2016

Illinois Sports Facilities Authority Annual Report

ISFA

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Dear Friends,

This past year the Illinois Sports Facilities Authority (ISFA) has embarked on several new ventures positioning us for a dynamic future while keeping us true to our original purpose. In 1987, the Illinois General Assembly created ISFA for the purpose of constructing and renovating sports stadiums for professional sports teams in the State of Illinois.

ISFA is the owner and developer of the stadium that is the current home of the Chicago White Sox. On April 18, 1991 the new Comiskey Park officially opened and in the 2003 Season Comiskey Park was renamed U.S. Cellular Field. Throughout the years, U.S. Cellular was a dedicated partner for the team. The company exited the Chicago market in 2013 which led to the search for a new headline sponsor. We are pleased to report that on August 24, 2016 the ISFA Board of Directors approved a new naming agreement that will run through 2029 and create new revenue streams for ISFA in addition to cutting several significant expenses. The stadium's name officially became Guaranteed Rate Field on November 1, 2016. ISFA welcomes our new naming sponsor and look forward to many years of a productive relationship with them.

ISFA is responsible for maintaining world-class facilities with ongoing capital maintenance and upgrades to the stadium and grounds. Maintaining one of the premium ballparks in Major League Baseball requires commitment, dedication and serious attention to strong financial management. Our Board members Rosemarie Andolino, Norm Bobins, Richard Price, Timothy Rand, Jim Reynolds and Jeffrey Yordon 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. The ISFA Board works closely with our professional staff who are responsible for the day-to-day operations of the Authority. We thank our staff for their hard work and innovation throughout the past year.

On September 24, 2016 nearly 48,000 fans from across the nation packed Guaranteed Rate Field for the Magnificent Coloring Day Music Festival headlined and hosted by Chance the Rapper, Grammy Award winning hip-hop star and Chicago native. The stellar lineup included Alicia Keys and John Legend with surprise appearances by Kanye West, Common and Hannibal Buress.

All of us at ISFA are proud of the concert's success. We were especially thrilled with the demonstrated understanding of its impact as articulated by two well respected journalists. Greg Kot of the Chicago Tribune summed up the impact of the concert when he stated, "Amid guns and hopelessness, this music and this festival were designed to counter. The diversity of the audience and the lineup—and the messages delivered from the stage—spoke loudly." Jon Caramanica of the New York Times stated, "Magnificent Coloring Day was a musical festival—not in and of itself remarkable—but also an act of civic responsibility, pride and emotional investment."

To ISFA, the concert was more than a great day of entertainment—it was a day of community building and revitalization, important aspects of our mission.

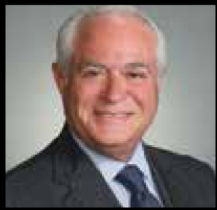
History was made on November 9, 2016, when thousands of Northern Illinois University and University of Toledo football fans packed into the ballpark to see their teams play the first football game ever held in Guaranteed Rate Field. Enthusiastic fans enjoyed pre-game festivities in every area of the park. Amazed and admiring fans watched the Northern Illinois Huskies battle their Mid-American Conference rivals, the University of Toledo Rockets.

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

With a track record established of conducting these two very successful special events in 2016, ISFA is determined to bring more of these types of events to the south side of Chicago.

This past year ISFA launched a new website, www.isfauthority.com, including videos of our recent special events. Our new "Venue & Value" promotional video which can be seen on ISFA's homepage is being enthusiastically received across the nation as concert promoters talk with us about plans for the 2017 and 2018 summers.

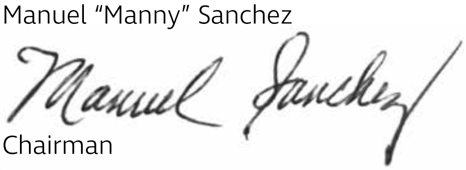
In 2016, ISFA managed and funded numerous multi-phased improvements and renovation projects at Guaranteed Rate Field. ISFA is committed to maximizing diversity participation of qualified minority and women-owned businesses located in Illinois. In 2016, ISFA had a MBE/WBE participation rate of 30%. ISFA installed three new high definition video boards in the left and right fields and a new main center video board. These new installations delighted fans and have significantly added to the ballpark guest experience. Additionally, Phase VI of the Waste and Vent Piping Replacement Project where fan coils and concession fire suppression systems throughout the park were replaced was recently completed. ISFA also completed a phase of concrete repairs to the 500 Level Expansion Joints and Waterproofing Membrane Installation to replace existing sealant joints at the 400 Level Terrace Patio.

ISFA has a long and successful history of partnering with community organizations to help them achieve their missions. Since our inception, our Board has felt strongly that as a public entity we have the responsibility to utilize the ballpark and its superb facilities to benefit the people of the Chicagoland area. 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-Star game, ALS Les Turner Charity 5k and the Bravest vs. the Finest Chicago Fire Department vs. Chicago Police Department Baseball game.

Since our establishment nearly thirty years ago, we have remained focused on executing our core mission while providing entertainment and sports venues in Chicago that have been enjoyed through the years by hundreds of millions of people here in Illinois and from around the world.

Our Board of Directors remains dedicated in our governance of Guaranteed Rate 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. We have exciting days ahead and we look forward to sharing them with you.

Cordially,
Manuel "Manny" Sanchez



Chairman

Tim Rand

Jim Reynolds, Jr.

Jeff Yordon

Staff

Lou Bertuca
CEO/Executive Director

P.J. Frayer
Director of Administration

Dana Phillips Goodum, CPA
Chief Financial Officer

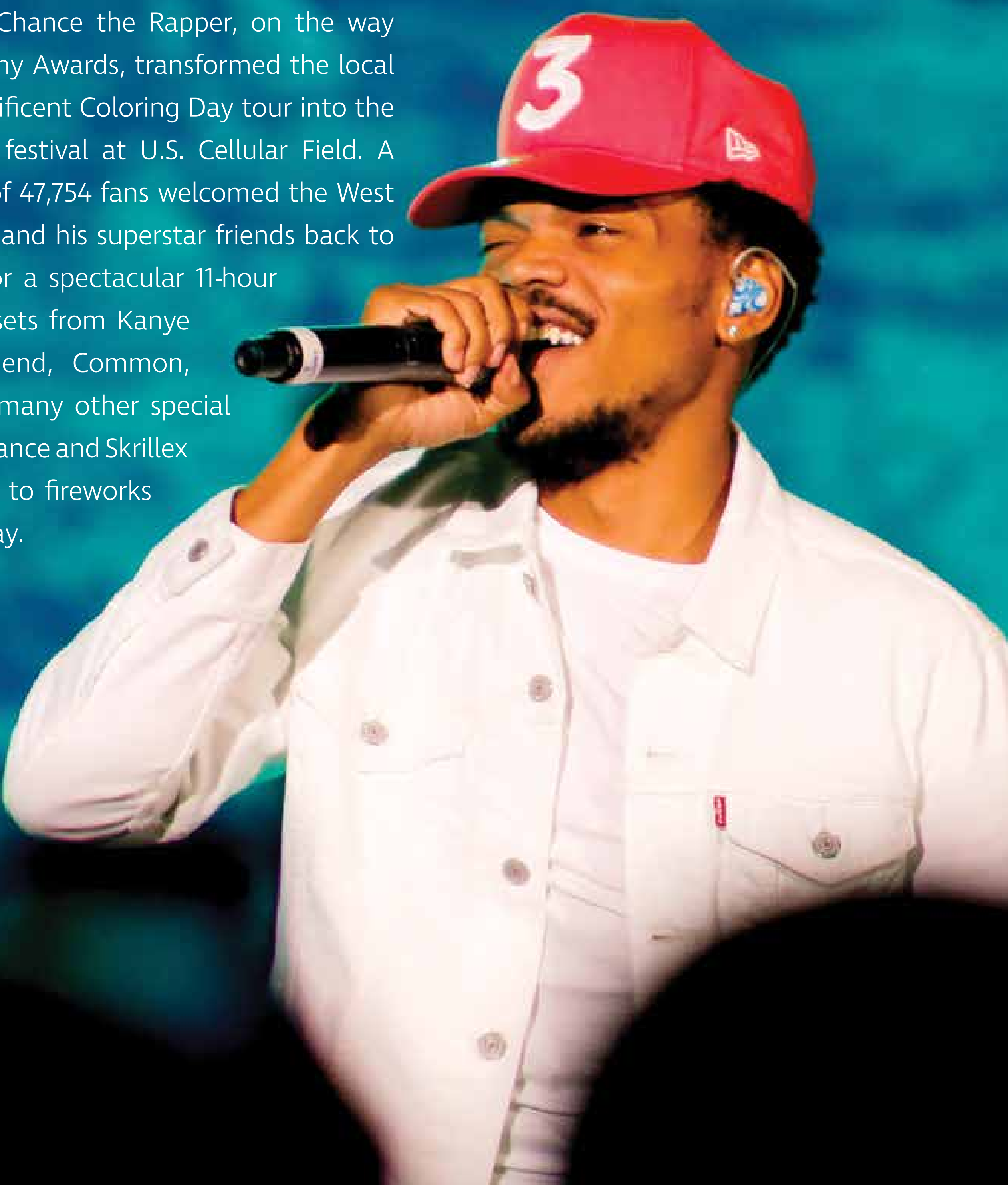
Maureen Gorski
Director of Accounting/Construction Contracts Manager

Anthony O'Neill
Chief Operating Officer/General Counsel

Michael Orr
Director of Development and Facilities

Chance the Rapper's Magnificent Coloring Day Music Festival

Chicago's own...Chance the Rapper, on the way to his three Emmy Awards, transformed the local stop of his Magnificent Coloring Day tour into the first ever music festival at U.S. Cellular Field. A record number of 47,754 fans welcomed the West Chatham native and his superstar friends back to the Southside for a spectacular 11-hour show featuring sets from Kanye West, John Legend, Common, Alicia Keys and many other special guests before Chance and Skrillex closed the show to fireworks and a laser display.



CHANCE THE RAPPER'S
SOLD OUT
SEPTEMBER 24, 2016
CHANCE THE RAPPER
SKRILLEX
JOHN LEGEND
ALICIA KEYS
LIL WAYNE
YOUNG THUG
TYLER THE CREATOR
2CHAINZ
LIL UZI VERT
FIRST EVER MUSIC FESTIVAL AT
U.S. CELLULAR FIELD
ON CHICAGO'S SOUTHSIDE

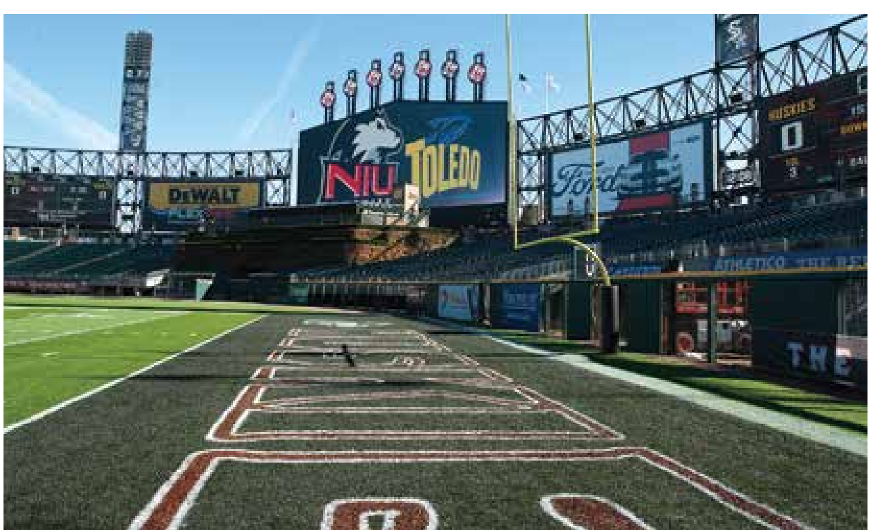

guaranteed Rate Field
xfinity
DEWALT
UNITED
HUSKIES
NIU


TODAY'S GAME SPONSORED BY: Northwestern Medicine


DEWALT
UNITED

Huskie Chi-Town Showdown

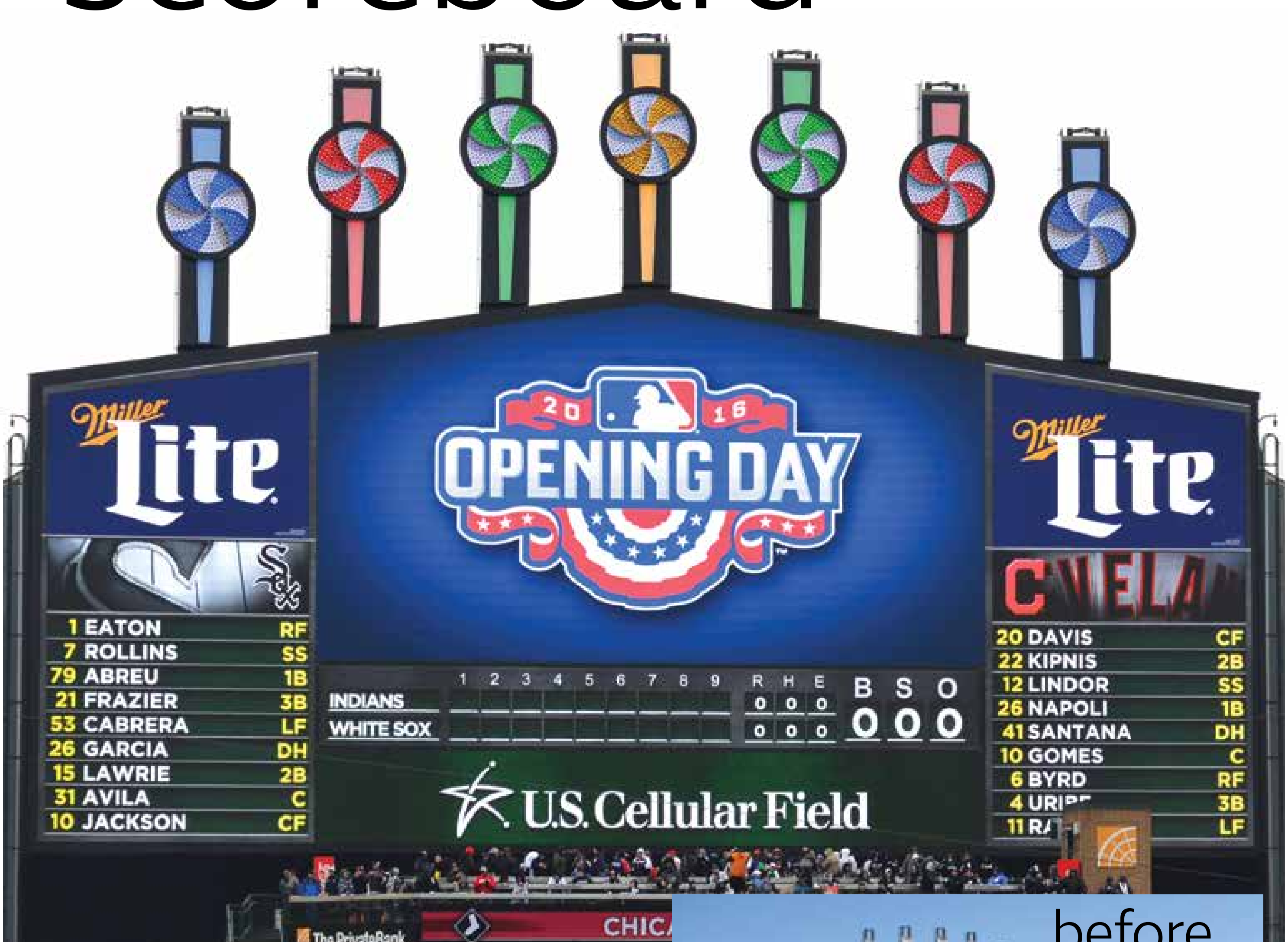
Nationally televised on ESPN2, the #MACtion game between the Mid-American Conference rivals NIU and Toledo became the first-ever football game in the 25-year history of the facility on November 9, 2016. Toledo scored a touchdown with 1:15 remaining to cap their 31-24 comeback victory. ISFA staff coordinated 16 months of detailed logistics planning with the Northern Illinois University athletic department and the Chicago White Sox operations personnel to prepare the facility for this unique event. Groundskeeper, Roger Bossard was instrumental in the precise conversion of the playing field to a gorgeous gridiron...and then back again to a meticulous diamond.

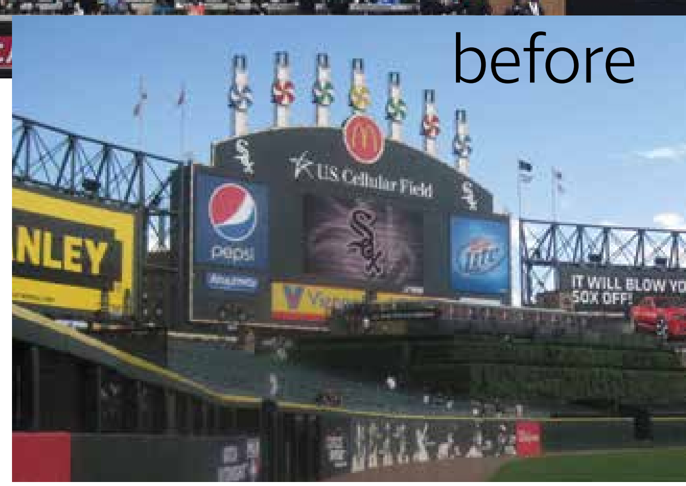


Construction

As the ballpark turned 25 years old, a variety of capital repair projects continued throughout the facility and grounds to replace both infrastructure and finishes. The multiple phase HVAC, fire protection and waste/vent pipe projects were highlighted by the implementation of "relining technology" to eliminate accessing underground pipe for replacement. Hardware changes to switch gear, cameras and the wireless network equipment greatly enhanced the video surveillance system. Concrete and waterproofing repairs, which included replacing expansion joints throughout the park, were completed around the weather, along with the resurfacing of parking lot C with an overlay. Carpeting and wallcoverings were upgraded in the Stadium Club while several areas and replacement doors were painted on the 100 and 500 level concourses.

Scoreboard



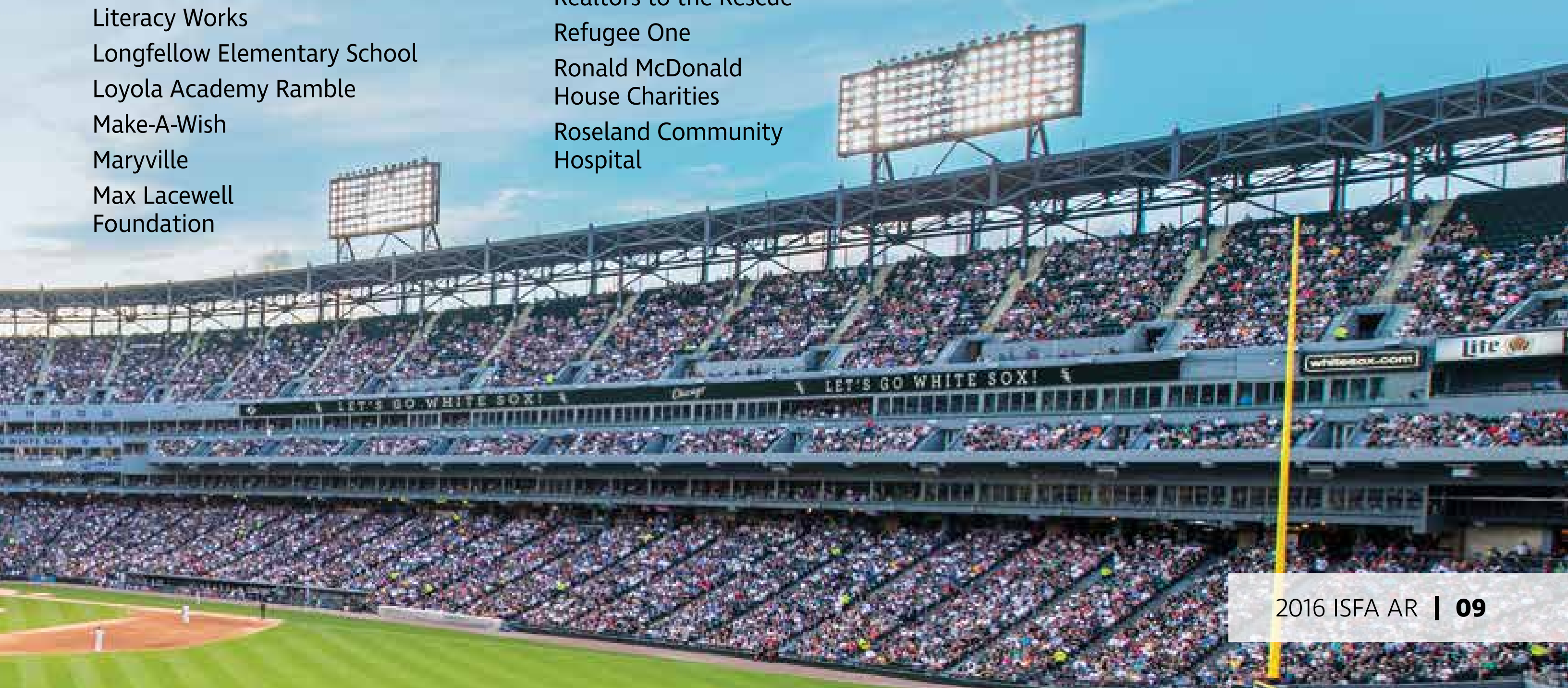


From one of the smallest video boards in baseball to one of the best…prior to Opening Day, ISFA unveiled a 60-foot-tall, 134-foot-wide, 8,000-square foot screen with 10-millimeter pixel clarity which is flanked by a pair of 2,400-square feet video boards for out-of-town scores and in-game statistics. At a cost of approximately $6.5 million, this project came in substantially under budget. With high-definition resolution and social media connectivity, this highly interactive centerpiece of the guest event experience has garnered acclaim from fans, players and promoters.

Charitable Donations

Access Living
Adli Stevenson High School
After School Matters
AKArama Foundation
Alcuin Montessori School
Alsip to the Rescue
American Cancer Society
American Heart Association
American Sokol Organization
Animal Care League
Aspire –
Association House of Chicago
Avenues of Independence
Health & Medicine Policy Research Group
Bears Care Gala
Bear Necessities
Betty Shabazz Charter School
Between Friends
Big Shoulder Fund
Bloomingdale-Roselle Kiwanis
Blue Sky Bakery
Boys & Girls Club Carbondale
Breast Cancer Awareness
Cal's All Star Angels
Calumet College of St. Joseph
Cancer Kiss My Cooley
Canine Therapy Corps
ChangeFire
Chicago Area Alternative Education League (CAAEL)
Chicago Bar Foundation
Chicago's Children Advocacy Center
Chicago Children's Theatre
Chicago Fire Departments Gold Badge Society
Chicago Fire Fighter's Union (Burn Foundation)
Chicago Lighthouse
Chicagoland Lutheran Educational Foundation
Chicago Metropolitan Battered Women's Network
Chicago Police Department Memorial Foundation
Chicago Scholars – Suite (2 for 2 separate events)
Chicago Summer Business Institute
Chicago Youth Symphony Orchestra
Children's Neuroblastoma Cancer Foundation
Children's Research Triangle
Chinese Mutual Aid Association
Christopher House
Coalition for United Community Action
Common Cause Illinois
Connections for Abused Women & their Children (CAWC)
Covenant United Church of Christ
Cradle Foundation
Cristo Rey Jesuit High School
Cystic Fibrosis Found.
Cystic Fibrosis Found.
Daniel Murphy Scholarship Fund
DeKalb County Long Term Recovery Corp.
DeLaSalle Institute
Dennis J. Smith Legacy Foundation
DePaul Academy
Domestic Violence Legal Clinic
Dominican University
Easter Seals Metropolitan DuPage & Fox Valley
Easter Seals Metropolitan Chicago
Education Center
Edward Foundation – Edward's Hospital
Endure Productions
Envision Unlimited
Erie Elementary Charter School
Erie Neighborhood House
Experience Baseball
Face the Future Foundation
Families Together Cooperative Nursery School
Family Rescue
Famous Fido
Foundation of Monroe County Community Schools
Franklin Elementary School
Friends of Conservation
Friends of Lincoln Park High School
Fulfilling Our Responsibility Forum
George Rogers Clark High School
GiantSteps
(The) Gift Theatre
Gilda's Club
Girls in the Game
Glenwood Academy
Goodman Theatre
Guardian Angel Basset Rescue
Guardian Angel Community Services
Haven Youth and Family Services
Healthcare Alternative Systems, Inc.
Health & Medicine Policy Research Group

Helping Hand Center
H Foundation
HighSight
Hoffman Estates Loyal Parents (H.E.L.P.)
Holy Cross/Immaculate Heart of Mary Parish
Holy Family Ministries
House of Good Shepherd Women's Board
Hubbard Woods School
Hyde Park Day School
iBIO Institute
Illinois Coalition for Immigrant and Refugee Rights
Illinois Eversight
Illinois Heart & Lung Foundation
Immaculate Conception St. Joseph School (ICSJ)
Jane Addams Band Booster Assoc.
Jones Foundation
Journeys/The Road Home
JDRF
Kenwood Oakland Community Organization
LaCasa Norte
LaSalle II PTO
Lawyers Lend-A-Hand to Youth
Laynie Foundation
Legacy Guild
Liberty J. High, Burbank
Lisa Marie Santoro Scholarship Fund
Literacy Works
Longfellow Elementary School
Loyola Academy Ramble
Make-A-Wish
Maryville
Max Lacewell Foundation
Max Lacewell Foundation
McAuley Clinic
Megan Hurckes Scholarship Fund
Mercy Home for Boys & Girls
Midwest Dachshund Rescue
Misericordia
Misericordia Heart of Mercy
Misericordia/National Parkinson Foundation
Mobile Care Chicago
MSU Alumni Foundation of Metro Chicago
Mujeres Latinas en Accion
National Latino Education Institute (NLEI)
Nazr Mohammad Foundation
Northwest Indiana Cancer Kids (NICK)
Omni Youth
One Love Global Wellness
Operation Homefront
Orchard Village
Organized Hispanic Making Strides
Our Lady of Tepeyac
PACTT Living Center
Palatine Township Senior Citizens Council
Pilot Light
Planned Parenthood
Portage High School Athletic Dept.
Portage Township YMCA
Primo Center for Women & Children
Realtors to the Rescue
Refugee One
Ronald McDonald House Charities
Roseland Community Hospital
Safer Foundation
Saint Xavier University
Salvation Army
Saving Tiny Hearts
Schaumburg Firefighters Benevolent Assoc.
Second Sense
Special Olympics
SRB Community Spirit Garden
St. Baldrick's
St. Bede
St. James Food Pantry
St. John the Baptist School
St. Joseph High School
St. Matthias
St. Pius V School
St. Raymond de Penafort Parish
St. Rita High School
St. Sabina
Teen Living Programs
Tommy Finnegan Legacy Foundation
Trent Steckel Scholarship Fund
Wells Park Recreation
Whiting Animal Shelter
Women's Health Foundation
Youth Guidance
Youth Services
UCP Seguin
United for a Cure
Urban Initiatives
Zonta Club of Joliet Area



Finest vs. Bravest Charity Game

Storms drastically shortened the game but they couldn't damper the excitement and appreciation on display to honor Chicago's Police and Fire Departments at the 17th annual. Finest vs. Bravest Charity Baseball Game.


BRAVEST
FINEST


BRAVEST
FINEST
Pipes
AND
DRUMS


BRAVEST
VS
FINEST


BRAVEST
VS
FINEST
POLICE VS FIRE
IN ACTION


FINEST
POLICE VS FIRE
IN ACTION

With almost 500 runners, walkers and rollers the Les Turner ALS Foundation raised over $50,000 during their 7th Annual “Strike Out ALS” 5K event.

The Court Appointed Special Advocates (CASA) of Cook County held its second annual "Play Your Part" toy drive on July 27, 2016 at U.S. Cellular Field. Made possible by a $40,000 donation from the Toy Industry Foundation and with support of the National CASA Association, the groups distributed toys to 400 of Cook County's most vulnerable foster children at the event which included lunch, crafts and games along with visits by the Chicago Fire Department's mobile fire education unit and the Chicago Police Department's mounted patrol unit.

Special Events

Tremendous pitching and defense kept hitters off the board for extra innings as the Chicago Catholic and Public Leagues played to a 0-0 tie in their annual All-Star Game.

MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

Board of Directors
Illinois Sports Facilities Authority

Report on the Financial Statements

We have audited the accompanying combined statement of assets, liabilities and equity – bond indenture basis as of June 30, 2016, and the combined statement of revenues, expenditures, and changes in fund balance – bond indenture basis for the year then ended of the Illinois Sports Facilities Authority (the Authority), and the related notes to the combined bond indenture basis 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.

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.

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, 2016, or changes in financial position thereof for the year then ended.

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, 2016 and the changes in 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.

Mitchell & Titus, LLP

November 3, 2016

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, 2016	Combined Total June 30, 2015
Cash and Cash Equivalents and Investments	$ 40,071,641	$ 14,304,260	$ 91,679	$ -	$ -	$ -	$ -	$ -	$ 2,440	$ 6,735,081	$ -	$ -	$ 61,205,101	$ 69,752,749
Hotel Tax Revenues Receivable	-	-	-	-	15,416,661	-	-	-	-	-	-	-	15,416,661	14,997,881
Interest and Other Receivables	3,554	221,455	-	-	10,000,000	1,499	-	-	1,020	-	-	-	10,227,528	26,486
Prepaid Expenditures	304,837	-	-	-	-	-	-	-	-	-	-	-	304,837	311,426
Due from Other Funds														
General Fund	-	3,088,747	301,306	5,172,237	-	-	-	-	-	-	8,125,000	-	16,687,290	19,388,810
Comiskey Park Capital Improvement Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue funds	10,000,000	-	-	-	-	-	-	-	-	-	-	-	10,000,000	-
1999 Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	
2001 Debt Service Funds	1,499	-	-	-	-	-	-	-	-	-	-	-	1,499	-
2003 Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	
2008 Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014 Debt Service Funds	1,020	-	-	-	-	-	-	-	-	-	-	-	1,020	
Total Current Assets	**50,382,551**	**17,614,462**	**392,985**	**5,172,237**	**25,416,661**	**1,499**	**-**	**-**	**3,460**	**6,735,081**	**8,125,000**	**-**	**113,843,936**	**104,477,352**
Long-Term Assets														
Stadium	-	-	-	-	-	-	-	-	-	-	-	153,260,885	153,260,885	153,260,885
Stadium Improvements	-	-	-	-	-	-	-	-	-	-	-	99,783,182	99,783,182	97,224,394
Scoreboard	-	-	-	-	-	-	-	-	-	-	-	14,895,301	14,895,301	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	-	-	-	-	-	-	-	-	-	-	-	4,524,356	4,524,356	4,372,821
Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-	8,933,867	8,933,867	8,933,867
Total Long-Term Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**314,326,991**	**314,326,991**	**310,259,713**
TOTAL ASSETS	**$ 50,382,551**	**$ 17,614,462**	**$ 392,985**	**$ 5,172,237**	**$ 25,416,661**	**$ 1,499**	**$ -**	**$ -**	**$ 3,460**	**$ 6,735,081**	**$ 8,125,000**	**$314,326,991**	**$428,170,927**	**$414,737,065**

See accompanying notes to combined financial statements.

June 30, 2016 (With Comparative Totals for 2015)

LIABILITIES & EQUITY	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, 2016	Combined Total June 30, 2015
Current Liabilities:														
Accounts Payable	$ 164,936	$ 6,054,039	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 980,565	$ -	$ -	$ 7,199,540	$ 5,038,233
Hotel tax advance payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Payable	-	-	-	-	-	612,992	-	-	605,716	-	-	-	1,218,708	1,163,766
State Administration Fee Payable	-	-	-	-	616,666	-	-	-	-	-	-	-	616,666	599,915
Advance Deposits for Events	-	-	-	-	-	-	-	-	-	-	-	-	-	10,147
Due to Other Funds:														
General Fund	-	-	-	-	10,000,000	1,499	-	-	1,020	-	-	-	10,002,519	-
Comiskey Park Capital Improvement Fund	3,088,747	-	-	-	-	-	-	-	-	-	-	-	3,088,747	4,501,816
Supplemental Stadium Fund	301,306	-	-	-	-	-	-	-	-	-	-	-	301,306	301,306
Chicago White Sox Reserve Fund	5,172,237	-	-	-	-	-	-	-	-	-	-	-	5,172,237	6,697,339
Soldier Field Reserve Fund	8,125,000	-	-	-	-	-	-	-	-	-	-	-	8,125,000	7,888,349
Total Current Liabilities:	**16,852,226**	**6,054,039**	**-**	**-**	**10,616,666**	**614,491**	**-**	**-**	**606,736**	**980,565**	**-**	**-**	**35,724,723**	**26,200,871**
Long-Term Liabilities:														
Long-Term Liabilities	-	-	-	-	-	137,439,537	-	-	285,650,000	-	-	-	423,089,537	430,961,273
Total Liabilities:	**16,852,226**	**6,054,039**	**-**	**-**	**10,616,666**	**138,054,028**	**-**	**-**	**286,256,736**	**980,565**	**-**	**-**	**458,814,260**	**457,162,144**
Equity:														
Fund Balance (Deficit)	33,530,325	11,560,423	392,985	5,172,237	14,799,995	(399,611,033)	(42,535,000)	(10,000,000)	(603,276)	5,754,516	8,125,000	157,589,991	(215,823,837)	(219,733,847)
Principal Amount of Bonds Retired from Revenue	-	-	-	-	-	26,988,647	6,110,000	1,655,000	6,825,000	-	-	150,000,000	191,578,647	183,706,911
Principal Amount of Bonds Retired from Funding	-	-	-	-	-	234,569,857	36,425,000	8,345,000	(292,475,000)	-	-	-	(13,135,143)	(13,135,143)
Principal Amount of Scoreboard Note Retired from Revenue	-	-	-	-	-	-	-	-	-	-	-	6,737,000	6,737,000	6,737,000
Total Equity:	**33,530,325**	**11,560,423**	**392,985**	**5,172,237**	**14,799,995**	**(138,052,529)**	**-**	**-**	**(286,253,276)**	**5,754,516**	**8,125,000**	**314,326,991**	**(30,643,333)**	**(42,425,079)**
TOTAL LIABILITIES & EQUITY:	**$ 50,382,551**	**$ 17,614,462**	**$ 392,985**	**$ 5,172,237**	**$ 25,416,661**	**$ 1,499**	**$ -**	**$ -**	**$ 3,460**	**$ 6,735,081**	**$ 8,125,000**	**$314,326,991**	**$428,170,927**	**$414,737,065**

See accompanying notes to combined financial statements.

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

	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, 2016	Combined Total June 30, 2015
Revenues:														
State Subsidy	$ -	$ -	$ -	$ -	$ 5,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
City Subsidy	-	-	-	-	5,000,000	-	-	-	-	-	-	-	5,000,000	5,000,000
Investment Income	351	-	-	-	-	6,372	-	-	6,211	-	-	-	12,934	13,132
Hotel Tax Revenue	-	-	-	-	48,557,412	-	-	-	-	-	-	-	48,557,412	46,751,014
Special Events Revenue	67,422	-	-	-	-	-	-	-	-	-	-	-	67,422	139,177
Fees to the Authority from the Chicago White Sox	-	-	-	-	1,755,072	-	-	-	-	-	-	-	1,755,072	1,706,806
Other Income	39,578	-	-	-	-	-	-	-	-	-	-	-	39,578	35,483
Total Revenues	**107,351**	**-**	**-**	**-**	**60,312,484**	**6,372**	**-**	**-**	**6,211**	**-**	**-**	**-**	**60,432,418**	**58,645,612**
Expenditures:														
General Expenditures:														
Salaries and Benefits	846,351	-	-	-	-	-	-	-	-	-	-	-	846,351	894,332
Office Expenditures	55,812	-	-	-	-	-	-	-	-	-	-	-	55,812	67,721
Insurance Expenditures	538,601	-	-	-	-	-	-	-	-	-	-	-	538,601	535,386
Professional Services	404,737	702,339	-	-	-	-	-	-	-	-	-	-	1,107,076	1,057,625
Trustee Fees	-	-	-	-	15,500	-	-	-	-	-	-	-	15,500	12,500
State Administration Fee	-	-	-	-	1,942,296	-	-	-	-	-	-	-	1,942,296	1,870,041
Amusement Tax Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing and Special Events	27,922	-	-	-	-	-	-	-	-	-	-	-	27,922	48,595
Debt Service Expenditures:														
Bond Interest	-	-	-	-	-	13,497,297	-	-	14,875,971	-	-	-	28,373,268	25,015,873
Bond Principal Payments	-	-	-	-	-	5,016,736	-	-	2,855,000	-	-	-	7,871,736	9,317,832
Bond Issuance Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	7,629,579
Total General Expenditures:	**1,873,423**	**702,339**	**-**	**-**	**1,957,796**	**18,514,033**	**-**	**-**	**17,730,971**	**-**	**-**	**-**	**40,778,562**	**46,449,484**
Other Expenditures:														
Capital Improvements	-	10,275,101	-	-	-	-	-	-	-	2,896,105	-	-	13,171,206	14,138,727
Park Maintenance	-	1,649,755	-	-	-	-	-	-	-	-	-	-	1,649,755	1,546,932
Chicago White Sox Maintenance Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	59,196
Soldier Field Maintenance Subsidy	4,990,163	-	-	-	-	-	-	-	-	-	-	-	4,990,163	4,844,818
Total Other Expenditures:	**4,990,163**	**11,924,856**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,896,105**	**-**	**-**	**19,811,124**	**20,589,673**
TOTAL EXPENDITURES:	**6,863,586**	**12,627,195**	**-**	**-**	**1,957,796**	**18,514,033**	**-**	**-**	**17,730,971**	**2,896,105**	**-**	**-**	**60,589,686**	**67,039,157**
Excess (Deficiency) of Revenues Over Expenditures:	**(6,756,235)**	**(12,627,195)**	**-**	**-**	**58,354,688**	**(18,507,661)**	**-**	**-**	**(17,724,760)**	**(2,896,105)**	**-**	**-**	**(157,268)**	**(8,393,545)**

See accompanying notes to combined financial statements.

For the Year Ended June 30, 2016 (With Comparative Totals for 2015)

Other Financing Sources (Uses):	General Fund	Comiskey Park Capital Improvement Fund	Supple-mental 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, 2016	Combined Total June 30, 2015
In-kind Donation from the Chicago White Sox	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 888,972	$ 888,972	$ 860,000
Stadium Improvements	-	-	-	-	-	-	-	-	-	-	-	10,765,045	10,765,045	10,058,597
Stadium Disposals	-	-	-	-	-	-	-	-	-	-	-	(7,586,739)	(7,586,739)	(3,930,536)
Bond Issuance Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	319,223,451
Transfer to Escrow Agent	-	-	-	-	-	-	-	-	-	-	-	-	-	(315,018,654)
Transfers-In:														
General Fund	-	7,626,518	-	-	-	-	-	-	-	2,898,186	236,651	-	10,761,355	11,950,950
Chicago White Sox Reserve Fund	1,525,102	-	-	-	-	-	-	-	-	-	-	-	1,525,102	539,531
Revenue Funds	20,007,524	1,755,072	-	-	-	18,453,225	-	-	17,736,838	-	-	-	57,952,659	54,687,123
2001 Debt Service Funds	6,372	-	-	-	-	-	-	-	-	-	-	-	6,372	1,684,799
2003 Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	779,114
2008 Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	914,134
2014 Debt Service Funds	6,211	-	-	-	-	-	-	-	-	-	-	-	6,211	1,901
Transfers-Out:														
General Fund	-	-	-	(1,525,102)	(20,007,524)	(6,372)	-	-	(6,211)	-	-	-	(21,545,209)	(18,547,885)
Comiskey Park Capital Improvement Fund	(7,626,518)	-	-	-	(1,755,072)	-	-	-	-	-	-	-	(9,381,590)	(9,036,199)
Chicago White Sox Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2001 Debt Service Funds	-	-	-	-	(18,453,225)	-	-	-	-	-	-	-	(18,453,225)	(19,774,606)
2003 Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	(414,138)
2008 Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	(101,130)
2014 Debt Service Funds	-	-	-	-	(17,736,838)	-	-	-	-	-	-	-	(17,736,838)	(19,640,063)
Soldier Field Capital Improvement Fund	(2,898,186)	-	-	-	-	-	-	-	-	-	-	-	(2,898,186)	(2,813,773)
Soldier Field Reserve Fund	(236,651)	-	-	-	-	-	-	-	-	-	-	-	(236,651)	(229,758)
TOTAL OTHER FINANCING SOURCES (USES):	**10,783,854**	**9,381,590**	**-**	**(1,525,102)**	**(57,952,659)**	**18,446,853**	**-**	**-**	**17,730,627**	**2,898,186**	**236,651**	**4,067,278**	**4,067,278**	**11,192,858**
Net Change in Fund Balance	**4,027,619**	**(3,245,605)**	**-**	**(1,525,102)**	**402,029**	**(60,808)**	**-**	**-**	**5,867**	**2,081**	**236,651**	**4,067,278**	**3,910,010**	**2,799,313**
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)**
Fund Balance (Deficit)—June 30, 2016	**$33,530,325**	**$ 11,560,423**	**$ 392,985**	**$ 5,172,237**	**$14,799,995**	**$(399,611,033)**	**$(42,535,000)**	**$(10,000,000)**	**$ (603,276)**	**$ 5,754,516**	**$ 8,125,000**	**$157,589,991**	**$(215,823,837)**	**$(219,733,847)**

See accompanying notes to combined financial statements.

Notes to Combined Bond Indenture Basis Financial Statements June 30, 2016

NOTE 1 Summary of Significant Accounting Policies

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, 2016 and 2015 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.

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 (Ambac) and Assured Guaranty Municipal Corporation,respectively.
- *Extraordinary Redemption Fund* - Payments for early redemption of the 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. Such proceeds were 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, 2016 and 2015.

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

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 generally accepted accounting principles 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 non-spendable, 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. Reductions in the long-term liabilities are recorded as offsetting entry to equity in the combined statement 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 bond holders. 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.
    - <u>Proceeds of the State Hotel Tax</u> - 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 fiscal year 2016 appropriation of the State subsidy was enacted by the General Assembly of the State on June 30, 2016. At June 30,2016, the Authority recorded a receivable for the State subsidy since it did not receive the payments by year-end.
    - <u>The Local Government Distributive Fund</u> - 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. The fiscal year 2016 appropriation of the City subsidy was enacted by the General Assembly of the State of Illinois on June 30, 2016. At June 30, 2016, the Authority recorded a receivable for the City subsidy since it did not receive the payments by year-end.
  - **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.

    The fiscal year 2016 appropriation of the State Advance was enacted by the General Assembly of the State of Illinois on June 30, 2016. Therefore, the State did not provide advance payments to the Authority during fiscal year 2016. The Authority received its net 2% Authority Hotel Tax receipts directly from the State each month. As a result, the Authority had no advance reimbursement obligation for fiscal year 2016.

    During fiscal year 2015, 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 fiscal years 2016 and 2015.
  - **Fees to the Authority from the Chicago White Sox** - The Management Agreement, as amended, currently provides three mechanisms by which the Chicago White Sox remits 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. Tickets sold for the 2015 Season are not to exceed the minimum ticket threshold. Therefore, no net ticket fees were received at the conclusion of the 2015 Season. Tickets sold for the 2016 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 2016 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, 2016 and 2015, $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 2016 Season, the amount of the base fee was $1,580,784.

    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 2016 was $127,425.
- *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; and
4. From the Other Revenues Fund.

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

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

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

  1. Payment of the Chicago White Sox maintenance subsidy;
  2. Payment of the Authority's ordinary and necessary expenditures;
  3. Payment of U.S. Cellular Field capital repairs to a set amount;
  4. Payment of the annual subsidy amount to the Chicago Park District;
  5. Payment of any U.S. Cellular Field capital repairs not provided for in item 3;
  6. Payment of the required deposits to the Soldier Field Capital Improvement Fund;
  7. Deposits of the required amounts to the Chicago White Sox Reserve Fund;
  8. Deposits of the required amounts to the Soldier Field Reserve Fund;
  9. Reserving of any amounts determined by the Authority as protection against fluctuations in the Authority Hotel Tax that might affect the Authority's ability to repay amounts advanced by the State; and
  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 2016 and 2015 was $7,155,000.

  In fiscal year 2016, $1,525,102 was transferred to the General Fund from the Chicago White Sox Reserve Fund; $236,651 was transferred from the General Fund to the Soldier Field Reserve Fund; and $441,320 increased the hotel tax variation reserve within the year, along with an increase of $3,558,680, bringing the reserve balance at the conclusion of the fiscal year to $24,000,000.

  In fiscal year 2015, $539,531 was transferred from the General Fund to 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, bringing 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 the 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, 2016 or 2015.

- *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.

NOTE 2 Cash and Cash Equivalents

Cash and Cash Equivalents

Cash equivalents 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 2016 and 2015, the Authority maintained five non-interest-bearing checking accounts. The checking accounts were fully collateralized as of June 30, 2016 and 2015.

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, 2016 and 2015, the Authority's investments in money market funds were rated A-1 or better by Standard & Poor's.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counter party, 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.

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.

NOTE 3 Bonds Payable

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, 2016 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%	$ 89,747,586
Capital Appreciation Bonds, Due June 15, 2017 to 2026	5.23% to 9.00%	47,691,951
Total		$ 137,439,537

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	100.0%

Series 2001 Bonds maturing in the years subsequent to June 30, 2016 are as follows:

Year Ending June 30	Amount
2017	5,627,075
2018	3,628,577
2019	3,637,123
2020	3,817,434
2021	3,968,976
2022-2026	27,012,766
2027-2030	89,747,586
Total	$ 137,439,537

Ambac 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.

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.

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.

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, 2016 are as follows:

	Interest Rate	Amount
Illinois Sports Facilities Authority Sports Facilities Refunding Bonds, Series 2014 Series Bonds, Due June 15, 2017 to 2032	5.00% – 5.25%	$ 285,650,000

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

	Maturing After	Redemption 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, 2016 are as follows:

Year Ending June 30	Amount
2017	3,060,000
2018	3,290,000
2019	3,520,000
2020	3,770,000
2021	4,030,000
2022-2026	24,410,000
2027-2031	160,950,000
2032	82,620,000
Total	$ 285,650,000

Assured Guaranty Municipal Corporation provides bond insurance for the payment of the principal and interest on the Series 2014 Bonds maturing on June 15 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 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 1 of each year. If the Authority is required to increase the amount of the Authority Reserved Funds maintained in any year and the fiscal year in which Maximum Annual Debt Service occurs is five or fewer years from the date of the determination of the amount of Authority Reserved Funds, the Authority will increase the amount of the Authority Reserved Funds to comply within 12 months of the determination. If the Authority is required to increase the amount of the Authority Reserved Funds maintained in any year and the fiscal year in which Maximum Annual Debt Service occurs is more than five years from the date of the determination of the amount of Authority Reserved Funds, the Authority will increase the amount of the Authority Reserved Funds within 24 months of the determination.

At June 30, 2016 and 2015, the Authority Reserved Funds in compliance with the agreement were calculated to be $0.

NOTE 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.

NOTE 5 Contingencies and Commitments

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 $4,537,771 and $4,405,603 in fiscal years 2016 and 2015, respectively.

In fiscal year 2016, the Authority transferred the required amount plus an additional $3,088,747 from the General Fund and $1,755,072 from the Other Revenues 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 Revenues Fund to the Supplemental Stadium Fund.

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.

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 $4,990,163 in fiscal year 2016 and $4,844,818 in fiscal year 2015. 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 $2,898,186 in 2016 and $2,813,773 in 2015. The Chicago Park District maintains responsibility for ensuring the facility is structurally sound and safe. In fiscal years 2016 and 2015, the Authority paid the required subsidies.

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 2016 and 2015, no transfer was required.

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, 2016 and 2015, there was no arbitrage rebate liability.

Fund Deficits

As of June 30, 2016, the 2001 Bond Fund, the 2003 Bond Fund, the 2008 Bond Fund and the 2014 Bond Fund had deficit fund balances of $399,611,033, $42,535,000, $10,000,000 and $603,276, respectively.

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. 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.

NOTE 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 2016 and 2015, retirement contributions by the Authority were $88,539 and $92,058, 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.

In-kind Donations

During fiscal year 2016, $888,972 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, 2016.

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.

NOTE 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 was 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 $0 and $9,873, respectively, were reported as expenditures in the financial statements for the years ended June 30, 2016 and 2015. 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.

NOTE 9 Subsequent Events

Naming Rights

In August 2016, the Authority and the Team agreed that the Team may license to Guaranteed Rate, a Chicago-based mortgage lender, the naming rights for U.S. Cellular Field. In exchange, the Team agreed that the Authority will receive all incremental naming rights revenue in excess of the amount due to the Team. The Team also agreed not to invoke a provision in the Management Agreement, which requires the Authority to undertake certain major renovations during the last two years of the current lease term, and, if extended, during the one year of the extension term. The renaming of U.S. Cellular Field to Guaranteed Rate Field will take effect on November 1, 2016.

Management has evaluated subsequent events through November 3, 2016, the date the financial statements were available to be issued. No additional 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