & Poor's.

E. Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities. Investments are held only in banks insured by the Federal Deposit Insurance Corporation. The Authority limits its investments to the safest types of securities, such as obligations backed by the United States or its agencies, in accordance with the Authority's Investment Policy, to mitigate risk of loss. Investments purchased by third-party custodial banks are in accordance with the Authority's investment Policy and are approved by the Authority in advance. Funds of the Authority managed by the Trustee bank pursuant to the Indenture of Trust are invested by the Trustee in accordance with the Bond Indenture and the Illinois Public Funds Investment Act. All investments are held in the Authority's name.

F. Interest Rate Risk

The Authority's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority manages interest rate exposure by matching the maturities of investments with its expected cash flow needs. For investments intended to be used for operations and capital maintenance, the Authority purchases investments so that the maturity dates are in line with anticipated cash flow needs. For investments restricted for capital projects, the Authority invests in maturities that meet the projected draw schedule for related projects.

3. Bonds Payable

A. Series 1999

The Series 1999 Refunding Bond obligation was paid in full at June 15, 2010.

B. Series 2001

Total Series 2001 Bonds outstanding at June 30, 2010 are as follows:

| Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2001 | Effective Interest Rate | Amount |
|--|----------------------------|-----------------------|
| Current Interest Bonds, Due June 15, 2030 to 2032 | 5% | \$ 187,835,000 |
| Conversion Bonds, Due June 15, 2011 to 2030 | 4.50% to 5.50% | 141,167,392 |
| Capital Appreciation Bonds, Due June 15, 2011 to 2026 | 4.55% to 9.00% | 66,752,912 |
| Total | | \$ 395,755,304 |

The Capital Appreciation Bonds are not subject to optional or mandatory redemption prior to maturity. However, both the Current Interest Bonds and the Conversion Bonds are subject to redemption at the option of the Authority prior to maturity and following the conversion date on the Conversion Bonds:

| | Maturing After | Redemption Price |
|--|--|------------------|
| Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2001 Current Interest Bonds | On or after June 15, 2012 and prior to June 15, 2013 | 101.0% |
| | On or after June 15, 2013 | 100.0% |
| Conversion Bonds, subject to optional redemption following the conversion date | On or after June 15, 2015 and prior to June 15, 2016 | 101.0% |
| | On or after June 15, 2016 | None |

Series 2001 Bonds maturing in the years subsequent to June 30, 2010 are as follows:

| Year Ending June 30 | Amount |
|---------------------|-----------------------|
| 2011 | \$ 2,041,432 |
| 2012 | 2,947,861 |
| 2013 | 3,797,354 |
| 2014 | 4,594,695 |
| 2015 | 5,347,832 |
| 2016-2020 | 27,447,019 |
| 2021-2025 | 28,134,175 |
| 2026-2030 | 161,794,936 |
| 2031-2032 | 159,650,000 |
| Total | \$ 395,755,304 |

Ambac Assurance Corporation provides the debt service reserve fund surety bond and bond insurance on the Series 2001 Bonds. The proceeds of the Series 2001 Bonds were used to provide financial assistance to the Chicago Park District to finance a portion of the costs of the reconstruction of Soldier Field and improvements to the Chicago lakefront.

C. Series 2003

Total Taxable Series 2003 Bonds outstanding at June 30, 2010 are as follows:

| | Interest Rate | Amount |
|---|----------------|---------------|
| Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2003 Series Bonds, Due June 15, 2011 to 2029 | 4.625% - 6.05% | \$ 40,010,000 |

The Taxable Series 2003 Bonds are subject to optional and mandatory redemption prior to maturity.

| | Maturing After | Redemption Price |
|---|---------------------------|------------------|
| Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2003 | On or after June 15, 2014 | 100.0% |

Bonds maturing in the years subsequent to June 30, 2010 are as follows:

| Year Ending June 30 | Amount |
|---------------------|----------------------|
| 2011 | \$ 745,000 |
| 2012 | 840,000 |
| 2013 | 945,000 |
| 2014 | 1,055,000 |
| 2015 | 1,170,000 |
| 2016-2020 | 7,970,000 |
| 2021-2025 | 12,600,000 |
| 2026-2029 | 14,685,000 |
| Total | \$ 40,010,000 |

The Debt Service Reserve Fund for the outstanding Bonds is funded by a surety bond issued by Ambac Assurance Corporation. In connection with the surety bond, the Authority covenanted to Ambac Assurance Corporation to set aside and maintain within the Comiskey Park Capital Repairs Account (or another Authority fund, at the discretion of the Authority), an amount ("Authority Reserved Funds") equal to the Maximum Annual Debt Service (as defined in the Indenture) for all Bonds then outstanding, less the annual City Subsidy Monies (as defined in the Indenture), less the net proceeds of the tax imposed by the State Hotel Tax Act (as defined in the

Indenture) from which deposits to the Illinois Sports Facilities Fund (as defined in the Indenture) may be made.

In compliance with the covenant, at the time of issuance of the Series 2003 Bonds, the Authority set aside within the Authority's Comiskey Park Capital Repairs Account until November 1, 2003 the sum of \$6,259,750 as Authority Reserved Funds. Thereafter, the Authority will determine the required amount of Authority Reserved Funds on or before November 1" of each year. If the Authority is required to increase the amount of the Authority Reserved Funds maintained in any year and the fiscal year in which Maximum Annual Debt Service occurs is five or fewer years from the date of the determination of the amount of Authority Reserved Funds, the Authority will increase the amount of the Authority Reserved Funds to comply within 12 months of the determination. If the Authority is required to increase the amount of the Authority Reserved Funds maintained in any year and the fiscal year in which Maximum Annual Debt Service occurs is more than five years from the date of the determination of the amount of Authority Reserved Funds, the Authority will increase the amount of the Authority Reserved Funds within 24 months of the determination.

At June 30, 2010 and 2009, the Authority Reserved Funds in compliance with the covenant were calculated to be \$0.

D. Series 2008

Total Series 2008 Bonds outstanding at June 30, 2010 are as follows:

| | Interest Rate | Amount |
|---|---------------|--------------|
| Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2008 Series Bonds, Due June 15, 2011 to 2029 | 4.50% - 5.85% | \$ 9,705,000 |

The Series 2008 Bonds are subject to optional and mandatory redemption prior to maturity.

| | Maturing After | Price Price |
|---|---------------------------|-------------|
| Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2008 | On or after June 15, 2015 | 100.0% |

Bonds maturing in the years subsequent to June 30, 2010 are as follows:

| Year Ending June 30 | Amount |
|---------------------|---------------------|
| 2011 | \$ 310,000 |
| 2012 | 330,000 |
| 2013 | 350,000 |
| 2014 | 370,000 |
| 2015 | 390,000 |
| 2016-2020 | 2,250,000 |
| 2021-2025 | 2,850,000 |
| 2026-2029 | 2,855,000 |
| Total | \$ 9,705,000 |

The Debt Service Reserve Fund amount held for the outstanding Bonds totals \$812,627 and covers the debt service reserve requirement. The proceeds of the 2008 Bonds were used to finance the redevelopment of the 35th Street infrastructure.

4. Trustee

The Authority and American National Bank (as the "Original Trustee") entered into a Bond Indenture for the Series 1989 Bonds as of March 1, 1989. In conjunction with the refunding of the Series 1989 Bonds, the Authority and the Original Trustee entered into a new Bond Indenture, dated June 1, 1999, to apply to the Series 1999 Refunding Bonds.

On October 9, 2001, LaSalle Bank, N.A. ("Former Trustee") assumed the trustee role for the 1999 Bonds. LaSalle Bank N.A. was appointed as trustee of the Series 2001 and Series 2003 Bonds.

On May 5, 2007, US Bank N.A. ("Trustee") assumed the trustee role for the 1999 Bonds, the Series 2001 and Series 2003 Bonds. US Bank N.A. was appointed as trustee of the Series 2008 Bonds. Under the Bond Indenture, the Trustee has the responsibility to receive and disburse money in accordance with the Bond Indenture and the Authorizing Legislation.

5. Contingencies and Commitments

A. Maintenance Requirements, U.S. Cellular Field

Under the Management Agreement, the Authority reserves \$3 million, increased by 3% annually for each Season after the 2001 Season (this increase provision was effective for the Authority's fiscal year 2003 and equated to minimum transfer amounts of \$3,800,311 and \$3,689,622 in fiscal years 2010 and 2009, respectively), for capital improvements including various maintenance and repair items to be disbursed from the Comiskey Park Capital Improvement Fund.

In fiscal year 2010, the Authority transferred the required amount from the General Fund and \$116,360 from the Other Revenue Fund to the Comiskey Park Capital Improvement Fund to finance various improvements, maintenance and repair projects throughout U.S. Cellular Field and the surrounding property. In accordance with the 17th Amendment to the Management Agreement, the Authority transferred \$0 from the Other Revenue Fund to the Supplemental Stadium Fund.

In fiscal year 2009, the Authority transferred the required amount plus an additional \$13,075,965 from the General Fund and \$119,770 from the Other Revenue Fund to the Comiskey Park Capital Improvement Fund to finance various improvements, maintenance and repair projects throughout U.S. Cellular Field and the surrounding property. In accordance with the 17th Amendment to the Management Agreement, the Authority transferred \$1,373,130 from the Other Revenue Fund to the Supplemental Stadium Fund.

B. Maintenance Requirements, Soldier Field

Under the Operation Assistance Agreement, as the stadium was substantially complete before December 31, 2003, as defined in the Development Agreement, the annual maintenance subsidy amount for fiscal year 2004 was equal to \$3.5 million. Each year thereafter, the Authority is required to remit the \$3.5 million, increased by 3% annually starting in fiscal year 2005, to the Chicago Park District. The Operation Assistance Agreement also calls for an annual subsidy to the Chicago Park District in the amount of \$1.5 million starting in fiscal year 2004, increased to \$2.5 million in fiscal year 2011 with a 3% escalation thereafter, for capital improvements at Soldier Field. These amounts are reserved in the Soldier Field Capital Improvement Fund. The Chicago Park District maintains responsibility for ensuring the facility is structurally sound and safe. In fiscal years 2010 and 2009, respectively, the Authority made these required disbursements. In fiscal year 2009, the Authority made additional maintenance subsidy contributions of \$500,000. The additional contributions were made after the Board approved the request presented by the Chicago Park District.

C. Maintenance Requirements, Supplemental Stadium Fund

Under the Management Agreement, the Authority will transfer amounts determined pursuant to a formula to the Supplemental Stadium Fund in November of each year. Amounts in the Supplemental Stadium Fund will be used for capital improvements to U.S. Cellular Field as mutually agreed by the Authority and the Team. The Authority transferred the initial required deposit of \$4,112,330 from the Comiskey Park Capital Improvement Fund in fiscal year 2008. In fiscal years 2010 and 2009, the Authority transferred the required amounts.

D. Arbitrage Rebate Requirement

The Bond Indenture requires the Authority to establish and administer a Rebate Fund. The Rebate Fund need not be maintained; however, if the Authority's bond counsel renders an opinion that failure to maintain the Rebate Fund will not cause the Bonds to become arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code or otherwise adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Every five years, subject to certain exceptions, the Authority is required to remit to the United States Government an arbitrage rebate payment for the amount of excess earnings from investment of the gross proceeds of the tax exempt bond (the Series 1999, Series 2001 bonds and Series 2008) above the yield on those bonds. At June 30, 2010 and 2009, there was no arbitrage rebate liability.

E. Fund Deficits

As of June 30, 2010, the 2001 Bond Fund, the 2003 Bond Fund, and the 2008 Bond Fund had deficit fund balances of \$399,933,437, \$42,351,460, and \$9,207,864, respectively. As of June 30, 2009, the 1999 Bond Fund, the 2001 Bond Fund, the 2003 Bond Fund, and the 2008 Bond Fund had deficit fund balances of \$22,791, \$399,422,414, \$42,622,596, and \$9,195,594, respectively. The deficit fund balances in the Bond Interest Funds are due to the accrual of interest expenditures within each respective fund. The actual outflow of funds for these accruals will occur in fiscal year 2011, at which time the funds are expected to generate sufficient resources from revenues and/or transfers to pay for the related obligations. The deficit fund balances in the respective Project Funds were related to the financial assistance provided to the Chicago Park District for the construction of the Chicago Lakefront and Stadium Improvement Project and the renovation work performed to existing elements of U.S. Cellular Field as defined in Note 1.

F. Phase V Renovations at U.S. Cellular Field

A settlement had been reached in the Fundamentals Deck Phase V litigation matter. The Authority will be paid a total of \$550,000 by the settling defendants. The settlement was reflected in the financial statements as of June 30, 2010. The Authority will proceed with litigation against the remaining defendant in order to recover any outstanding damages.

G. Phase VI Renovations at U.S. Cellular Field

In April 2007, damage to translucent wall panels at the Stadium occurred as a result of design and construction errors. This resulted in immediate, unanticipated expenditures of \$275,000 to secure the panels in order to meet the season opening day deadline. The Authority was not at fault in any manner for the design and construction errors and resulting damages and, therefore, is entitled to full recovery from the architect and contractors responsible for the errors. Total cost incurred to correct the errors was approximately \$1,194,000. The Authority is currently in litigation with the architect and contractors involved in order to collect the full monies incurred.

6. Retirement Plan

The Authority provides a defined contribution simplified employee pension plan for the benefit of its employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees of the Authority who have attained the age of 21 and have worked at least one year at the Authority are eligible to participate in and are fully vested in the plan. All plan assets and investments are administered by a trustee, which maintains an individual account for each participant. Further, each participant maintains ownership and control over all assets in his or her account. The Authority contributed 13% of its employees' salaries. Employees, at their option, may contribute up to 15% (within a maximum dollar limit) of their salaries to the plan. The plan may be amended or terminated by the Authority at any time and for any reason in the future, but no such action can deprive employees of their vested interests.

7. In-kind Donations

During fiscal year 2010, \$110,073 of in-kind donations was contributed by the Chicago White Sox. Contributions consisted of capital improvements to the Stadium totaling \$110,073. The aggregate is reflected in the capital assets and other financing sources section of the financial statements of the Authority for the year ended June 30, 2010.

During fiscal year 2009, \$496,279 of in-kind donations was contributed by the Chicago White Sox. Contributions consisted of capital improvements to the Stadium totaling \$496,279. The aggregate is reflected in the capital assets and other financing sources section of the financial statements of the Authority for the year ended June 30, 2009.



2010

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