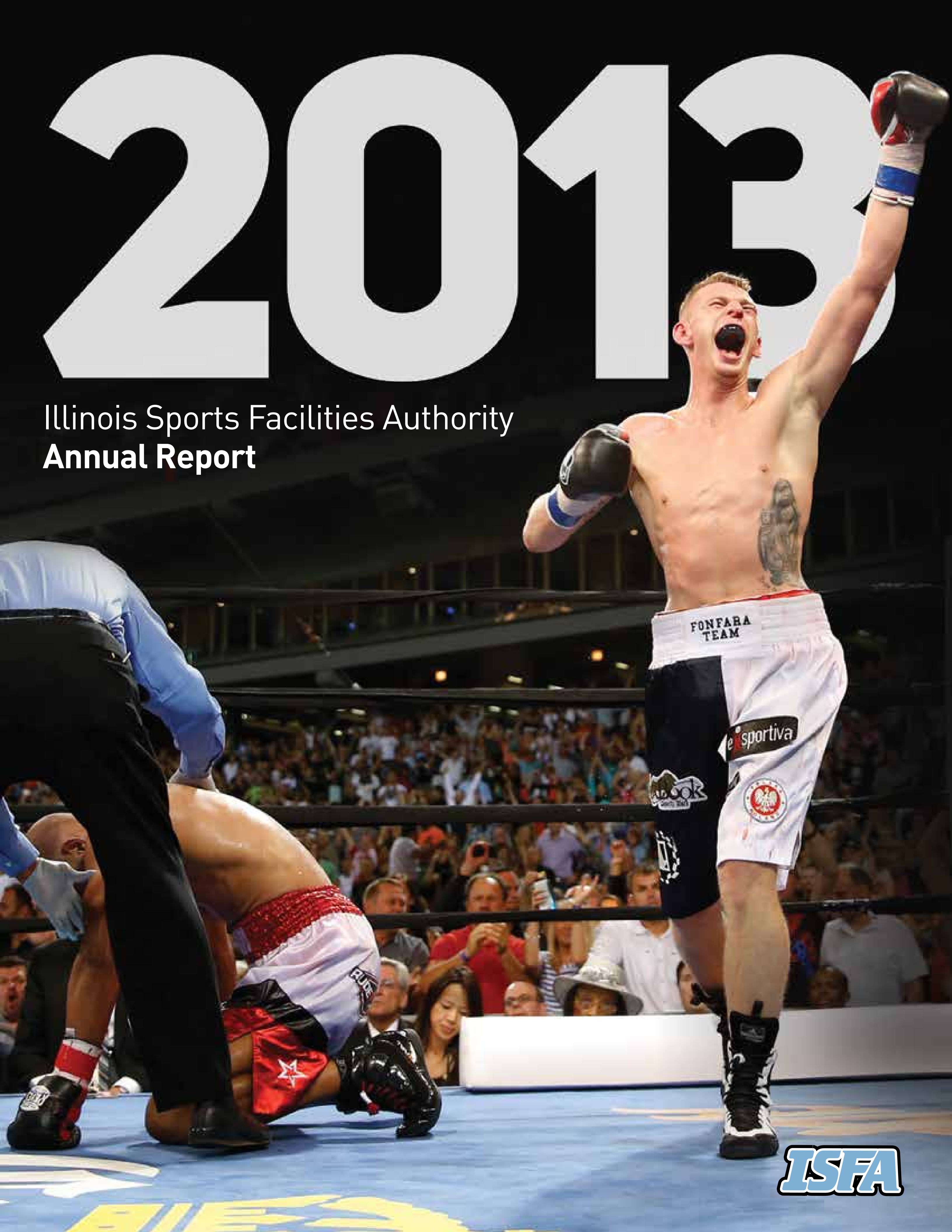
2013

Illinois Sports Facilities Authority

Annual Report



ISFA

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Staff

Kelly Kraft
CEO/Executive Director

Dana Phillips Goodum, CPA
Chief Financial Officer

Jeannie Romas
General Counsel

Michael Orr
Director of Development and Facilities

Maureen Gorski
Director of Accounting

P.J. Frayer
Office Manager/Administrative Coordinator

Cover photo courtesy of Kamil Krzaczynski

Board of Directors

Emil Jones, Jr.
Chairman

Norman R. Bobins

Dennis J. Gannon

Elzie Higginbottom

Richard Price

Jim Reynolds, Jr.

Quentin Young

Message from the Chairman

As Chairman of the Illinois Sports Facilities Authority, I am proud to lead the group effort that enables success to be experienced at U.S. Cellular Field year-after-year. I'd like to thank the Board of Directors; Norman Bobins, Dennis Gannon, Elzie Higginbottom, Jim Reynolds, Richard Price, Dr. Quentin Young, Chief Executive Officer Kelly Kraft and her staff for their professional counsel and guidance as they execute plans with an unheralded determination to protect the integrity of the Authority.

In 2013, the Illinois Sports Facilities Authority began its 26th year as a government entity created by the Illinois General Assembly for the purpose of constructing and renovating professional sports stadiums. As the owner and developer of U.S. Cellular Field, ISFA has made significant improvements to the stadium, grounds and public access ways…transforming the property into a world class ballpark, special events venue and community asset.

Coordinated around 23 seasons of White Sox baseball, including the 2005 World Series Championship, ISFA has managed and funded numerous multi-phase repair and renovation projects at U.S. Cellular Field. This past year's projects included breaking ground for a new stadium drainage unit, near completion of the multi-level suite window replacement project and numerous repairs to the many sidewalks surrounding the facility.

For our commitment to diversity, we constantly strive to maximize the participation on construction and maintenance projects of qualified minority and women-owned businesses located in Chicago and the six collar counties. The dollar value of contracts for the work awarded and completed during 2013 with contracts over $25,000 was just under $5M with an aggregate MBE/WBE participation of 30%.

To ensure increased access to U.S. Cellular Field beyond the home games played by the Chicago White Sox, the Authority hosted numerous special and civic events in 2013. Headlined by a successful ESPN boxing production, several not-for-profit organization affairs including the Chicago Public League vs. Chicago Catholic League All-Star Game, ALS Les Turner Charity 5K Run, and Chicago Police Department vs. Chicago Fire Department Baseball game also enjoyed our great location and amenities.

We all are steadfast in our stewardship of U.S. Cellular Field, on behalf of the people of Illinois. We extend our gratitude to the State of Illinois, the City of Chicago, the Chicago Park District and the Chicago White Sox for their continued partnership in our efforts.

Emil Jones, Jr.
Board Chairman

Moments before ESPN went live for Friday Night Fights at U.S. Cellular Field, Governor Pat Quinn, Kelly Kraft, CWS Director of Operations Greg Hopwood and promoters Frank Mugnolo and his father Tony Mugnolo stop for a quick photo.

As 2013 came to a close, I marked my one year anniversary at the Illinois Sports Facilities Authority. I am proud of the plans we have developed and the quick progress achieved to meet the Authority's goals. Our quest to continuously serve the taxpayers, meet our bond obligations, implement cost saving measures and revenue generating ideas, while maintaining and improving the stadium, are paramount to the Authority's success.

Robust tourism is vitally important to the Authority as a 2% hotel tax is our primary source of revenue. This past year, the City of Chicago experienced a large increase in tourism numbers as it set a new record for hotel occupancy. With strong visitor numbers, the Authority was able to adequately service the debt issued for the 2001 renovations of Soldier Field and funded the ISFA managed capital repair projects and renovations of U.S. Cellular Field. This positive trend in hotel occupancy has been a win for all stakeholders.

One of my top priorities this past year was to significantly increase profits from special events. This was accomplished in a powerful way when we transformed U.S. Cellular Field into a unique boxing forum as ISFA hosted a spectacular session of ESPN's Friday Night Fights. With a worldwide broadcast and thousands of enthusiastic fans in attendance, the fights marked the return of boxing to the South Side after more than 50 years. This event demonstrated how collaboration between the Authority and the Chicago White Sox produces positive results for everyone while generating significant revenue for the community through hotel stays and restaurant visits.

As we continue our commitment to openness and transparency, we have developed and successfully launched a brand new website at ISFAuthority.com. The site experiences significant traffic to sections including Doing Business, Meetings and Agendas and Special Events. We have also incorporated legislator suggestions that allow for greater public participation and accountability regarding Authority actions.

The Stadium Managers Association, where I serve on the Membership Committee continues to be a tremendous resource for information gathering and the sharing of ideas between stadium mangers, industry professionals, and educators. During the 40th annual conference, I worked with the Brown County Professional Football Stadium District (landlord of Lambeau Field, Home of the Green Bay Packers) to develop and lead the first ever publicly-owned stadium workshop. During this session, we discussed the challenges and successes experienced by other publicly owned stadium managers. Creative funding options and ongoing maintenance projects were at the top of the agenda.

This past year we increased our charitable ticket and suite donations to further assist non-profit organizations with their fund raising efforts. Additionally, we provided hundreds of underserved youth with their first opportunity to see a Major League Baseball Game. Having the ability to provide these types of opportunities to children in our community is truly rewarding.

With the 2014 baseball season upon us, we are looking forward to a successful year both on and off the field. We appreciate your support and encourage all of you to visit U.S. Cellular Field for great baseball games, community activities and entertaining events.

Kelly Kraft
CEO/Executive Director

Introducing the new **ISFAuthority.com**

This past year we constructed and developed a brand new website to showcase U.S. Cellular Field and improve our commitment to openness and transparency. Special sections of the site address vendor/contractor inquires and allow for the viewing of archived annual reports, detailed agendas, resolutions and other public notices. Easy to follow navigation tabs, simplified category listings, large text and vivid photos also capture moments and help tell the story of the Authority. The new professional design serves as a great tool for marketing the ballpark as a multifaceted venue.

Heavyweights – Artur Szpilka, 16-0-0 (12KO's), Wieliczka, Poland defeats Mike Mollo, 20-5-1 (12KO's), Chicago, IL

ESPN Friday Night Fights at U.S. Cellular Field

"One of the best fight cards, great venue, high energy nights we've ever seen on Friday Night Fights." – ESPN play-by-play announcer Joe Tessitore during the worldwide broadcast of Friday Night Fights at U.S. Cellular Field-8.16.13

Light Heavyweights – Andrzej Fonfara, 24-2-0 (14KO's), Chicago, IL defeats Gabriel Campillo, 22-6-1 (9KO's), Madrid, Spain



Junior Welterweights – Adrian Granados, 12-2-2 (8KO's), Chicago, IL defeats Mark Salser, 15-1-0 (9KO's), Mansfield, OH

On a perfect summer night with a diverse crowd described as "ecstatic" by the Chicago Tribune, ISFA hosted ESPN's Friday Night Fights. Throughout the festivities, the cultural mix of fans chanted for their favorite hometown boxers. The competitive fight card created non-stop action in the boxing ring set up right behind home plate.

In boxing's heyday, Comiskey Park, hosted major bouts with the last great fight taking place in 1962 when Sonny Liston knocked out Floyd Patterson in the first round. More than 50 years later, the new home of the Chicago White Sox, U.S. Cellular Field, brought boxing back to 35th & Shields. A special thanks to the promoters, the Chicago White Sox staff, the fighters and all the fans for helping to create a memorable night.



From left to right: ESPN commentators Joe Tessitore and Teddy Atlas ringside describing the action, Golden Glove Champion Kristin Gearhart defeats Amanda Cooper and enthusiastic fans cheer on the fighters

Renovations & Upgrades

Concrete repairs continue to be an ongoing project. This year ISFA widened the sidewalk along 35th street to provide additional walking surface. The extra curb height prevents topsoil from encroaching over the sidewalk which minimizes slip and fall potential.

ISFA continues to plan infrastructure improvements and renovations to various elements of the U.S. Cellular Field facilities and grounds. Throughout the year, these initiatives have included the replacement of HVAC equipment and the addition of improved controls for the operating systems. As a 23-year old venue, the need to budget and prioritize long term capital repair projects is paramount to sustaining U.S. Cellular Field for years to come.

The Gate 3 escalator project will be completed by opening day 2014. Research/analysis determined that the cost and warranty coverage for new equipment was a better value than modernizing the existing machinery. A new lighting feature on the underside of the escalator cladding is also being added.

The multi-phase suite level window replacement project is coming to a close. The original system's pins and rollers were failing causing the panels to fall out of place. The new top-hung systems are much easier to open/close and are more energy efficient.

ISFA is completing a removal and replacement project of more than 90 Emerald Ash trees. Major insect infestation led to canopy thinning on the trees which are being replaced with a variety of hearty tree species similar to an Ash tree including Accolade Elm and Autumn Blaze Maple.

Work is underway on the stadium's storm water drainage system which will improve rain water retention/disbursement; alleviating the back-ups and flooding which have plagued the lower levels of the ballpark for years.

Charitable Donations

Many children receive their first opportunity to attend a Major League Baseball game courtesy of ISFA's ticket donation program. We are committed to increasing public access to Chicago White Sox games especially for youth and families in underserved communities. ISFA donated thousands of tickets during the 2013 season.

AKArama Foundation
ALS Foundation
American Cancer Society
American Diabetes Association
American Heart Association
Ancona School
Antioch Rotary Club
Apparel Industry Board
Aspire
Association House
Anixter Center
Bear Care
Bear Necessities
Best Buddies of Illinois
Big Shoulder Fund
Blue Sky Bakery
B'nai Tikvah Parent Organization
Boys and Girls Club of Carbondale
Boys and Girls Club of Chicago
Boys and Girls Club of Elgin
Brain Research Foundation
Cal's All- Star Angels
Canavan Research
Cancer Kiss My Cooley
Canine Therapy Corps
Causes for Kids
Chicago Area Alternative Education League (CAAEL)
Chicago Bar Foundation
Chicago Children's Museum
Chicagoland Chamber of Commerce
Chicago Lighthouse
Children's Heart Foundation
Children's Memorial Hospital
Children's Neuroblastoma Cancer Foundation
Chicago Scholars
Christopher House
Christ the King College Prep
Chuck Kane Memorial Golf Outing
Concordia Place
Connection for Abused Women & their Children
The Cradle Foundation
Creating IT
Cystic Fibrosis Foundaiton
Daniel Murphy Scholarship Foundation
Developing Community Project
DJS Legacy Foundation
DuPage Children's Museum
Edge Alliance
Elmhurst College
Elmhurst Hospital
Envision Unlimited
Equip for Equality
Families Together
Friends of Payton
Foundation for Community Betterment
Haven Youth & Family Services
Heather's House
Helping Hand Center
Hinsdale Jr. Women's Club
Hoffman Estates Loyal Parents (H.E.L.P.)
Holy Trinity High School
House of Good Shepherd Women's Board
Human Rights Campaign
Human Rhythm Project
Illinois Council Against Handgun Violence
Infant Welfare Society
Intercultural Montessori Language School
Interfaith House
Gilda's Club
Girls in the Game
Glenwood School
Goodman Theatre
Greater Chicago Food Depository
Guardian Angel Dog Rescue
Jane Adams Resource Corp
Jones Foundation
Kenwood Oakland Community
Kids in Danger
LaCasa Norte
Lawndale Community Church
Lasalle II PTO
Leukemia Research Foundation
Lifelink
Loyola Academy
Lydia House
Make-A-Wish Foundation
Marionjoy Foundation
Matt Isenberg Fund
Max Lacewell Foundation
MAX Schewitz Foundation
Mercy Home
Metropolitan Family Services
McAuley Clinic
Midwest Dachshund Recue
Misericordia
Mitchell Museum
Morton Arboretum
Mount Olives Baptist Church
Mujeres Latinas en Action
Mulliganeers
Muntu Dance Theatre
NAMI of Greater Chicago
National Latino Education Institute
National Museum of Mexican Art
National Ovarian Cancer Coalition
Northeastern Illinois University Foundation
Notre Dame College Prep
Omni Youth Services
Orchard Village
Operation Homefront
Operation Support Our Troops
Our Lady of Tepeyac
Park Lawn
PACTT
Palatine Seniors Council
PAWS Chicago
PLCCA
Proviso Leyden Council for Community Action, Inc.
Ready, Set, Ride
Refugee One
Rehab Institute of Chicago
Respiratory Health Association
RML Specialty Hospital
Ronald McDonald House
Safe Humane
Safer Foundation
Salvation Army
San Miguel School
Saving Tiny Hearts
Seguin Services
Schaumburg Firefighters Benevolent Association
Sigma Pi Phi Fraternity
Southland Youth Athletic
South Star Services
Special Olympics
St. James Food Pantry
St. Jude
St. Monica Home
St. Rita
St. Sabinas
St. Stanislaus Kostka School
Tabula Rosa
Teen Living Project
The Hope Institute
Thodos Dance of Chicago
Trent Steckel Scholarship Fund
Thresholds
Tommy Finnegan Legacy Foundation
University of Chicago Lab Schools
Urban Initiatives
Westside Association for Community Action
Women's Club of Evanston
Women's Health Foundation
Young Nonprofit Professional Network
Youth First Counseling/Elite Counseling Services
Youth Guidance

Teens from Lions of Judah gathered at the ballpark to take in a baseball game. The youth group assists teens as they come into spiritual maturity and encourages growth through prayer, accountability and representation.

ISFA donated more than 500 tickets to various Chicago Police Department Districts for youth and elderly community programs including Chicago Alternative Policing Strategy (C.A.P.S), and the Englewood Youth Group.

The Boys & Girls Club of Lake County took their first field trip to a Chicago White Sox Game. The youth spent the day eating, cheering and enjoying a fun-filled day inside the stadium.

Special Events

In February, "The Fallout Boys" utilized one of our parking lots to recreate "Disco Demolition Night" for an upcoming music video. "Disco Demolition Night" was a promotion held in 1979 inside Comiskey Park where fans who brought a disco album were admitted into the park for 98 cents.

Each year the Illinois Sports Facilities Authority hosts an array of special events that utilize the baseball field, the stadium concourse, and the parking lots. The Authority welcomed thousands of participants and spectators to amateur baseball games including the Chicago Public Schools Semi Championship Double-Header and the Chicago Public League vs. Chicago Catholic League All Star Game. These annual, open-to-the-public events are highlights of the Authority's summer special events calendar.

In August, ISFA hosted the 14th annual Chicago Police Department vs. Chicago Fire Department charity baseball game which raised nearly $5,000 to benefit the Police Department's Memorial Fund and the Fire Department's Benevolent Fund. Police Superintendent Garry McCarthy and Fire Department Commissioner Jose Santiago threw out the ceremonial first pitches. Prior to the game, the Warriors' Watch Riders lined the warning track on their motorcycles to pay tribute to the men and women who have died in the line of duty.

In May, ISFA hosted the 16th annual National Ovarian Cancer Coalition 5K Run/Walk. The event kicked off at original Comiskey Park's "old home plate" with 4,000 people running or walking our parking lots and the track that circles the baseball field. This year the event raised a record breaking $400,000 for ovarian cancer research.

Community Outreach

The world class facilities at U.S. Cellular Field provide many groups with the opportunity to host educational and health events along with public safety programs.

In August, the Authority's Director of Facilities, Mike Orr, in conjunction with the Calumet Park Police Department hosted the Calumet Park youth baseball team. The youth enjoyed an exciting day of Chicago White Sox baseball against the Detroit Tigers.

The Ford Driving Skills for Life Ride and Drive, annually held in the Authority's parking lots, promotes safe driving techniques for teens. The Les Turner ALS 5K Run also held annually at the ballpark raises money to strike out Lou Gehrig's disease.

ISFA also sponsors year-round activities in its state of- the-art Conference & Learning center including meetings and seminars for non-profit, civic and educational groups.

Top left: ALS 5K participants running on the warning track inside U.S. Cellular Field

Left: Mike Orr spends time with the baseball team from Calumet Park

Bottom: ALS runners rest for a photo op after their race

Independent Auditor's Report

Wolf & Company LLP
Certified Public Accountants

Board of Directors
Illinois Sports Facilities Authority

We have audited the accompanying combined financial statements of the Illinois Sports Facilities Authority (the "Authority") which comprise the statement of assets, liabilities, and equity - bond indenture basis as of, and for the years ended June 30, 2013 and 2012, and the related combined statements of revenues, expenditures and changes in fund balance - bond indenture basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Illinois Sports Facilities Authority Bond Indenture. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the Authority, on the basis of the financial reporting provisions of the Authority's Bond Indenture, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Authority's Bond Indenture. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Authority, as of June 30, 2013 and 2012, and the changes in its financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Authority as of June 30, 2013 and 2012, and the respective changes in financial position for the years then ended, on the basis of the financial reporting provisions of the Authority's Bond Indenture as described in Note 1.

Wolf & Company LLP

Oakbrook Terrace, Illinois
October 28, 2013

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	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, 2013	Combined Total June 30, 2012
Cash and Cash Equivalents	$ 47,734,367	$ 17,579,581	$ 91,679	$ -	$ -	$ -	$ 364,911	$ 812,625	$ 9,217,955	$ -	$ -	$ 75,801,118	$ 71,962,433
Hotel Tax Revenues Receivable	-	-	-	-	12,609,063	-	-	-	-	-	-	12,609,063	11,106,936
Interest and Other Receivables	24,177	3,082	-	-	-	-	3	2	-	-	-	27,264	5
Prepaid Expenditures	303,471	-	-	-	-	-	-	-	-	-	-	303,471	282,039
Due from Other Funds:													
General Fund	-	3,803,113	301,306	6,671,015	-	-	-	-	-	7,435,525	-	18,210,959	18,065,224
Total Current Assets:	48,062,015	21,385,776	392,985	6,671,015	12,609,063	-	364,914	812,627	9,217,955	7,435,525	-	106,951,875	101,416,637
Long-Term Assets:													
Stadium	-	-	-	-	-	-	-	-	-	-	153,260,885	153,260,885	153,260,885
Stadium Improvements	-	-	-	-	-	-	-	-	-	-	84,855,935	84,855,935	81,249,759
Scoreboard	-	-	-	-	-	-	-	-	-	-	13,538,346	13,538,346	13,397,180
Replacement Housing	-	-	-	-	-	-	-	-	-	-	4,763,939	4,763,939	4,763,939
Land	-	-	-	-	-	-	-	-	-	-	28,165,461	28,165,461	28,165,461
Land Improvements	-	-	-	-	-	-	-	-	-	-	4,372,821	4,372,821	4,372,821
Capitalized Interest	-	-	-	-	-	-	-	-	-	-	8,933,867	8,933,867	8,933,867
Total Long-Term Assets:	-	-	-	-	-	-	-	-	-	-	297,891,254	297,891,254	294,143,912
TOTAL ASSETS:	$ 48,062,015	$ 21,385,776	$ 392,985	$ 6,671,015	$ 12,609,063	$ -	$ 364,914	$ 812,627	$ 9,217,955	$ 7,435,525	$ 297,891,254	$ 404,843,129	$ 395,560,549

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

June 30, 2013 (With Comparative Totals for 2012)

LIABILITIES & EQUITY

Current Liabilities:	General Fund	Comiskey Park Capital Improvement Fund	Supplemental Stadium Fund	Chicago White Sox Reserve Fund	Revenue 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, 2013	Combined Total June 30, 2012
Accounts Payable	$ 375,544	$ 1,213,754	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,160,232	$ -	$ -	$ 3,749,530	$ 2,484,931
Interest Payable	-	-	-	-	-	1,032,405	90,305	18,110	-	-	-	1,140,820	1,104,916
State Administration Fee Payable	-	-	-	-	504,362	-	-	-	-	-	-	504,362	444,277
Advance Deposits for Events	2,452	-	-	-	-	-	-	-	-	-	-	2,452	-
Due to Other Funds:													
Comiskey Park Capital Improvement Fund	3,803,113	-	-	-	-	-	-	-	-	-	-	3,803,113	3,910,407
Supplemental Stadium Fund	301,306	-	-	-	-	-	-	-	-	-	-	301,306	301,306
Chicago White Sox Reserve Fund	6,671,015	-	-	-	-	-	-	-	-	-	-	6,671,015	6,634,555
Soldier Field Reserve Fund	7,435,525	-	-	-	-	-	-	-	-	-	-	7,435,525	7,218,956
Total Current Liabilities:	18,588,955	1,213,754	-	-	504,362	1,032,405	90,305	18,110	2,160,232	-	-	23,608,123	22,099,348
Long-Term Liabilities:													
Long-Term Liabilities	-	-	-	-	-	386,968,656	37,480,000	8,715,000	-	-	-	433,163,656	438,256,010
Total Liabilities:	18,588,955	1,213,754	-	-	504,362	388,001,061	37,570,305	8,733,110	2,160,232	-	-	456,771,779	460,355,358
Equity:													
Fund Balance (Deficit)	29,473,060	20,172,022	392,985	6,671,015	12,104,701	(400,030,445)	(42,260,391)	(9,205,483)	7,057,723	7,435,525	141,154,254	(227,035,034)	(234,808,839)
Principal Amount of Bonds Retired from Revenue	-	-	-	-	-	12,029,384	5,055,000	1,285,000	-	-	150,000,000	168,369,384	163,277,030
Principal Amount of Scoreboard Note Retired from Revenue	-	-	-	-	-	-	-	-	-	-	6,737,000	6,737,000	6,737,000
Total Equity:	29,473,060	20,172,022	392,985	6,671,015	12,104,701	(388,001,061)	(37,205,391)	(7,920,483)	7,057,723	7,435,525	297,891,254	(51,928,650)	(64,794,809)
TOTAL LIABILITIES & EQUITY:	$ 48,062,015	$ 21,385,776	$ 392,985	$ 6,671,015	$ 12,609,063	$ -	$ 364,914	$ 812,627	$ 9,217,955	$ 7,435,525	$ 297,891,254	$ 404,843,129	$ 395,560,549

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

Combined Statements of Revenues, Expenditures and Changes in Fund Balance — Bond Indenture Basis

Revenues:	General Fund	Comiskey Park Capital Improvement Fund	Supplemental Stadium Fund	Chicago White Sox Reserve Fund	Revenue 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, 2013	Combined Total June 30, 2012
State Subsidy	$ -	$ -	$ -	$ -	$ 5,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
City Subsidy	-	-	-	-	5,000,000	-	-	-	-	-	-	5,000,000	5,000,000
Net Investment Income	(2,146)	(778)	(986)	-	-	8,200	1,515	1,246	(1,260)	-	-	5,791	29,026
Hotel Tax Revenue	-	-	-	-	40,922,277	-	-	-	-	-	-	40,922,277	37,077,352
Special Events Revenue	63,792	-	-	-	-	-	-	-	-	-	-	63,792	249,506
Fees to the Authority from the Chicago White Sox	-	-	-	-	1,706,443	-	-	-	-	-	-	1,706,443	1,642,270
Other Income	48,997	28,082	-	-	-	-	-	-	-	-	-	77,079	54,334
Total Revenues	**110,643**	**27,304**	**(986)**	**-**	**52,628,720**	**8,200**	**1,515**	**1,246**	**(1,260)**	**-**	**-**	**52,775,382**	**49,052,488**
Expenditures:													
General Expenditures:													
Salaries and Benefits	736,134	-	-	-	-	-	-	-	-	-	-	736,134	562,505
Office Expenditures	72,724	-	-	-	-	-	-	-	-	-	-	72,724	56,352
Insurance Expenditures	487,339	-	-	-	-	-	-	-	-	-	-	487,339	470,885
Professional Services	421,738	527,646	-	-	-	-	-	-	-	-	-	949,384	563,780
Trustee Fees	-	-	-	-	18,000	-	-	-	-	-	-	18,000	18,000
State Administration Fee	-	-	-	-	1,636,891	-	-	-	-	-	-	1,636,891	1,483,094
Amusement Tax Payments	-	-	-	-	32,717	-	-	-	-	-	-	32,717	-
Marketing and Special Events	56,196	-	-	-	-	-	-	-	-	-	-	56,196	41,889
Debt Service Expenditures:													
Bond Interest	-	-	-	-	-	24,219,609	2,242,280	460,318	-	-	-	26,922,207	26,182,235
Bond Principal Payments	-	-	-	-	-	3,797,354	945,000	350,000	-	-	-	5,092,354	4,117,861
Total General Expenditures:	**1,774,131**	**527,646**	**-**	**-**	**1,687,608**	**28,016,963**	**3,187,280**	**810,318**	**-**	**-**	**-**	**36,003,946**	**33,496,601**
Other Expenditures:													
Capital Improvements	-	4,345,859	-	-	-	-	-	-	2,160,231	-	-	6,506,090	7,781,139
Park Maintenance	-	1,594,219	-	-	-	-	-	-	-	-	-	1,594,219	2,671,347
Chicago White Sox Maintenance Subsidy	77,958	-	-	-	-	-	-	-	-	-	-	77,958	118,787
Soldier Field Maintenance Subsidy	4,566,706	-	-	-	-	-	-	-	-	-	-	4,566,706	4,433,695
Total Other Expenditures:	**4,644,664**	**5,940,078**	**-**	**-**	**-**	**-**	**-**	**-**	**2,160,231**	**-**	**-**	**12,744,973**	**15,004,968**
TOTAL EXPENDITURES:	**6,418,795**	**6,467,724**	**-**	**-**	**1,687,608**	**28,016,963**	**3,187,280**	**810,318**	**2,160,231**	**-**	**-**	**48,748,919**	**48,501,569**
Excess (Deficiency) of Revenues Over Expenditures:	**(6,308,152)**	**(6,440,420)**	**(986)**	**-**	**50,941,112**	**(28,008,763)**	**(3,185,765)**	**(809,072)**	**(2,161,491)**	**-**	**-**	**4,026,463**	**550,919**

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

For the Year Ended June 30, 2013 (With Comparative Totals for 2012)

Other Financing Sources (Uses):	General Fund	Comiskey Park Capital Improvement Fund	Supplemental Stadium Fund	Chicago White Sox Reserve Fund	Revenue 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, 2013	Combined Total June 30, 2012
In-kind Donation from the Chicago White Sox	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 424,850	$ 424,850	$ 237,268
Stadium Improvements	-	-	-	-	-	-	-	-	-	-	4,539,449	4,539,449	6,797,912
Stadium Disposals	-	-	-	-	-	-	-	-	-	-	(1,216,957)	(1,216,957)	(364,430)
Transfers-In:													
General Fund	-	7,955,816	-	36,460	-	-	-	-	2,652,250	216,569	-	10,861,095	10,727,418
Chicago White Sox Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	242,445
Revenue Funds	17,395,798	124,614	-	-	-	27,978,295	3,189,203	811,160	-	-	-	49,499,070	46,153,470
2001 Debt Service Funds	8,200	-	-	-	-	-	-	-	-	-	-	8,200	3
2003 Debt Service Funds	1,079	-	-	-	-	-	-	-	-	-	-	1,079	6
2008 Debt Service Funds	1,247	-	-	-	-	-	-	-	-	-	-	1,247	20
Transfers-Out:													
General Fund	-	-	-	-	(17,395,798)	(8,200)	(1,079)	(1,247)	-	-	-	(17,406,324)	(16,002,247)
Comiskey Park Capital Improvement Fund	(7,955,816)	-	-	-	(124,614)	-	-	-	-	-	-	(8,080,430)	(8,065,926)
Chicago White Sox Reserve Fund	(36,460)	-	-	-	-	-	-	-	-	-	-	(36,460)	-
2001 Debt Service Funds	-	-	-	-	(27,978,295)	-	-	-	-	-	-	(27,978,295)	(26,334,936)
2003 Debt Service Funds	-	-	-	-	(3,189,203)	-	-	-	-	-	-	(3,189,203)	(3,124,528)
2008 Debt Service Funds	-	-	-	-	(811,160)	-	-	-	-	-	-	(811,160)	(810,464)
Soldier Field Capital Improvement Fund	(2,652,250)	-	-	-	-	-	-	-	-	-	-	(2,652,250)	(2,575,000)
Soldier Field Reserve Fund	(216,569)	-	-	-	-	-	-	-	-	-	-	(216,569)	(210,261)
TOTAL OTHER FINANCING SOURCES (USES):	6,545,229	8,080,430	-	36,460	(49,499,070)	27,970,095	3,188,124	809,913	2,652,250	216,569	3,747,342	3,747,342	6,670,750
Net Change in Fund Balance	237,077	1,640,010	(986)	36,460	1,442,042	(38,668)	2,359	841	490,759	216,569	3,747,342	7,773,805	7,221,669
Fund Balance (Deficit)— June 30, 2012	29,235,983	18,532,012	393,971	6,634,555	10,662,659	(399,991,777)	(42,262,750)	(9,206,324)	6,566,964	7,218,956	137,406,912	(234,808,839)	(242,030,508)
Fund Balance (Deficit)— June 30, 2012	$ 29,473,060	$ 20,172,022	$ 392,985	$ 6,671,015	$ 12,104,701	$ (400,030,445)	$ (42,260,391)	$ (9,205,483)	$ 7,057,723	$ 7,435,525	$ 141,154,254	$ (227,035,034)	$ (234,808,839)

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

Combined Notes to Combined Bond Indenture Basis Financial Statements June 30, 2013

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 body. 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 the issuance of the Series 2003 Bonds in the amount of $42,535,000 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 2001 Bonds, the Series 2003 Bonds and the Series 2008 Bonds (collectively the "Bonds") outstanding at June 30, 2013 and 2012, 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 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 2001 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 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, 2013 and 2012.

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.
- In addition, for the year ended June 30, 2012, the Authority would have been required to adopt the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The fund balance classifications are nonspendable, restricted, committed, assigned and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

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. Further information regarding these subsidies follows.
    - 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.

    There is generally a three-month delay between the time hotels collect and remit the tax to the State, and the State remits the collections to the Authority. This delay results in a year-end hotel tax revenues receivable.
  - 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 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, the State withholds collections of the Authority Hotel Tax to repay the amount advanced to the Authority until such time as the advance is repaid in full. 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. To the extent the Authority Hotel Tax is not adequate to repay the advance by the end of a fiscal year, the deficiency is automatically withdrawn by the State from the City's share of the Local Government Distributive Fund. As a result, at the end of each fiscal year, the Authority's advance reimbursement obligation is fully satisfied.

    During fiscal years 2013 and 2012, the State's withholding of the Authority Hotel Tax was sufficient to repay the State for the full advance amount prior to the end of the fiscal year. Following full repayment of the advance, the State remitted Authority Hotel Tax collections in excess of the advance to the Authority.

    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 2013 and 2012.
  - 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 net ticket fees for the 2012 Season were $0. Tickets sold for the 2013 Season are projected not to exceed the minimum ticket threshold. Therefore, no net ticket fees are projected to be received at the conclusion of the 2013 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, 2013 and 2012, $0 was accrued as net estimated receivables under this agreement.

    In addition to ticket fees, beginning with the 2008 Season, the Authority is entitled to a base fee. 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. For fiscal 2013, the amount of the base fee was $1,561,221.

    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, "CPI") 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. The rental payment for fiscal 2013 was $124,614.
- *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.

- D*isposition 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 2013 and 2012 was $7,155,000.

In fiscal year 2013, $36,460 was transferred from the General Fund to the Chicago White Sox Reserve Fund; $216,569 was transferred from the General Fund to the Soldier Field Reserve Fund; and $5,010,502 was drawn from the hotel tax variation reserve within the year offset by a $5,710,502 replenishment to bring the reserve balance at the conclusion of the fiscal year to $20,000,000.

In fiscal year 2012, $242,445 was transferred from the Chicago White Sox Reserve Fund to the General Fund; $210,261 was transferred from the General Fund to the Soldier Field Reserve Fund; and $5,808,175 was drawn from the hotel tax variation reserve within the year offset by a $5,859,690 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.

  The Authority did not report any investments during fiscal years ended June 30, 2013 or 2012.

- *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 Cash Equivalents

A. Cash and Cash Equivalents

During fiscal years 2012, the Authority maintained five non-interest bearing checking accounts 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 Sweep Agreements were terminated during fiscal year 2013.

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.

At June 30, 2013, the carrying amount of the Authority's cash and cash equivalents totaled $75,801,118. The bank balances totaled $76,090,230, of which $75,912,798 was covered by federal depository insurance and by collateral held by the Authority, or its agent, in the Authority's name and $177,432 was not collateralized.

B. 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, 2013 and 2012, the Authority's investments in money market funds were rated A1 or better by Standard & Poor's.

C. 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.

D. 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 2001

Total Series 2001 Bonds outstanding at June 30, 2013 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, 2014 to 2030	4.85% to 5.50%	138,455,793
Capital Appreciation Bonds, due June 15, 2014 to 2026	4.93% to 9.00%	60,677,863
Total		$ 386,968,656

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, 2013 are as follows:

Year Ending June 30	Amount
2014	4,594,695
2015	5,347,832
2016	6,063,337
2017	6,716,095
2018	4,770,418
2019-2023	26,300,722
2024-2028	84,204,523
2029-2032	248,971,034
Total	$ 386,968,656

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.

B. Series 2003

Total Taxable Series 2003 Bonds outstanding at June 30, 2013 are as follows:

	Interest Rate	Amount
Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2003 Series Bonds, Due June 15, 2014 to 2029	5.15% - 6.05%	$ 37,480,000

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, 2013 are as follows:

Year Ending June 30	Amount
2014	1,055,000
2015	1,170,000
2016	1,300,000
2017	1,435,000
2018	1 ,585,000
2019-2023	10,545,000
2024-2028	16,265,000
2029	4,125,000
Total	$ 37,480,000

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 Moneys (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 1st 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, 2013 and 2012, the Authority Reserved Funds in compliance with the covenant were calculated to be $0.

C. Series 2008

Total Series 2008 Bonds outstanding at June 30, 2013 are as follows:

	Interest Rate	Amount
Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2008 Series Bonds, Due June 15, 2014 to 2029	4.50% - 5.85%	$ 8,715,000

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%

Total Series 2008 Bonds outstanding at June 30, 2012 are as follows:

Year Ending June 30	Amount
2014	370,000
2015	390,000
2016	410,000
2017	430,000
2018	450,000
2019-2023	2,585,000
2024-2028	3,310,000
2029	770,000
Total	$ 8,715,000

The Debt Service Reserve Fund amount held for the outstanding Bonds totals $812,625 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, for capital improvements including various maintenance and repair items to be disbursed from the Comiskey Park Capital Improvement Fund. This increase provision was effective in the fiscal year 2003 and equated to minimum transfer amounts of $4,152,703 and $4,031,750 in fiscal years 2013 and 2012, respectively.

In fiscal year 2013, the Authority transferred the required amount plus an additional $3,803,113 from the General Fund and $124,614 from the Revenue Fund to the Comiskey Park Capital Improvement Fund to finance various 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 Reserve Fund to the Supplemental Stadium Fund.

In fiscal year 2012, the Authority transferred the required amount plus an additional $3,910,407 from the General Fund and $123,769 from the Revenue Fund to the Comiskey Park Capital Improvement Fund to finance various 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 Reserve Fund to the Supplemental Stadium Fund.

B. Maintenance Requirements, Soldier Field

Under the Operation Assistance Agreement, the Authority is required to remit to the Chicago Park District an annual maintenance subsidy, which was in the amount of $4,566,706 in fiscal year 2013 and $4,433,695 in fiscal year 2012. The Operation Assistance Agreement also requires an annual subsidy for capital improvements at Soldier Field to be transferred into the Soldier Field Capital Improvement Fund, which was in the amount of $2,652,250 in 2013 and $2,575,000 in 2012. The Chicago Park District maintains responsibility for ensuring the facility is structurally sound and safe. In fiscal years 2013 and 2012, respectively, the Authority paid the required subsidies..

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 2013 and 2012, no transfer was required.

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 2001 and Series 2008 bonds) above the yield on those bonds. At June 30, 2013 and 2012, there was no arbitrage rebate liability.

E. Fund Deficits

As of June 30, 2013, the 2001 Debt Service Fund, the 2003 Debt Service Fund, and the 2008 Debt Service Fund had deficit fund balances of $400,030,445, $42,260,391, and $9,205,483, respectively. June 30, 2012, the 2001 Debt Service Fund, the 2003 Debt Service Fund, and the 2008 Debt Service Fund had deficit fund balances of $399,991,777, $42,262,750, and $9,206,324, respectively. The deficit fund balances in the Debt Service Interest Funds included in each 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 2014, 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.

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. The Authority contributes 13% of its employees' salaries. In 2013, the Authority established a 457 (b) plan which provides employees the opportunity to defer current compensation, up to the maximum allowable dollar limit. Employees of the Authority 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 plans 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. In fiscal years 2013 and 2012, retirement contributions made by the Authority were $37,993 and $66,391, respectively.

7. In-kind Donations

During fiscal year 2013, $424,850 in in-kind donations was contributed by the Chicago White Sox and reported in the Construction Fund. Contributions consisted of capital improvements to the Stadium. 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, 2013.

During fiscal year 2012, $237,268 in in-kind donations was contributed by the Chicago White Sox and reported in the Construction Fund. Contributions consisted of capital improvements to the Stadium. 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, 2012.

8. Phase V and VI Renovations at U.S. Cellular Field

In the prior year, fiscal year 2012, a settlement was reached in the Fundamentals Deck and the Translucent Wall Panels litigation matters. The Authority was paid a total of $225,000 by the settling defendant. The settlement was reflected in the financial statements as of June 30, 2012.

9. Contingent Liabilities

On April 15, 2013, the Authority's former Executive Director filed a lawsuit in Federal Court against a former Board Chairman alleging a violation of 42 U.S.C. § 1983 by infringing on a First Amendment right to free speech. As provided in the Authority's Indemnification Ordinance No. 1989, the Authority's Board approved, via Resolution, to indemnify the former Chairman for any judgments, settlements and related expenditures in defense of the case. A claim has been filed with the Authority's public entity liability insurer seeking indemnification to the extent provided under the policy. Legal fees paid on behalf of the former Chairman totaling $157,303 are reported as expenditures in the financial statements for the year ended June 30, 2013.

10. Subsequent Events

Management has evaluated subsequent events through October 28, 2013, the date the financial statements were available to be issued. No subsequent events were noted that would require recognition or disclosure in the financial statements.

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OWNER & DEVELOPER OF U.S. CELLULAR FIELD, HOME OF THE CHICAGO WHITE SOX

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