Illinois Sports Facilities Authority 2015 Annual Report

ISFA

Table of Contents

As the Chairman of the Illinois Sports Facilities Authority, I am proud to oversee the organization that owns and operates U.S. Cellular Field, home to the Chicago White Sox. I'd like to thank the Board of Directors: Rosemarie Andolino, Norm Bobins, Richard Price, Timothy Rand, Jim Reynolds and Jeffrey Yordon. These individuals have given their time and guidance in support of ISFA's objectives to strengthen our finances and generate additional revenue by promoting the stadium while increasing transparency at the Authority. I would also like to commend the ISFA staff for their dedication and hard work throughout the past year.

The Illinois Sports Facilities Authority is a government entity created by the General Assembly for the purpose of constructing and renovating professional sports stadiums. As the owner and developer of U.S. Cellular Field, ISFA maintains a world class facility with ongoing capital maintenance and upgrades to the stadium and grounds, thereby creating one of the premium ballparks in MLB.

Consistent with our mission, ISFA has managed and funded numerous multi-phased improvements and renovation projects at U.S. Cellular Field. 2015's projects include completion of the replacement of waste and vent piping and installation of a new HVAC Handling System. ISFA also seeks to maximize diversity participation of qualified minority and women-owned businesses located in Illinois. ISFA had a MBE/WBE participation rate of 37%, exceeding our goal for the year.

Board of Directors

Manuel Sanchez
Chairman

Rosemarie Andolino

Norman R. Bobins

Richard Price

Special thanks to: Ron Vesely Chicago White Sox Photographer and Stephan Bates WCS Photography

As with past years, the Authority continued to support the fundraising efforts of numerous nonprofit organizations through ticket donations. The Authority also provided a venue for several well-known events such as the Chicago Public League vs. Chicago Catholic League All-Start game, ALS Les Turner Charity 5k, National Ovarian Cancer Coalition 5k and Chicago Police Department vs. Chicago Fire Department Baseball game.

We remain dedicated in our governance of U.S. Cellular Field and would like to thank the State of Illinois, the City of Chicago, the Chicago Park District and the Chicago White Sox for their continued partnership in our efforts.

Manuel "Manny" Sanchez

Manuel Sanchez

Board Chairman

Tim Rand

Jim Reynolds, Jr.

Jeff Yordon

Staff

Lou Bertuca
CEO/Executive Director

P.J. Frayer
Office Manager/Administrative Coordinator

Dana Phillips Goodum, CPA
Chief Financial Officer

Maureen Gorski
Director of Accounting

Michael Orr
Director of Development and Facilities

Jeannie Romas
General Counsel


CHICAGO
Gronk's Grace
STRIKE OUT
178
829
781
761

ALS

For the 6th Annual ALS Les Turner Charity Run, runners completed a course that went through the parking lots, into the Stadium and around the warning track to the finish at the old home plate in B Lot. 700 men, women & children participated to help raise over $60,000 for the ALS Les Turner Foundation.




8897



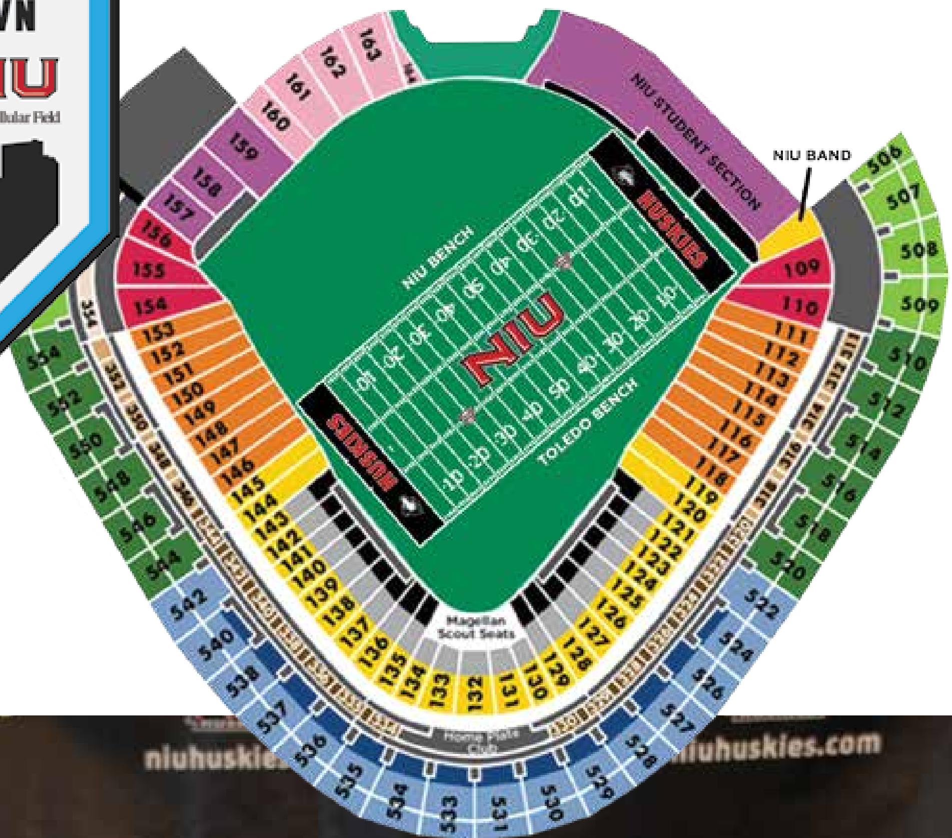

1625

SPARTAN
4942


WipeOut Run

ISFA hosted the WipeOut Run at U.S. Cellular Field on a very hot summer day in July, 2015. 10,000+ wild & crazy costume clad individuals ventured their way through the wet & wild 5k obstacle course which included a wrecking ball challenge, jump balls & foam of furry.


HUSKIE
CHI-TOWN SHOWDOWN
TOLEDO VS. NIU
AT U.S. Cellular Field
NOVEMBER 9
2016


NIU STUDENT SECTION
NIU BAND
NIU BENCH
TOLEDO BENCH
HUSKIES
NIU
Magellan Scout Seats
Home Plate Club


niuhuskies.com
NIU
MAC
adidas
NIU
16
TOLEDO
1

Coming to a STADIUM Near You

Charitable Donations

Access Living
Accion Chicago
AJ La Rocca Memorial Foundation
AKArama
Alcuin Montessori School
Alzheimer's Association
Anderson Animal Shelter
Annunciation Greek Orthodox Cathedral
Antioch Rotary Club
Apparel Industry Board
Aspire Chicago
Association House
Avenues of Independence
Bear Necessities Pediatric Cancer Foundation
Bears Care Gala
Best Buddies Illinois
Between Friends
Beverly Art Center
Big Shoulder Fund
Blessings in a Backpack
Bloomingdale-Roselle Kiwanis
Blue Sky Bakery & Café
Boys & Girls Club of Carbondale
Bright Start Church Chicago
Cabrini Green Legal Aid
Cal's Angels Foundation
Calumet College of Saint Joseph
Canavan Research Illinois
Cancer Kiss My Cooley
Canine Therapy Corps
Chatham Business Association
Chicago Area Alternative Education League
Chicago Bar Foundation
Chicago Children's Advocacy Center
Chicago Cultural Alliance
Chicago Fire Fighters Union
Chicago Metropolitan Battered Women's Network
Chicago Police Gold Badge Society
Chicago Scholars
Chicago Youth Symphony Orchestras (CYSO)
Children's Heart Foundation
Children's Neuroblastoma Cancer Foundation
Children's Research Triangle
Christopher House
Coalition for United Community Action ORTC, Inc.
Common Threads
Connections for Abused Women & their Children (CAWC)
Constitutional Rights Foundation Chicago (CRFC)
Covenant United Church of Christ
Cradle Foundation
CURED
Cystic Fibrosis Foundation
Daniel Murphy Scholarship Fund
DANSZ Loop/Chicago
Dennis J. Smith Foundation
Domestic Violence Legal Clinic
DuSable Museum of African American History
Easter Seals
Easter Seals Metropolitan Chicago
Education Center
Envision Unlimited
Erie Elementary Charter School
Erie Neighborhood House
Experience Baseball
Face the Future Foundation
Families Together Cooperative Nursery School
(The) First Tee of Greater Chicago
Foundation of Monroe County Community Schools
Friends of Lincoln Park High School
Friends of Ogden
George Rogers Clark High School Athletic Department
Girls in the Game
Girls Who Code
GoodCity
Goodman Theatre
Good See Ministries
Guardian Angel Basset Rescue, Inc.
Guardian Angel Community Services
(The) H Foundation
Habilitative Systems, Inc.
Habitat for Humanity (Zonta Club Joliet)
HACIA
Haven Youth & Family Services
Health & Medicine Policy Research
Helping Hand Center
Hephzibah Children's Association
HighSight
History Makers
Hoffman Estates Loyal Parents (H.E.L.P.)
Holy Family Ministries
Homer Community Consolidated School District 33C
Hope Institute Learning Academy
Hubbard Woods School
Hyde Park Day School
Ideal Education Foundation
Illinois Coalition for Immigrant and Refugee Rights

Infant Welfare Society of Chicago
Inspiration Corporation
Institute of Positive Education
Jane Addams Band Booster Association
Jones Foundation
Journeys
Junior Achievement USA
Keep Loving Each Other (KLEO)
Kenwood Oakland Community Organization
Kevin Shannon Foundation
La Casa Norte
Lake Forest College
LaSalle II PTO
Lawyers Lend-A-Hand for Youth
Leading India's Future Today (LIFT)
Legacy Guild
Les Turner ALS Foundation
Leukemia Research Foundation
Lisa Marie Santoro Foundation
Literacy Works
Magnificent Mutts Rescue
Make-A-Wish
Mandala South Asian Performing Arts, Inc.
Max Lacewell Foundation
Megan Hurckes Scholarship Fund
Mercy Home for Boys and Girls
McAuley Clinic
Midwest Dachshund Rescue
Misericordia
Mitchell Museum of the American Indian
MSU Alumni Club of Metro Chicago (Sparty Ball)
Mujeres Latinas en Accion
NAMI Chicago
National fallen Firefighters Foundation
National Latino Education Institute (NLEI)
National Museum of Mexican Art
National Ovarian Cancer Coalition
Northwest Indiana Cancer Kids Foundation (NICK)
Notre Dame College Prep – Burke Scholars
Oak Forest High School Baseball
OMNI Youth Services
Orchard Village
Organized Hispanics Making Strides
Our Lady of Tepeyac
PACTT Learning Center
Palatine Township Senior Citizens Council
Pilot Light
Planned Parenthood
Portage High School Athletic Department
Portage Township YMCA
Primo Center for Women & Children
Rebuilding Together
Refugee One
Ruff Start Happy Tails Animal Clinic
Sacred Heart Schools
Safer Foundation
Saint Joseph High School
Saint Sabina Church
Saint Viator High School
Salvation Army
Saving Tiny Hearts
Schaumburg Firefighters Benevolent Association
Service Club of Chicago
Snow City Arts
South Shore Planning Committee
Southwest Community Services, Inc.
Special Olympics
SRB Community Garden
St. Bede Abbey & Academy (make up for a 2014 donation)
Stevenson High School Foundation
St. James Food Pantry
St. John AME Church
St. Jude Research
St. Rita Cascia High School
St. Sabina Church
Teen Living Program
The Legacy Guild
Tommy Finnegan Legacy Foundation
Trent Steckel Scholarship Fund
TRIO
U Can Chicago
U.S. Ski and Snowboard Association
UCP Seguin of Greater Chicago
Urban Initiatives
Visitation School
Walter & Connie Payton Foundation
Wells Special Recreation Parents Association
Wheaton College
Will B. Foundation
Women's Health Foundation
World Sport Chicago
Wounded Wear
Youth Services



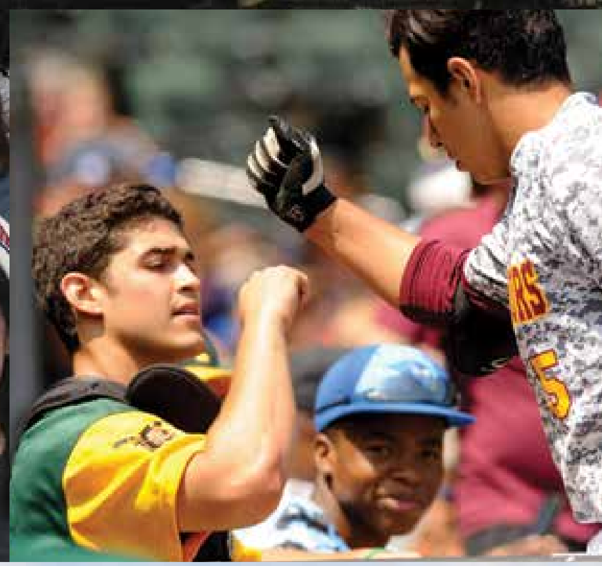





Bravest vs. Finest Charity Game

Chicago's Finest Police Department and the Chicago's Bravest Fire Department scheduled their 16th Annual Bravest vs. Finest Charity Baseball for a mid-summer night in late July. This time the Bravest edged a victory with a score of 3-2.


THE ILLINOIS
SPORTS FACILITIES
AUTHORITY WELCOMES YOU TO
U.S. CELLULAR FIELD




U.S. Cellular Field
SABERCATS


U.S. Cellular Field
STANLEY


COUGARS

Special Events

In 2015 ISFA hosted the following Groups and Events to U.S. Cellular Field: National Ovarian Cancer Coalition 5k – Raised over $400,000, Chicago Public League vs. the Chicago Catholic League All-Star Game, Illinois Institute of Technology vs. Maranatha Baptist University, World Chicago International Visitors Groups.

Mitchell & Titus

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 June 30, 2015, and the related statement of revenues, expenditures and changes in fund balance – bond indenture basis for the year 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 Authority's 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 fraud or error.

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 opinion.

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

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

As described in Note 1 of the financial statements, 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 meet 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 above 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, 2015 or changes in financial position thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2015, and the changes in its financial position for the year then ended in accordance with the financial reporting provisions of the Authority's Bond Indenture as described in Note 1.

Report of Other Auditors on 2014 Financial Statements

The financial statements of the Authority for the year ended June 30, 2014, were audited by other auditors who expressed an adverse opinion on U.S. generally accepted principles and an unmodified opinion on regulatory basis of accounting on those financial statements on October 22, 2014.

Mitchell & Titus, LLP

October 27, 2015

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	2014 Debt Service Funds	Soldier Field Capital Improvement Fund	Soldier Field Reserve Fund	Construction Fund	Combined Total June 30, 2015	Combined Total June 30, 2014
Cash and Cash Equivalents and Investments	$ 48,713,815	$ 12,396,130	$ 91,679	$ -	$ -	$ -	$ -	$ -	$ 2,439	$ 8,548,686	$ -	$ -	$ 69,752,749	$ 74,539,323
Hotel Tax Revenues Receivable	-	-	-	-	14,997,881	-	-	-	-	-	-	-	14,997,881	13,031,052
Interest and Other Receivables	26,486	-	-	-	-	-	-	-	-	-	-	-	26,486	7,192
Prepaid Expenditures	311,426	-	-	-	-	-	-	-	-	-	-	-	311,426	319,621
Due from Other Funds:														
General Fund	-	4,501,816	301,306	6,697,339	-	-	-	-	-	-	7,888,349	-	19,388,810	17,941,190
Total Current Assets:	49,051,727	16,897,946	392,985	6,697,339	14,997,881	-	-	-	2,439	8,548,686	7,888,349	-	104,477,352	105,838,378

Long-Term 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	2014 Debt Service Funds	Soldier Field Capital Improvement Fund	Soldier Field Reserve Fund	Construction Fund	Combined Total June 30, 2015	Combined Total June 30, 2014
Stadium	-	-	-	-	-	-	-	-	-	-	-	153,260,885	153,260,885	153,260,885
Stadium Improvements	-	-	-	-	-	-	-	-	-	-	-	97,224,394	97,224,394	90,236,333
Scoreboard	-	-	-	-	-	-	-	-	-	-	-	13,538,346	13,538,346	13,538,346
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:	-	-	-	-	-	-	-	-	-	-	-	310,259,713	310,259,713	303,271,652
TOTAL ASSETS:	$ 49,051,727	$ 16,897,946	$ 392,985	$ 6,697,339	$ 14,997,881	$ -	$ -	$ -	$ 2,439	$ 8,548,686	$ 7,888,349	$ 310,259,713	$ 414,737,065	$ 409,110,030

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

June 30, 2015 (With Comparative Totals for 2014)

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	2014 Debt Service Funds	Soldier Field Capital Improvement Fund	Soldier Field Reserve Fund	Construction Fund	Combined Total June 30, 2015	Combined Total June 30, 2014
Accounts Payable	$ 150,064	$ 2,091,918	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,796,251	$ -	$ -	$ 5,038,233	$ 3,727,655
Interest Payable	-	-	-	-	-	552,184	-	-	611,582	-	-	-	1,163,766	1,182,722
State Administration Fee Payable	-	-	-	-	599,915	-	-	-	-	-	-	-	599,915	521,242
Advance Deposits for Events	10,147	-	-	-	-	-	-	-	-	-	-	-	10,147	341
Due to Other Funds:														
Comiskey Park Capital Improvement Fund	4,501,816	-	-	-	-	-	-	-	-	-	-	-	4,501,816	2,744,423
Supplemental Stadium Fund	301,306	-	-	-	-	-	-	-	-	-	-	-	301,306	301,306
Chicago White Sox Reserve Fund	6,697,339	-	-	-	-	-	-	-	-	-	-	-	6,697,339	7,236,870
Soldier Field Reserve Fund	7,888,349	-	-	-	-	-	-	-	-	-	-	-	7,888,349	7,658,591
Total Current Liabilities:	19,549,021	2,091,918	-	-	599,915	552,184	-	-	611,582	2,796,251	-	-	26,200,871	23,373,150
Long-Term Liabilities:														
Long-Term Liabilities	-	-	-	-	-	142,456,273	-	-	288,505,000	-	-	-	430,961,273	427,143,961
Total Liabilities:	19,549,021	2,091,918	-	-	599,915	143,008,457	-	-	289,116,582	2,796,251	-	-	457,162,144	450,517,111
Equity:														
Fund Balance (Deficit)	29,502,706	14,806,028	392,985	6,697,339	14,397,966	(399,550,225)	(42,535,000)	(10,000,000)	(609,143)	5,752,435	7,888,349	153,522,713	(219,733,847)	(222,533,160)
Principal Amount of Bonds Retired from Revenue	-	-	-	-	-	21,971,911	6,110,000	1,655,000	3,970,000	-	-	150,000,000	183,706,911	174,389,079
Principal Amount of Bonds Retired from Funding	-	-	-	-	-	234,569,857	36,425,000	8,345,000	(292,475,000)	-	-	-	(13,135,143)	-
Principal Amount of Scoreboard Note Retired from Revenue	-	-	-	-	-	-	-	-	-	-	-	6,737,000	6,737,000	6,737,000
Total Equity:	29,502,706	14,806,028	392,985	6,697,339	14,397,966	(143,008,457)	-	-	(289,114,143)	5,752,435	7,888,349	310,259,713	(42,425,079)	(41,407,081)
TOTAL LIABILITIES & EQUITY:	$ 49,051,727	$ 16,897,946	$ 392,985	$ 6,697,339	$ 14,997,881	$ -	$ -	$ -	$ 2,439	$ 8,548,686	$ 7,888,349	$ 310,259,713	$ 414,737,065	$ 409,110,030

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	2014 Debt Service Funds	Soldier Field Capital Improvement Fund	Soldier Field Reserve Fund	Construction Fund	Combined Total June 30, 2015	Combined Total June 30, 2014
State Subsidy	$ -	$ -	$ -	$ -	$ 5,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
City Subsidy	-	-	-	-	5,000,000	-	-	-	-	-	-	-	5,000,000	5,000,000
Investment Income	11,214	-	-	-	-	418	5	1	1,494	-	-	-	13,132	31,374
Hotel Tax Revenue	-	-	-	-	46,751,014	-	-	-	-	-	-	-	46,751,014	41,214,209
Special Events Revenue	139,177	-	-	-	-	-	-	-	-	-	-	-	139,177	174,562
Fees to the Authority from the Chicago White Sox	-	-	-	-	1,706,806	-	-	-	-	-	-	-	1,706,806	1,658,555
Other Income	35,483	-	-	-	-	-	-	-	-	-	-	-	35,483	32,995
Total Revenues	**185,874**	**-**	**-**	**-**	**58,457,820**	**418**	**5**	**1**	**1,494**	**-**	**-**	**-**	**58,645,612**	**53,111,695**
Expenditures:														
General Expenditures:														
Salaries and Benefits	894,332	-	-	-	-	-	-	-	-	-	-	-	894,332	847,005
Office Expenditures	67,721	-	-	-	-	-	-	-	-	-	-	-	67,721	74,967
Insurance Expenditures	535,386	-	-	-	-	-	-	-	-	-	-	-	535,386	520,063
Professional Services	299,921	757,704	-	-	-	-	-	-	-	-	-	-	1,057,625	1,338,601
Trustee Fees	-	-	-	-	12,500	-	-	-	-	-	-	-	12,500	18,043
State Administration Fee	-	-	-	-	1,870,041	-	-	-	-	-	-	-	1,870,041	1,648,568
Amusement Tax Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,717)
Marketing and Special Events	48,595	-	-	-	-	-	-	-	-	-	-	-	48,595	38,970
Debt Service Expenditures:														
Bond Interest	-	-	-	-	-	12,217,149	(88,072)	(17,221)	12,904,017	-	-	-	25,015,873	27,801,873
Bond Principal Payments	-	-	-	-	-	5,347,832	-	-	3,970,000	-	-	-	9,317,832	6,019,695
Bond Issuance Cost	50,000	-	-	-	-	-	-	-	7,579,579	-	-	-	7,629,579	-
Total General Expenditures:	**1,895,955**	**757,704**	**-**	**-**	**1,882,541**	**17,564,981**	**(88,072)**	**(17,221)**	**24,453,596**	**-**	**-**	**-**	**46,449,484**	**38,275,068**
Other Expenditures:														
Capital Improvements	-	9,509,593	-	-	-	-	-	-	-	4,629,134	-	-	14,138,727	8,511,242
Park Maintenance	-	1,546,932	-	-	-	-	-	-	-	-	-	-	1,546,932	2,434,498
Chicago White Sox Maintenance Subsidy	59,196	-	-	-	-	-	-	-	-	-	-	-	59,196	65,704
Soldier Field Maintenance Subsidy	4,844,818	-	-	-	-	-	-	-	-	-	-	-	4,844,818	4,703,707
Total Other Expenditures:	**4,904,014**	**11,056,525**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,629,134**	**-**	**-**	**20,589,673**	**15,715,151**
TOTAL EXPENDITURES:	**6,799,969**	**11,814,229**	**-**	**-**	**1,882,541**	**17,564,981**	**(88,072)**	**(17,221)**	**24,453,596**	**4,629,134**	**-**	**-**	**67,039,157**	**53,990,219**
Excess (Deficiency) of Revenues Over Expenditures:	**(6,614,095)**	**(11,814,229)**	**-**	**-**	**56,575,279**	**(17,564,563)**	**88,077**	**17,222**	**(24,452,102)**	**(4,629,134)**	**-**	**-**	**(8,393,545)**	**(878,524)**

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

For the Year Ended June 30, 2015 (With Comparative Totals for 2014)

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	2014 Debt Service Funds	Soldier Field Capital Improvement Fund	Soldier Field Reserve Fund	Construction Fund	Combined Total June 30, 2015	Combined Total June 30, 2014
In-kind Donation from the Chicago White Sox	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 860,000	$ 860,000	$ 950,065
Stadium Improvements	-	-	-	-	-	-	-	-	-	-	-	10,058,597	10,058,597	6,878,013
Stadium Disposals	-	-	-	-	-	-	-	-	-	-	-	(3,930,536)	(3,930,536)	(2,447,680)
Bond Issuance Proceeds	-	-	-	-	-	-	-	-	319,223,451	-	-	-	319,223,451	-
Transfer to Escrow Agent	-	-	-	-	-	-	-	-	(315,018,654)	-	-	-	(315,018,654)	-
Transfers-In:														
General Fund	-	8,907,419	-	-	-	-	-	-	-	2,813,773	229,758	-	11,950,950	10,542,446
Chicago White Sox Reserve Fund	539,531	-	-	-	-	-	-	-	-	-	-	-	539,531	-
Revenue Funds	18,006,034	128,780	-	-	-	19,774,606	414,138	101,130	16,262,435	-	-	-	54,687,123	50,833,761
2001 Debt Service Funds	419	-	-	-	-	-	-	-	1,684,380	-	-	-	1,684,799	9,870
2003 Debt Service Funds	-	-	-	-	-	-	-	-	779,114	-	-	-	779,114	1,312
2008 Debt Service Funds	-	-	-	-	-	-	-	-	914,134	-	-	-	914,134	809
2014 Debt Service Funds	1,901	-	-	-	-	-	-	-	-	-	-	-	1,901	-
Transfers-Out:														
General Fund	-	-	-	(539,531)	(18,006,034)	(419)	-	-	(1,901)	-	-	-	(18,547,885)	(16,939,523)
Comiskey Park Capital Improvement Fund	(8,907,419)	-	-	-	(128,780)	-	-	-	-	-	-	-	(9,036,199)	(7,148,256)
Chicago White Sox Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	(565,855)
2001 Debt Service Funds	-	-	-	-	(19,774,606)	-	-	-	-	-	-	-	(19,774,606)	(29,716,560)
2003 Debt Service Funds	-	-	-	-	(414,138)	-	-	-	-	-	-	-	(414,138)	(3,252,432)
2008 Debt Service Funds	-	-	-	-	(101,130)	-	-	-	-	-	-	-	(101,130)	(810,688)
2014 Debt Service Funds	-	-	-	-	(16,262,435)	(1,684,380)	(779,114)	(914,134)	-	-	-	-	(19,640,063)	-
Soldier Field Capital Improvement Fund	(2,813,773)	-	-	-	-	-	-	-	-	-	-	-	(2,813,773)	(2,731,818)
Soldier Field Reserve Fund	(229,758)	-	-	-	-	-	-	-	-	-	-	-	(229,758)	(223,066)
TOTAL OTHER FINANCING SOURCES (USES):	6,596,935	9,036,199	-	(539,531)	(54,687,123)	18,089,807	(364,976)	(813,004)	23,842,959	2,813,773	229,758	6,988,061	11,192,858	5,380,398
Net Change in Fund Balance	(17,160)	(2,778,030)	-	(539,531)	1,888,156	525,244	(276,899)	(795,782)	(609,143)	(1,815,361)	229,758	6,988,061	2,799,313	4,501,874
Fund Balance (Deficit)—June 30, 2014	29,519,866	17,584,058	392,985	7,236,870	12,509,810	(400,075,469)	(42,258,101)	(9,204,218)	-	7,567,796	7,658,591	146,534,652	(222,533,160)	(227,035,034)
Fund Balance (Deficit)—June 30, 2015	$ 29,502,706	$ 14,806,028	$ 392,985	$ 6,697,339	$ 14,397,966	$(399,550,225)	$ (42,535,000)	$ (10,000,000)	$ (609,143)	$ 5,752,435	$ 7,888,349	$ 153,522,713	$(219,733,847)	$(222,533,160)

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

Notes to Combined Bond Indenture Basis Financial Statements June 30, 2015

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.

On August 20, 2014, the Authority issued $292,475,000 Series 2014 Refunding Bonds and used the proceeds for the refunding of all maturities outstanding for the Series 2001 Current Interest Bonds, the Series 2003 Bonds and the Series 2008 Bonds, along with the advance refunding of $46,734,857 of Series 2001 Conversion Bonds that were scheduled to mature in 2016 – 2028. The 2001 Conversion Bonds were redeemed at a call premium of 101%.

The Series 2001 Bonds, Series 2003 Bonds, Series 2008 Bonds and Series 2014 Refunding Bonds (collectively the "Bonds") outstanding at June 30, 2015 and 2014 as applicable, were 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, the Third Supplemental Indenture of Trust, the Amended and Restated Indenture of Trust, and the Fourth Supplemental Indenture of Trust (collectively the "Bond Indenture") securing the Series 2001 Bonds, the Series 2003 Bonds, the Series 2008 Bonds and the Series 2014 Refunding 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, the 2008 Series Bonds and the 2014 Refunding Series Bonds were placed into the funds to meet the costs associated with issuing the 2003, 2008 and 2014 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 and 2014 Series Bonds is currently being met by surety bonds issued by Ambac Assurance Corporation and Assured Guaranty Municipal Corporation, respectively.
- *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.
- *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, one column for the 2008 Debt Service Funds, and one column for the 2014 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, 2015 and 2014.

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, Series 2008 Bonds to redevelop the 35th Street infrastructure and Series 2014 Refunding Bonds to achieve debt service savings. 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 and 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 statements 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. Reductions in the long-term liabilities are recorded as offsetting entry to equity in the combined statements of assets, liabilities and equity.

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.

    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 2015 and 2014, 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 that 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 2015 and 2014.
  - Fees to the Authority from the Chicago White Sox - TThe 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 2014 Season were \$0. Tickets sold for the 2015 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 2015 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, 2015 and 2014, \$0 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 Season 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. For the 2015 Season, the amount of the base fee was \$1,587,826.

    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 2015 was \$128,780.

- *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 2015 and 2014 was $7,155,000.

  In fiscal year 2015, $539,531 was transferred to the General Fund from the Chicago White Sox Reserve Fund; $229,758 was transferred from the General Fund to the Soldier Field Reserve Fund; and $5,199,348 was drawn from the hotel tax variation reserve within the year, offset by a $5,199,348 replenishment to bring the reserve balance at the conclusion of the fiscal year to $20,000,000.

  In fiscal year 2014, $565,855 was transferred from the General Fund to the Chicago White Sox Reserve Fund; $223,066 was transferred from the General Fund to the Soldier Field Reserve Fund; and $4,102,523 was drawn from the hotel tax variation reserve within the year offset by a $4,102,523 replenishment to bring the reserve balance at the conclusion of the fiscal year to $20,000,000.

- *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, 2015 or 2014.

- *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

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.

During fiscal years 2015 and 2014, the Authority maintained five non-interest-bearing checking accounts. The checking accounts were fully collateralized as of June 30, 2015 and 2014.

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, 2015 and 2014, 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

As a result of the issuance of the Series 2014 Refunding Bonds, all maturities outstanding for the Series 2001 Current Interest Bonds totaling $187,835,000, along with the Series 2001 Conversion Bonds scheduled to mature from 2016 through 2028 totaling $46,734,857, were defeased and the liability was removed from the financial statements on August 20, 2014. The Series 2001 Current Interest Bonds and the Series 2001 Conversion Bonds were redeemed on September 15, 2014 and June 15, 2015, respectively, with bond proceeds held in escrow.

Total Series 2001 Bonds outstanding at June 30, 2015 are as follows:

Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2001	Effective Interest Rate	Amount
Current Interest Bonds, Due June 15, 2028 to 2030	5.50%	$ 89,747,587
Capital Appreciation Bonds, Due June 15, 2016 to 2026	5.13% to 9.00%	52,708,686
Total		$ 142,456,273

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

	Maturing After	Redemption Price
Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2001		
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	100%

Series 2001 Bonds maturing in the years subsequent to June 30, 2015 are as follows:

Year Ending June 30	Amount
2016	5,016,736
2017	5,627,075
2018	3,628,577
2019	3,637,123
2020	3,817,434
2021-2025	20,899,260
2026-2030	99,830,068
Total	$ 142,456,273

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

As a result of the issuance of the Series 2014 Refunding Bonds, all maturities outstanding for the Taxable Series 2003 Bonds, totaling $36,425,000, were defeased and the liability was removed from the financial statements on August 20, 2014. The Series 2013 Bonds were redeemed on September 15, 2014 with bond proceeds held in escrow.

C. Series 2008

As a result of the issuance of the Series 2014 Refunding Bonds, all maturities outstanding for the Series 2008 Bonds, totaling $8,345,000, were defeased and the liability was removed from the financial statements on August 20, 2014. The Series 2008 Bonds were redeemed on September 15, 2014 with bond proceeds held in escrow.

D. Series 2014

In connection with the issuance of $292,475,000 of Series 2014 Refunding Bonds on August 20, 2014, the Authority had the following sources and uses of funds:

Issuance Proceeds	$ 319,223,451
Authority funds for debt service requirements	3,377,221
Total Sources of Funds	$ 322,600,672
Advance Refunding of the Series 2001 Conversion Bonds	$ 74,640,000
Refunding of the Series 2001 Current Interest Bonds	187,835,000
Refunding of the Series 2003 Bonds	36,425,000
Refunding of the Series 2008 Bonds	8,345,000
Call premium on the Series 2001 Conversion Bonds	746,400
Accrued Interest on the Series 2001 Conversion Bonds	4,038,783
Accrued Interest on the Series 2001 Current Interest Bonds	2,347,938
Accrued Interest on the Series 2003 Bonds	535,773
Accrued Interest on the Series 2008 Bonds	104,760
Subtotal - Uses of Funds - Escrow	$ 315,018,654
Cost of Issuance	$ 754,631
Underwriter's Discount	1,479,251
Premiums - Bond Insurance and Debt Service Surety	5,348,136
Subtotal - Uses of Funds - Other	7,582,018
Total Uses of Funds	$ 322,600,672

Total Series 2014 Refunding Bonds outstanding at June 30, 2015 are as follows:

	Interest Rate	Amount
Illinois Sports Facilities Authority Sports Facilities Refunding Bonds, Series 2014 Series Bonds, Due June 15, 2016 to 2032	0.96% – 4.17%	$ 288,505,000

The Series 2014 Bonds are subject to optional redemption prior to maturity.

	Maturing After	Price Price
Illinois Sports Facilities Authority Sports Facilities Refunding Bonds, Series 2014	On or after June 15, 2025	100.0%

Bonds maturing in the years subsequent to June 30, 2015 are as follows:

Year Ending June 30	Amount
2016	$ 2,855,000
2017	3,060,000
2018	3,290,000
2019	3,520,000
2020	3,770,000
2021-2025	22,985,000
2023-2030	92,825,000
2031-2032	156,200,000
Total	$ 288,505,000

Assured Guaranty Municipal Corporation provides bond insurance for the payment of the principal and interest on the Series 2014 Bonds maturing on June 15th of the years 2025 through 2032 and, provides the debt service reserve fund surety bond for the outstanding Series 2014 Bonds.

In connection with the amended surety bond guaranty agreement with Ambac Assurance Corporation ("Ambac") and at all times while the Bonds are outstanding or any amounts are owed to Ambac, the Authority covenanted to set aside and to 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 amended surety bond guaranty agreement with Ambac, 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, 2015 and 2014, the Authority Reserved Funds in compliance with the agreement were calculated to be $0.

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, U. S. Bank N.A. ("Trustee") assumed the trustee role for the 1999 Bonds, the Series 2001 and Series 2003 Bonds. U. S. Bank N.A. was also appointed as trustee of the Series 2008 and Series 2014 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 Capital Improvement Fund. This increase provision was effective in fiscal year 2003 and equated to required minimum transfer amounts of $4,405,603 and $4,277,284 in fiscal years 2015 and 2014, respectively.

In fiscal year 2015, the Authority transferred the required amount plus an additional $4,501,816 from the General Fund and $128,780 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 2014, the Authority transferred the required amount plus an additional $2,744,423 from the General Fund and $126,549 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 $4,844,818 in fiscal year 2015 and $4,703,707 in fiscal year 2014. 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 $2.814 million in 2015 and $2.732 million in 2014. The Chicago Park District maintains responsibility for ensuring the facility is structurally sound and safe. In fiscal years 2015 and 2014, 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 2015 and 2014, 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, Series 2008 and Series 2014 bonds) above the yield on those bonds. At June 30, 2015 and 2014, there was no arbitrage rebate liability.

E. Fund Deficits

As of June 30, 2015, the 2001 Bond Fund, the 2003 Bond Fund, the 2008 Bond Fund and the 2014 Bond Fund had deficit fund balances of $399,550,225, $42,535,000, $10,000,000 and $609,143, respectively. As of June 30, 2014, the 2001 Bond Fund, the 2003 Bond Fund, and the 2008 Bond Fund had deficit fund balances of $400,075,469, $42,258,101, and $9,204,218, respectively. The deficit fund balances in the Bond 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 2016, 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

In fiscal year 2014, the Authority elected to change from a defined contribution simplified employee pension plan to a non-elective 401(a) governmental plan for the benefit of its employees. 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 401(a) plan. Subject to the approval of the Authority, the one year service requirement may be waived or modified by either the terms of an employment contract and/or by the hiring of an employee directly from a qualifying governmental entity or agency. The Authority contributes 13% of its employees' salaries. In fiscal years 2015 and 2014, retirement contributions by the Authority were $92,058 and $90,758, respectively.

The Authority established a 457 (b) plan in fiscal year 2013 to provide employees with the opportunity to defer current compensation, up to the maximum allowable dollar limit. Employees of the Authority are fully vested in the 457(b) 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.

7. In-kind Donations

During fiscal year 2015, $860,000 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, 2015.

During fiscal year 2014, $950,065 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, 2014.

8. 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 $9,873 and $75,485, respectively, were reported as expenditures in the financial statements for the years ended June 30, 2015 and 2014. On August 11, 2014, the case was dismissed.

Various lawsuits, claims, and other contingent liabilities may arise during the ordinary course of the Authority's operations. In management's opinion, any current related matters have been adequately provided for, are without merit, or are of such nature that if settled, would not have a material adverse effect on the Authority's financial position.

9. Subsequent Events

Management has evaluated subsequent events through October 27, 2015, the date the financial statements were available to be issued. No further subsequent events were noted that would require recognition or disclosure in the financial statements.

ISFA

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