

ILLINOIS SPORTS FACILITIES AUTHORITY

**Combined Bond Indenture Basis
Financial Statements as of and for the
Year Ended June 30, 2017
Additional Information for the Year Ended June 30, 2017
With Independent Auditor's Report**



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

ILLINOIS SPORTS FACILITIES AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

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, 2017, 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.

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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, 2017, 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, 2017 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.

Other Information

Our audit was conducted for the purpose of forming opinion on the combined bond indenture basis financial statements that collectively comprise the Authority's basic financial statements. The individual fund bond indenture basis schedules of revenues, expenditures and changes in fund balances on pages 36 through 47 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund bond indenture basis schedules of revenues, expenditures and changes in fund balances are fairly stated, in all material respects, in relation to the basic financial statements as a whole in accordance with the Authority's Bond Indenture as described in Note 1.

A handwritten signature in black ink that reads "Mitchell Titus, LLP".

November 27, 2017

ILLINOIS SPORTS FACILITIES AUTHORITY

Combined Statements of Assets, Liabilities and Equity - Bond Indenture Basis
June 30, 2017 (With Comparative Totals for 2016)

	<u>General Fund</u>	<u>Comiskey Park Capital Improvement Fund</u>	<u>Supplemental Stadium Fund</u>	<u>Chicago White Sox Reserve Fund</u>	<u>Revenue Funds</u>	<u>2001 Debt Service Funds</u>	<u>2003 Debt Service Funds</u>	<u>2008 Debt Service Funds</u>	<u>2014 Debt Service Funds</u>	<u>Soldier Field Capital Improvement Fund</u>	<u>Soldier Field Reserve Fund</u>	<u>Construction Fund</u>	<u>Combined Total June 30,</u>	
													<u>2017</u>	<u>2016</u>
ASSETS														
<i>Current assets</i>														
Cash, cash equivalents and investments	\$ 51,870,696	\$ 13,597,273	\$ 91,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,450	\$ 6,208,409	\$ -	\$ -	\$ 71,770,507	\$ 61,205,101
Hotel tax revenues receivable	-	-	-	-	16,140,652	-	-	-	-	-	-	-	16,140,652	15,416,661
Interest and other receivables	48,231	-	-	-	1	4,532	-	-	2,807	-	-	-	55,571	10,227,528
Prepaid expenditures	297,903	-	-	-	-	-	-	-	-	-	-	-	297,903	304,837
<i>Due from other funds</i>														
General Fund	-	2,321,280	301,306	5,613,026	-	-	-	-	-	-	8,368,750	-	16,604,362	16,687,290
Comiskey Park Capital Improvement Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue funds	1	-	-	-	-	-	-	-	-	-	-	-	1	10,000,000
1999 Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2001 Debt Service Funds	4,532	-	-	-	-	-	-	-	-	-	-	-	4,532	1,499
2003 Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2008 Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014 Debt Service Funds	2,806	-	-	-	-	-	-	-	-	-	-	-	2,806	1,020
Total current assets	52,224,169	15,918,553	392,985	5,613,026	16,140,653	4,532	-	-	5,257	6,208,409	8,368,750	-	104,876,334	113,843,936
<i>Long-term assets</i>														
Stadium	-	-	-	-	-	-	-	-	-	-	-	153,260,885	153,260,885	153,260,885
Stadium improvements	-	-	-	-	-	-	-	-	-	-	-	103,232,861	103,232,861	99,783,182
Scoreboard	-	-	-	-	-	-	-	-	-	-	-	14,928,053	14,928,053	14,895,301
Replacement housing	-	-	-	-	-	-	-	-	-	-	-	4,763,939	4,763,939	4,763,939
Land	-	-	-	-	-	-	-	-	-	-	-	28,165,461	28,165,461	28,165,461
Land improvements	-	-	-	-	-	-	-	-	-	-	-	4,724,111	4,724,111	4,524,356
Capitalized interest	-	-	-	-	-	-	-	-	-	-	-	8,933,867	8,933,867	8,933,867
Total long-term assets	-	-	-	-	-	-	-	-	-	-	-	318,009,177	318,009,177	314,326,991
Total assets	\$ 52,224,169	\$ 15,918,553	\$ 392,985	\$ 5,613,026	\$ 16,140,653	\$ 4,532	\$ -	\$ -	\$ 5,257	\$ 6,208,409	\$ 8,368,750	\$ 318,009,177	\$ 422,885,511	\$ 428,170,927

See accompanying notes to combined financial statements.

ILLINOIS SPORTS FACILITIES AUTHORITY

Combined Statements of Assets, Liabilities and Equity - Bond Indenture Basis (continued)

June 30, 2017 (With Comparative Totals for 2016)

	<u>General Fund</u>	<u>Comiskey Park Capital Improvement Fund</u>	<u>Supplemental Stadium Fund</u>	<u>Chicago White Sox Reserve Fund</u>	<u>Revenue Funds</u>	<u>2001 Debt Service Funds</u>	<u>2003 Debt Service Funds</u>	<u>2008 Debt Service Funds</u>	<u>2014 Debt Service Funds</u>	<u>Soldier Field Capital Improvement Fund</u>	<u>Soldier Field Reserve Fund</u>	<u>Construction Fund</u>	<u>Combined Total June 30,</u>	
													<u>2017</u>	<u>2016</u>
LIABILITIES AND EQUITY														
<i>Current liabilities</i>														
Accounts payable	\$ 304,631	\$ 2,426,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 804,899	\$ -	\$ -	\$ 3,535,586	\$ 7,199,540
Hotel tax advance payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest payable	-	-	-	-	-	786,766	-	-	599,428	-	-	-	1,386,194	1,218,708
State administration fee payable	-	-	-	-	645,626	-	-	-	-	-	-	-	645,626	616,666
Advance deposits for events	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Due to other funds</i>														
General Fund	-	-	-	-	1	4,532	-	-	2,806	-	-	-	7,339	10,002,519
Comiskey Park Capital Improvement Fund	2,321,280	-	-	-	-	-	-	-	-	-	-	-	2,321,280	3,088,747
Supplemental Stadium Fund	301,306	-	-	-	-	-	-	-	-	-	-	-	301,306	301,306
Chicago White Sox Reserve Fund	5,613,026	-	-	-	-	-	-	-	-	-	-	-	5,613,026	5,172,237
Soldier Field Reserve Fund	8,368,750	-	-	-	-	-	-	-	-	-	-	-	8,368,750	8,125,000
Total current liabilities	16,908,993	2,426,056	-	-	645,627	791,298	-	-	602,234	804,899	-	-	22,179,107	35,724,723
Long-term liabilities	-	-	-	-	-	131,812,462	-	-	282,590,000	-	-	-	414,402,462	423,089,537
Total liabilities	16,908,993	2,426,056	-	-	645,627	132,603,760	-	-	283,192,234	804,899	-	-	436,581,569	458,814,260
<i>Equity</i>														
Fund balance (deficit)	35,315,176	13,492,497	392,985	5,613,026	15,495,026	(399,784,807)	(42,535,000)	(10,000,000)	(596,977)	5,403,510	8,368,750	161,272,177	(207,563,637)	(215,823,837)
Principal amount of bonds Retired from revenue	-	-	-	-	-	32,615,722	6,110,000	1,655,000	9,885,000	-	-	150,000,000	200,265,722	191,578,647
Principal amount of bonds retired from refunding	-	-	-	-	-	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	35,315,176	13,492,497	392,985	5,613,026	15,495,026	(132,599,228)	-	-	(283,186,977)	5,403,510	8,368,750	318,009,177	(13,696,058)	(30,643,333)
Total liabilities and equity	\$ 52,224,169	\$ 15,918,553	\$ 392,985	\$ 5,613,026	\$ 16,140,653	\$ 4,532	\$ -	\$ -	\$ 5,257	\$ 6,208,409	\$ 8,368,750	\$ 318,009,177	\$ 422,885,511	\$ 428,170,927

See accompanying notes to combined financial statements.

ILLINOIS SPORTS FACILITIES AUTHORITY

Combined Statements of Revenues, Expenditures and Changes in Fund Balance - Bond Indenture Basis
 For the Year Ended June 30, 2017 (With Comparative Totals for 2016)

	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,	
													2017	2016
<i>Revenues</i>														
State subsidy	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000
City subsidy	-	-	-	-	5,000,000	-	-	-	-	-	-	-	5,000,000	5,000,000
Investment income	-	-	-	-	975	50,463	-	-	32,444	-	-	-	83,882	12,934
Hotel tax revenue	-	-	-	-	51,811,822	-	-	-	-	-	-	-	51,811,822	48,557,412
Special events revenue	487,030	-	-	-	-	-	-	-	-	-	-	-	487,030	67,422
Fees to Authority from the Chicago White Sox	-	-	-	-	1,832,869	-	-	-	-	-	-	-	1,832,869	1,755,072
Other income	33,967	-	-	-	-	-	-	-	-	-	-	-	33,967	39,578
Total revenues	520,997	-	-	-	63,645,666	50,463	-	-	32,444	-	-	-	64,249,570	60,432,418
<i>Expenditures</i>														
<i>General expenditures</i>														
Salaries and benefits	943,244	-	-	-	-	-	-	-	-	-	-	-	943,244	846,351
Office expenditures	91,247	-	-	-	-	-	-	-	-	-	-	-	91,247	55,812
Insurance expenditures	577,871	-	-	-	-	-	-	-	-	-	-	-	577,871	538,601
Professional services	477,591	483,553	-	-	-	-	-	-	-	-	-	-	961,144	1,107,076
Trustee fees	-	-	-	-	15,500	-	-	-	-	-	-	-	15,500	15,500
State administration fee	-	-	-	-	2,072,473	-	-	-	-	-	-	-	2,072,473	1,942,296
Amusement tax payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing and special events	1,386,847	-	-	-	-	-	-	-	-	-	-	-	1,386,847	27,922
<i>Debt service expenditures</i>														
Bond interest	-	-	-	-	-	15,089,924	-	-	14,732,800	-	-	-	29,822,724	28,373,268
Bond principal payments	-	-	-	-	-	5,627,075	-	-	3,060,000	-	-	-	8,687,075	7,871,736
Total general expenditures	3,476,800	483,553	-	-	2,087,973	20,716,999	-	-	17,792,800	-	-	-	44,558,125	40,778,562
<i>Other expenditures</i>														
Capital improvements	-	4,448,775	-	-	-	-	-	-	-	3,336,138	-	-	7,784,913	13,171,206
Park maintenance	-	2,188,651	-	-	-	-	-	-	-	-	-	-	2,188,651	1,649,755
Chicago White Sox maintenance subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Soldier Field maintenance subsidy	5,139,867	-	-	-	-	-	-	-	-	-	-	-	5,139,867	4,990,163
Total other expenditures	5,139,867	6,637,426	-	-	-	-	-	-	-	3,336,138	-	-	15,113,431	19,811,124
Total expenditures	8,616,667	7,120,979	-	-	2,087,973	20,716,999	-	-	17,792,800	3,336,138	-	-	59,671,556	60,589,686
Excess (deficiency) of revenues over expenditures	(8,095,670)	(7,120,979)	-	-	61,557,693	(20,666,536)	-	-	(17,760,356)	(3,336,138)	-	-	4,578,014	(157,268)

See accompanying notes to combined financial statements.

ILLINOIS SPORTS FACILITIES AUTHORITY

Combined Statements of Revenues, Expenditures and Changes in Fund Balance - Bond Indenture Basis *(continued)*

For the Year Ended June 30, 2017 (With Comparative Totals for 2016)

	<u>General Fund</u>	<u>Comiskey Park Capital Improvement Fund</u>	<u>Supplemental Stadium Fund</u>	<u>Chicago White Sox Reserve Fund</u>	<u>Revenue Funds</u>	<u>2001 Debt Service Funds</u>	<u>2003 Debt Service Funds</u>	<u>2008 Debt Service Funds</u>	<u>2014 Debt Service Funds</u>	<u>Soldier Field Capital Improvement Fund</u>	<u>Soldier Field Reserve Fund</u>	<u>Construction Fund</u>	<u>Combined Total June 30,</u>	
													<u>2017</u>	<u>2016</u>
<i>Other financing sources (uses)</i>														
In-kind donation from the Chicago White Sox Stadium improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,222,037	\$ 1,222,037	\$ 888,972
Stadium disposals	-	-	-	-	-	-	-	-	-	-	-	(2,048,709)	(2,048,709)	(7,586,739)
<i>Transfers in</i>														
General fund	-	7,220,184	-	440,789	-	-	-	-	-	2,985,132	243,750	-	10,889,855	10,761,355
Chicago White Sox reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	1,525,102
Revenue funds	20,687,480	1,832,869	-	-	-	20,543,225	-	-	17,799,088	-	-	-	60,862,662	57,952,659
2001 Debt service funds	50,463	-	-	-	-	-	-	-	-	-	-	-	50,463	6,372
2003 Debt service funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2008 Debt service funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014 Debt service funds	32,433	-	-	-	-	-	-	-	-	-	-	-	32,433	6,211
<i>Transfers out</i>														
General fund	-	-	-	-	(20,687,480)	(50,463)	-	-	(32,433)	-	-	-	(20,770,376)	(21,545,209)
Comiskey Park Capital Improvement Fund	(7,220,184)	-	-	-	(1,832,869)	-	-	-	-	-	-	-	(9,053,053)	(9,381,590)
Chicago White Sox Reserve Fund	(440,789)	-	-	-	-	-	-	-	-	-	-	-	(440,789)	-
2001 Debt service funds	-	-	-	-	(20,543,225)	-	-	-	-	-	-	-	(20,543,225)	(18,453,225)
2003 Debt service funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2008 Debt service funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014 Debt service funds	-	-	-	-	(17,799,088)	-	-	-	-	-	-	-	(17,799,088)	(17,736,838)
Soldier Field Capital Improvement Fund	(2,985,132)	-	-	-	-	-	-	-	-	-	-	-	(2,985,132)	(2,898,186)
Soldier Field Reserve Fund	(243,750)	-	-	-	-	-	-	-	-	-	-	-	(243,750)	(236,651)
Total other financing sources (uses)	9,880,521	9,053,053	-	440,789	(60,862,662)	20,492,762	-	-	17,766,655	2,985,132	243,750	3,682,186	3,682,186	4,067,278
Net change in fund balance	1,784,851	1,932,074	-	440,789	695,031	(173,774)	-	-	6,299	(351,006)	243,750	3,682,186	8,260,200	3,910,010
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)
Fund balance (deficit) - June 30, 2017	\$ 35,315,176	\$ 13,492,497	\$ 392,985	\$ 5,613,026	\$ 15,495,026	\$ (399,784,807)	\$ (42,535,000)	\$ (10,000,000)	\$ (596,977)	\$ 5,403,510	\$ 8,368,750	\$ 161,272,177	\$ (207,563,637)	\$ (215,823,837)

See accompanying notes to combined financial statements.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Organization of the Authority *(continued)*

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 was renamed to 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 2017 – 2028. The 2001 Conversion Bonds were redeemed at a call premium of 101%.

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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Organization of the Authority *(continued)*

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.

The Series 2001 Bonds and Series 2014 Refunding Bonds (collectively, the Bonds) outstanding at June 30, 2017 and 2016 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.

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 took effect on November 1, 2016.

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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Establishment of Funds *(continued)*

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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Establishment of Funds *(continued)*

Debt Service Funds (continued)

- *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 Guaranteed Rate 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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Establishment of Funds *(continued)*

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 Guaranteed Rate Field, as well as ongoing stadium maintenance and repair obligations of the Authority. 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 Guaranteed Rate 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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Establishment of Funds *(continued)*

Other Funds (continued)

- *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, 2017 and 2016.

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 Guaranteed Rate 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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Establishment of Accounting Principles *(continued)*

- 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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Establishment of Accounting Principles *(continued)*

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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Establishment of Accounting Principles *(continued)*

- *Long-Term Assets and Liabilities (continued)*

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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Establishment of Accounting Principles *(continued)*

- **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 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.
 - 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. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Establishment of Accounting Principles *(continued)*

▪ *Revenues (continued)*

- **Authority Hotel Tax Collections** *(continued)*

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 year 2017, 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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Establishment of Accounting Principles *(continued)*

- *Revenues (continued)*

- **State Advance** *(continued)*

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.

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 2017 and 2016.

- **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 2016 Season are not to exceed the minimum ticket threshold. Therefore, no net ticket fees were received at the conclusion of the 2016 Season. Tickets sold for the 2017 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 2017 Season.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Establishment of Accounting Principles *(continued)*

- *Revenues (continued)*

- **Fees to the Authority from the Chicago White Sox** *(continued)*

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, 2017 and 2016, \$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 2017 Season, the amount of the base fee was \$1,609,681.

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 2017 was \$127,430.

- *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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Establishment of Accounting Principles *(continued)*

▪ *Application of Revenues Under the Indenture (continued)*

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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Establishment of Accounting Principles *(continued)*

- *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 Guaranteed Rate Field capital repairs to a set amount;
 4. Payment of the annual subsidy amount to the Chicago Park District;
 5. Payment of any Guaranteed Rate 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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Establishment of Accounting Principles *(continued)*

- *Disposition of Revenues after Receipt by the Authority* *(continued)*

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 2017 and 2016 was \$7,155,000.

In fiscal year 2017, \$440,789 was transferred from the General Fund to the Chicago White Sox Reserve Fund; \$243,750 was transferred from the General Fund to the Soldier Field Reserve Fund; and \$1,228,237 was drawn from the hotel tax variation reserve within the year, offset by a \$1,228,237 replenishment, along with an increase of \$1,000,000, bringing the reserve balance at the conclusion of the fiscal year to \$25,000,000.

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.

- *Investments* - The Authority follows the provisions of Statement No. 72, *Fair Value Measurement and Application*. In accordance with the statement, fair value is the price that would be received to sell an asset or paid to transfer to a liability in an orderly transaction between market participants at the measurement date.

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, 2017 or 2016.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Establishment of Accounting Principles *(continued)*

- *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 2017 and 2016, the Authority maintained five non-interest-bearing checking accounts. The checking accounts were fully collateralized as of June 30, 2017 and 2016.

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, 2017 and 2016, the Authority's investments in money market funds were rated A-1 or better by Standard & Poor's.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 2 CASH AND CASH EQUIVALENTS *(continued)*

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.

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.

ILLINOIS SPORTS FACILITIES AUTHORITY
Notes to Combined Bond Indenture Basis Financial Statements
June 30, 2017

NOTE 3 BONDS PAYABLE (continued)

Series 2001 (continued)

Total Series 2001 Bonds outstanding at June 30, 2017 are as follows:

	<u>Effective Interest Rate</u>	<u>Amount</u>
Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2001		
Conversion Bonds, Due June 15, 2028 to 2030	5.50%	\$ 89,747,587
Capital Appreciation Bonds, Due June 15, 2018 to 2026	5.22% to 9.00%	<u>42,064,875</u>
		<u>\$ 131,812,462</u>

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:

	<u>Maturing After</u>	<u>Redemption Price</u>
Illinois Sports Facilities Authority Sports Facilities Bonds, Series 2001		
Conversion Bonds, subject to optional redemption following the conversion date	On or after June 15, 2016 and prior to June 15, 2017	101.0%
	On or after June 15, 2017	100.0%

Series 2001 Bonds maturing in the years subsequent to June 30, 2017 are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ 3,628,577
2019	3,637,123
2020	3,817,434
2021	3,968,976
2022	4,095,360
2023-2027	22,917,405
2028-2030	<u>89,747,587</u>
	<u>\$ 131,812,462</u>

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 3 BONDS PAYABLE (continued)Series 2001 (continued)

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 2014

Total Series 2014 Refunding Bonds outstanding at June 30, 2017 are as follows:

	<u>Interest Rate</u>	<u>Amount</u>
Illinois Sports Facilities Authority Sports Facilities Refunding Bonds, Series 2014 Series Bonds, Due June 15, 2018 to 2032	5.00% - 5.25%	<u>\$ 282,590,000</u>

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

	<u>Maturing After</u>	<u>Redemption Price</u>
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, 2017 are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ 3,290,000
2019	3,520,000
2020	3,770,000
2021	4,030,000
2022	4,305,000
2023-2027	68,515,000
2028-2032	195,160,000
	<u>\$ 282,590,000</u>

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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 3 BONDS PAYABLE *(continued)*

Series 2014 *(continued)*

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, 2017 and 2016, 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.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 5 CONTINGENCIES AND COMMITMENTS

Maintenance Requirements, Guaranteed Rate 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 \$4,673,904 and \$4,537,771 in fiscal years 2017 and 2016, respectively.

In fiscal year 2017, the Authority transferred the required amount plus an additional \$2,321,280 from the General Fund and \$1,832,869 from the Other Revenues Fund to the Comiskey Park Capital Improvement Fund to finance various projects throughout Guaranteed Rate 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 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 Guaranteed Rate 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.

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 \$5,139,867 in fiscal year 2017 and \$4,990,163 in fiscal year 2016. 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 \$2,985,132 in 2017 and \$2,898,186 in 2016. The Chicago Park District maintains responsibility for ensuring the facility is structurally sound and safe. In fiscal years 2017 and 2016, 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 Guaranteed Rate 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 2017 and 2016, no transfer was required.

ILLINOIS SPORTS FACILITIES AUTHORITY

Notes to Combined Bond Indenture Basis Financial Statements

June 30, 2017

NOTE 5 CONTINGENCIES AND COMMITMENTS *(continued)*

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, 2017 and 2016, there was no arbitrage rebate liability.

Fund Deficits

As of June 30, 2017, the 2001 Bond Fund, the 2003 Bond Fund, the 2008 Bond Fund and the 2014 Bond Fund had deficit fund balances of \$399,784,807, \$42,535,000, \$10,000,000 and \$596,977, respectively. 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. 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 2017, 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 Guaranteed Rate 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 2017 and 2016, retirement contributions by the Authority were \$92,190 and \$88,539, respectively.

ILLINOIS SPORTS FACILITIES AUTHORITY
Notes to Combined Bond Indenture Basis Financial Statements
June 30, 2017

NOTE 6 RETIREMENT PLAN *(continued)*

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.

NOTE 7 IN-KIND DONATIONS

During fiscal year 2017, \$1,222,037 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, 2017.

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.

NOTE 8 CONTINGENT LIABILITIES

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

Management has evaluated subsequent events, other than described below, through November 27, 2017, 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.

In August 2017, the Authority cancelled a planned concert scheduled September 16, 2017. As a result of the cancellation, the talent advances of \$850,000 were expensed as a loss and included in marketing and special events expenses in fiscal year 2017.

ADDITIONAL INFORMATION

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Bond Indenture Basis - Budget to Actual General Fund
 Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Investment income	\$ 12,633	\$ -	\$ (12,633)
Special events revenue	223,000	487,030	264,030
Other income	33,963	33,967	4
Total revenues	<u>269,596</u>	<u>520,997</u>	<u>251,401</u>
<i>Expenditures</i>			
General expenditures			
Salaries and benefits	885,292	943,244	57,952
Office expenditures	89,832	91,247	1,415
Insurance expenditures	596,003	577,871	(18,132)
Professional services	387,890	477,591	89,701
Marketing and special events	120,100	1,386,847	1,266,747
Total general expenditures	<u>2,079,117</u>	<u>3,476,800</u>	<u>1,397,683</u>
Other expenditures			
Chicago White Sox maintenance subsidy	6,632	-	(6,632)
Soldier Field maintenance subsidy	5,139,868	5,139,867	(1)
Total other expenditures	<u>5,146,500</u>	<u>5,139,867</u>	<u>(6,633)</u>
Total expenditures	<u>7,225,617</u>	<u>8,616,667</u>	<u>1,391,050</u>
Excess (deficiency) of revenues over expenditures	<u>(6,956,021)</u>	<u>(8,095,670)</u>	<u>(1,139,649)</u>
<i>Other financing sources (uses)</i>			
<i>Transfers in</i>			
Revenue Funds	17,722,190	20,687,480	2,965,290
2001 Debt service funds	618,621	50,463	(568,158)
2014 Debt service funds	609,367	32,433	(576,934)
<i>Transfers (out)</i>			
Comiskey Park Capital Improvement Fund	(4,673,904)	(7,220,184)	(2,546,280)
Chicago White Sox Reserve Fund	(234,650)	(440,789)	(206,139)
Soldier Field Capital Improvement Fund	(2,985,132)	(2,985,132)	-
Soldier Field Reserve Fund	(3,659,051)	(243,750)	3,415,301
Total other financing sources (uses)	<u>7,397,441</u>	<u>9,880,521</u>	<u>2,483,080</u>
Net change in fund balance	<u>\$ 441,420</u>	<u>1,784,851</u>	<u>\$ 1,343,431</u>
Fund balance - June 30, 2016		<u>33,530,325</u>	
Fund balance - June 30, 2017		<u><u>\$ 35,315,176</u></u>	

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Bond Indenture Basis - Budget to Actual

Comiskey Park Capital Improvement Fund

Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Investment income	\$ 2,348	\$ -	\$ (2,348)
<i>General expenditures</i>			
Professional services	364,000	483,553	119,553
Total general expenditures	364,000	483,553	119,553
<i>Other expenditures</i>			
Capital improvements	3,685,000	4,448,775	763,775
Park maintenance	2,334,000	2,188,651	(145,349)
Total other expenditures	6,019,000	6,637,426	618,426
Total expenditures	6,383,000	7,120,979	737,979
Excess (deficiency) of revenues over expenditures	(6,380,652)	(7,120,979)	(740,327)
<i>Other financing sources</i>			
<i>Transfers in</i>			
General fund	4,673,904	7,220,184	2,546,280
Revenue funds	1,717,388	1,832,869	115,481
Total other financing sources	6,391,292	9,053,053	2,661,761
Net change in fund balance	<u>\$ 10,640</u>	1,932,074	<u>\$ 1,921,434</u>
Fund balance - June 30, 2016		<u>11,560,423</u>	
Fund balance - June 30, 2017		<u><u>\$ 13,492,497</u></u>	

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Bond Indenture Basis - Budget to Actual
Supplemental Stadium Fund
Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Expenditures			
Investment income	\$ 156	\$ -	\$ (156)
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	<u>\$ 156</u>	-	<u>\$ (156)</u>
Fund balance - June 30, 2016		<u>392,985</u>	
Fund balance - June 30, 2017		<u><u>\$ 392,985</u></u>	

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Bond Indenture Basis - Budget to Actual

Chicago White Sox Reserve Fund

Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Investment income	\$ 2,700	\$ -	\$ (2,700)
<i>Other financing sources (uses)</i>			
<i>Transfers in</i>			
General fund	234,650	440,789	206,139
<i>Transfers (out)</i>			
General fund	-	-	-
Total other financing sources (uses)	<u>234,650</u>	<u>440,789</u>	<u>206,139</u>
Net change in fund balance	<u>\$ 237,350</u>	440,789	<u>\$ 203,439</u>
Fund balance - June 30, 2016		<u>5,172,237</u>	
Fund balance - June 30, 2017		<u>\$ 5,613,026</u>	

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Bond Indenture Basis - Budget to Actual

Revenue Funds

Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Investment income	\$ -	\$ 975	\$ 975
State subsidy	5,000,000	5,000,000	-
City subsidy	5,000,000	5,000,000	-
Hotel tax revenues	48,000,000	51,811,822	3,811,822
Fees to Authority from the Chicago White Sox	1,717,388	1,832,869	115,481
Total revenues	<u>59,717,388</u>	<u>63,645,666</u>	<u>3,928,278</u>
<i>Expenditures</i>			
General expenditures			
Trustee fees	15,500	15,500	-
State administration fee	1,920,000	2,072,473	152,473
Total expenditures	<u>1,935,500</u>	<u>2,087,973</u>	<u>152,473</u>
Excess of revenues over expenditures	<u>57,781,888</u>	<u>61,557,693</u>	<u>3,775,805</u>
<i>Other Financing Uses</i>			
<i>Transfers (Out)</i>			
General Fund	(17,722,190)	(20,687,480)	(2,965,290)
Comiskey Park Capital Improvement Fund	(1,717,388)	(1,832,869)	(115,481)
2001 Debt service funds	(20,543,222)	(20,543,225)	(3)
2014 Debt Service Funds	(17,799,088)	(17,799,088)	-
Total other financing uses	<u>(57,781,888)</u>	<u>(60,862,662)</u>	<u>(3,080,774)</u>
Net change in fund balance	<u>\$ -</u>	695,031	<u>\$ 695,031</u>
Fund balance - June 30, 2016		<u>14,799,995</u>	
Fund balance - June 30, 2017		<u><u>\$ 15,495,026</u></u>	

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Bond Indenture Basis - Budget to Actual
 2001 Debt Service Funds
 Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Investment income	\$ 5,632	\$ 50,463	\$ 44,831
<i>Expenditures</i>			
General expenditures			
<i>Debt service expenditures</i>			
Bond interest	15,089,924	15,089,924	-
Bond principal payments	5,627,075	5,627,075	-
Total expenditures	20,716,999	20,716,999	-
Excess (deficiency) of revenues over expenditures	(20,711,367)	(20,666,536)	44,831
<i>Other financing sources (uses)</i>			
<i>Transfers in</i>			
Revenue funds	20,543,222	20,543,225	3
<i>Transfers (out)</i>			
General fund	(618,621)	(50,463)	568,158
Total other financing sources (uses)	19,924,601	20,492,762	568,161
Net change in fund balance	<u>\$ (786,766)</u>	(173,774)	<u>\$ 612,992</u>
Fund balance - June 30, 2016		<u>(399,611,033)</u>	
Fund balance - June 30, 2017		<u>\$ (399,784,807)</u>	

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Bond Indenture Basis - Budget to Actual
 2003 Debt Service Funds
 Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Investment income	\$ -	\$ -	\$ -
<i>Expenditures</i>			
General expenditures			
<i>Debt service expenditures</i>			
Bond interest	-	-	-
Bond principal payments	-	-	-
Total general expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
<i>Other financing sources (uses)</i>			
Transfers in			
Revenue funds	-	-	-
<i>Transfers (out)</i>			
General fund	-	-	-
2014 Debt service funds	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - June 30, 2016		<u>(42,535,000)</u>	
Fund balance - June 30, 2017		<u>\$ (42,535,000)</u>	

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Bond Indenture Basis - Budget to Actual

2008 Debt Service Funds

Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Investment income	\$ -	\$ -	\$ -
<i>Expenditures</i>			
General expenditures			
<i>Debt service expenditures</i>			
Bond interest	-	-	-
Bond principal payments	-	-	-
Total general expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
<i>Other financing sources (uses)</i>			
<i>Transfers in</i>			
Revenue funds	-	-	-
<i>Transfers (out)</i>			
General fund	-	-	-
2014 Debt service funds	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - June 30, 2016		(10,000,000)	
Fund balance - June 30, 2017		<u>\$ (10,000,000)</u>	

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Bond Indenture Basis - Budget to Actual
 2014 Debt Service Funds
 Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Investment income	\$ 3,651	\$ 32,444	\$ 28,793
<i>Expenditures</i>			
General expenditures			
<i>Debt service expenditures</i>			
Bond interest	14,732,800	14,732,800	-
Bond principal payments	3,060,000	3,060,000	-
Total general expenditures	<u>17,792,800</u>	<u>17,792,800</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(17,789,149)</u>	<u>(17,760,356)</u>	<u>28,793</u>
<i>Other financing sources (uses)</i>			
<i>Transfers in</i>			
Revenue funds	17,799,088	17,799,088	-
<i>Transfers (out)</i>			
General fund	<u>(609,367)</u>	<u>(32,433)</u>	<u>576,934</u>
Total other financing sources (uses)	<u>17,189,721</u>	<u>17,766,655</u>	<u>576,934</u>
Net change in fund balance	<u>\$ (599,428)</u>	6,299	<u>\$ 605,727</u>
Fund balance - June 30, 2016		<u>(603,276)</u>	
Fund balance - June 30, 2017		<u>\$ (596,977)</u>	

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Bond Indenture Basis - Budget to Actual

Soldier Field Capital Improvement Fund

Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Investment income	\$ 1,871	\$ -	\$ (1,871)
Net decrease in fair value of investments			-
Total revenues	<u>1,871</u>	<u>-</u>	<u>(1,871)</u>
<i>Expenditures</i>			
Other expenditures capital improvements	<u>2,860,000</u>	<u>3,336,138</u>	<u>476,138</u>
Excess (deficiency) of revenues over expenditures	(2,858,129)	(3,336,138)	(478,009)
<i>Other financing sources</i>			
<i>Transfers in</i>			
General fund	<u>2,985,132</u>	<u>2,985,132</u>	<u>-</u>
Net change in fund balance	<u>\$ 127,003</u>	<u>(351,006)</u>	<u>\$ (478,009)</u>
Fund balance - June 30, 2016		<u>5,754,516</u>	
Fund balance - June 30, 2017		<u><u>\$ 5,403,510</u></u>	

ILLINOIS SPORTS FACILITIES AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Bond Indenture Basis - Budget to Actual
Soldier Field Reserve Fund
Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<i>Revenues</i>			
Investment income	\$ 1,884	\$ -	\$ (1,884)
<i>Other financing sources</i>			
Transfers in			
General fund	3,659,051	243,750	(3,415,301)
Net change in fund balance	<u>\$ 3,660,935</u>	243,750	<u>\$ (3,417,185)</u>
Fund balance - June 30, 2016		<u>8,125,000</u>	
Fund balance - June 30, 2017		<u><u>\$ 8,368,750</u></u>	

