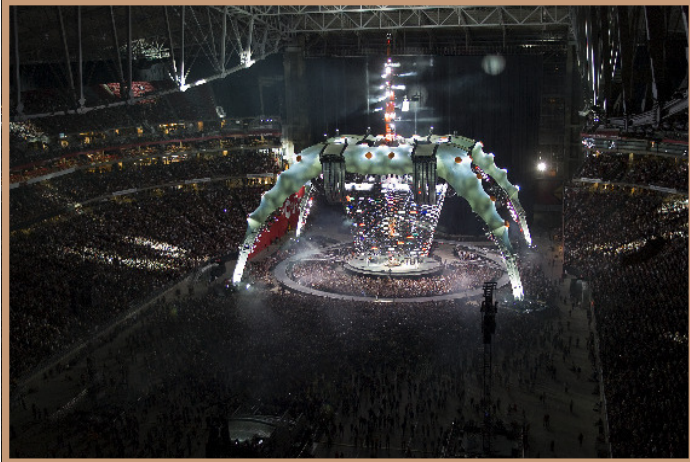


# AZSTA Fiscal Year 2011 Annual Financial Budget





# Fiscal Year 2011 Budget

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## Overview

### AZSTA Financial

The budget as presented is for fiscal year 2011 covering the period July 1, 2010 through June 30, 2011. Our guideline for the completion of this budget package comes in the authority of Section 5-831 Arizona Revised Statutes (ARS). The sections included in this budget have been arranged to closely match the eight annual requirements outlined in A. R. S. 5-831.

The financial information contained within this budget represents the Authority's fifth year of operations at the University of Phoenix Stadium and our tenth operating year overall. While four years of stadium operating experience have been invaluable in the creation of this year's operating budget, the on-going worldwide recession and recovery has taken us into new financial territory.

AZSTA expects to end FY10 with \$8.9 million available for operations. A cash flow deficit of \$3.1 million is expected in FY11 due to the continued low sales tax receipts. Cash reserves for operations should remain above \$5.8 million at the end of FY11. Additional events are being pursued to continue to improve the cash balance position in the FY11 through FY15 timeframe. AZSTA's long term cash forecast continues to show a deple-

tion of operating funds with cash balances turning negative in our FY13 forecast.

Economic Overview – As we close out the current fiscal year we continue to monitor and revise, as necessary, our financial projections. We began FY2010 with a lowered revenue forecast which, at the mid-point of the fiscal year, was lowered even further by 15% for the tourism revenues. Some relief was seen in the second half of the year in tax collections, especially in the Car Rental Sales tax recapture, which increased over FY2009 by 10%.

Tourism remains a concern for the budget and cash flow as sales tax collections remain 60% of the overall revenue (as opposed to being 70+% in recent years) and 20+% of AZSTA's operations cash flow.

Tourism tax decline also impacts the Statutory distributions to Arizona Office of Tourism, the Cactus League and YAS. These obligations and distributions continue to increase for fiscal year 2011 and beyond while collections are not forecasted to recover to the peak FY2007 levels until FY2016. We've updated our five year financial projection information to reflect changes over the past year. The upcoming years will continue to present a

series of significant financial challenges to the Authority.

### Presentation of Waterfall Distribution

In past budgets, AZSTA has shown all distributions (Tourism, Cactus League, and Youth and Amateur Sports) as fully funded to the Statutory limitations, with any negative cash impact falling on to operations. According to A.R.S 5, AZSTA is to distribute all available tourism taxes collected to the waterfall on a monthly basis. Due to the lower sales tax recapture received in FY10 and projected to be received in FY11—FY16, the statutory limits set by A.R.S 5 are not anticipated to be filled. See page 20 for a detailed description of this process.

Prepared by: John Pokorney,  
Chief Financial Officer

Reviewed by: Thomas Sadler,  
President and CEO

Ratified by: Arizona Sports and Tourism  
Authority Board of Directors, June 3,

# Statement of Operations—Fiscal Year 2010 Projected Results

Item	FY2010 Projected	FY2010 Upd Budget	F / (U) \$ Change	% Change
<b><u>SOURCES</u></b>				
Hotel bed tax	\$ 11,098,209	\$ 10,084,306	\$ 1,013,903	10.1%
Car rental surcharge	8,821,210	6,314,448	2,506,762	39.7%
AZ Cardinal Sales Tax Recapture	3,901,466	3,621,572	279,894	7.7%
NFL Income Tax	6,419,515	6,419,515	0	0.0%
AZ Cardinals Rent	265,302	265,302	-	0.0%
Fiesta Bowl Surcharge/FUF/STR	1,063,800	1,193,800	(130,000)	(10.9%)
AZSTA/GS Net Direct Event Income	618,117	426,084	192,033	45.1%
AZSTA/GS Event FUF (net)	736,107	786,107	(50,000)	(6.4%)
AZSTA/GS Event STR's	1,153,973	1,153,973	-	0.0%
AZSTA/GS Event Ancillary	1,648,975	1,642,006	6,969	0.4%
Sub-Total Stadium Event Revenue	4,157,172	4,008,170	149,002	3.7%
MCS D Revenues			-	-
<b>Total Sources</b>	<b>\$ 35,726,675</b>	<b>\$ 31,907,113</b>	<b>\$ 3,819,562</b>	<b>12.0%</b>
<b><u>OPERATING EXPENSES</u></b>				
Marketing and Promotion	\$ 1,667	\$ 3,800	\$ 2,133	56.1%
Employee Related	491,565	530,220	38,655	7.3%
Office	16,189	4,800	(11,389)	(237.3%)
Professional, Legal & Outside Services	438,898	186,000	(252,898)	(136.0%)
Travel	1,332	3,420	2,088	61.1%
Meetings	1,005	900	(105)	(11.6%)
Bank/Trust fees	-	25,640	25,640	100.0%
Communications	14,307	10,664	(3,643)	(34.2%)
Insurance	6,242	17,900	11,658	65.1%
Net Stadium Revenue Transfers	4,157,172	4,008,170	(149,002)	(3.7%)
Stadium Operations Net Income	5,532,345	6,417,357	885,012	13.8%
Other	-	-	-	-
	<b>\$ 10,660,721</b>	<b>\$ 11,208,871</b>	<b>\$ 548,150</b>	<b>4.9%</b>
<b><u>OTHER FUND DISTRIBUTIONS</u></b>				
Senior Bond Debt Service	\$ 15,758,332	\$ 15,738,332	\$ (20,000)	(0.1%)
Tourism Fund	5,259,305	4,899,335	(359,970)	(7.3%)
Cactus League/Subordinate Bond Debt S	3,752,407	3,690,510	(61,897)	(1.7%)
YAS - General	750,000	300,000	(450,000)	(150.0%)
MCS D Uses	-	-	-	-
YAS - Reserve	-	-	-	-
	<b>25,520,044</b>	<b>24,628,177</b>	<b>(891,867)</b>	<b>(3.6%)</b>
<b>Operating Income</b>	<b>\$ (454,091)</b>	<b>\$ (3,929,935)</b>	<b>\$ 3,475,844</b>	<b>(88.4%)</b>
<b><u>NONOPERATING REVENUE/ (EXPENSE)</u></b>				
Interest Income	\$ 500	\$ -	\$ 500	-
Interest Expense	-	-	-	-
Other Sources/(Uses)	3,104,000	-	3,104,000	-
Total Non Operating Revenue/(Expenses)	<b>\$ 3,104,500</b>	<b>\$ -</b>	<b>\$ 3,104,500</b>	<b>-</b>
Total Sources/(Uses) of Cash	<b>\$ 2,650,409</b>	<b>\$ (3,929,935)</b>	<b>\$ 6,580,344</b>	<b>(167.4%)</b>

## FY2010 Projection Overview Highlights

- Tourism Sales Tax Recovery of \$19.9 million is expected to substantially exceed AZSTA's FY10 updated budget of \$16.4 million. Car Rental sales tax was the main driver, with unit volume remaining down, but per unit collections exceeding forecast.
- Facilities event revenue was the highest since UOP's opening year with over \$4.1 million in Stadium event revenue. Exceeding the budget by \$149k.
- Operating expenses were below budget by over \$0.5 million.
- Legal and professional services expenses were higher than budget due to the ongoing legal issues and higher professional services including a legislative consultant, a concessions expert and financial services.
- The facility manager, Global Spectrum, drove substantial cost reductions for a second year in a row, beating the budgeted Net Income for the Stadium by almost \$0.9 million.
- Senior debt service is slightly over-budget due to the credit downgrade of Allied Irish Bank who holds our Letter of Credit on the variable rate debt.
- Tourism, Cactus League and YAS all received higher distributions than forecast due to the increase in Tourism tax collections. All three areas were under the statutory expectations. The updated budget shown here represents the waterfall methodology versus statutory limitations.
- Non-operating receipts were significantly above budget. The Authority terminated one of its SWAP agreements, netting \$1.6 million, and signed a new concessions contract with ROJO providing a \$1.5 million cash infusion.
- Beg FY10 Cash = \$5.9 million
- End FY10 Cash = \$8.9 million

# Executive Summary - Fiscal Year 2011 Budget vs. FY2010 Projected Actuals

## EXECUTIVE SUMMARY OF SOURCES AND USES

	FY2011 Budget	FY2010 Projected Actuals	\$ Change	% Change
<b>SOURCES</b>				
<b>Tourism Revenue Clearing Account</b>				
Hotel Bed Tax	\$ 11,098,209	\$ 11,098,209	\$ -	0.0%
Car Rental Surcharge	8,821,210	8,821,210	-	0.0%
<b>Total Tourism RCA</b>	<b>\$ 19,919,420</b>	<b>\$ 19,919,420</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Facilities Revenue Clearing Account</b>				
AZ Cardinal Sales Tax Recapture	\$ 4,061,913	\$ 3,901,466	\$ 160,447	4.1%
NFL Income Tax	5,810,440	6,419,515	(609,075)	(9.5)%
AZ Cardinals Rent	270,608	265,302	5,306	2.0%
Fiesta Bowl Ticket Surcharge/FUF/STR	1,112,200	1,063,800	48,400	4.5%
AZSTA/GS Net Direct Event Income	470,095	618,117	(148,022)	(23.9)%
AZSTA/GS Event FUF (net)	260,721	736,107	(475,387)	(64.6)%
AZSTA/GS Event STR's	830,850	1,153,973	(323,123)	(28.0)%
<u>AZSTA/GS Event Ancillary</u>	<u>438,334</u>	<u>1,648,975</u>	<u>(1,210,641)</u>	<u>(73.4)%</u>
Sub-Total Stadium Event Revenue	2,000,000	4,157,172	(2,157,172)	(51.9)%
ROJO Net Event Revenue	750,000		750,000	-
<b>Total Facility RCA</b>	<b>\$ 14,005,160</b>	<b>\$ 15,807,255</b>	<b>\$ (1,802,095)</b>	<b>(11.4)%</b>
MCS D Receipts	\$ -	\$ -	-	-
Non-operating Sources	-	2,604,000	(2,604,000)	(100.0)%
ROJO Commission Advance	109,666	500,000	(390,334)	(78.1)%
<b>Total Sources</b>	<b>\$ 34,034,245</b>	<b>\$ 38,830,675</b>	<b>\$ (4,796,429)</b>	<b>(12.4)%</b>
<b>USES</b>				
	1.35			
Debt Service Account: Senior Bonds	\$ 16,051,354	\$ 15,758,332	\$ 293,022	1.9%
Tourism Fund	5,373,428	5,259,305	114,123	2.2%
Debt Service Account: Subordinate Bonds	3,801,751	3,614,413	187,339	5.2%
Cactus League General Account	82,603	92,000	(9,397)	(10.2)%
Youth and Amateur Sports	770,501	750,000	20,501	2.7%
<b>Operating Account</b>				
Authority Operations	761,646	979,365	(217,719)	(22.2)%
Net Stadium Revenue Transfers	2,000,000	4,157,172	(2,157,172)	(51.9)%
Stadium Operations Net Income	8,251,464	5,532,345	2,719,119	49.1%
Stadium Capital & Extraordinary Items	50,000	-	50,000	-
Youth and Amateur Sports Reserve	-	-	-	-
MCS D Uses	-	-	-	-
<b>Total Uses</b>	<b>\$ 37,142,748</b>	<b>\$ 36,142,932</b>	<b>\$ 999,816</b>	<b>2.8%</b>
Operating Surplus/(Deficit)	(3,108,502)	2,687,743	(5,796,245)	(215.7)%
<b>Net Sources/(Uses)</b>	<b>\$ (3,108,502)</b>	<b>\$ 2,687,743</b>	<b>\$ (5,796,245)</b>	<b>(215.7)%</b>

### FY2011 Budget Overview Highlights

- Tourism STR is forecasted to remain flat in comparison to FY2010, which was down 3.2% from FY2009 and 18% from the peak of FY2007, when it was \$24.2 million.
- Facility Revenues are forecasted to decrease by (11.4%) in FY2011. The change is driven by the decrease in NFL Income Tax (\$0.6 million) brought about by receiving the one time increase in FY10 for FY07 and 08 corrections and the decrease in number and scope of events. These declines were offset by the new event revenues anticipated from the ROJO Event Management contract.
- Non-operating Sources in FY10 included the \$1.6 million SWAP termination, the \$1.0 million loan from the ROJO concessions contract and the \$500k advance on commissions.
- All waterfall uses have been forecasted based on the methodology described on pages 19-20 and reflect projected uses versus the "statutory \$ limitations" Statutory levels are Tourism \$6.2, Cactus League \$4.0 (incl. Sub Debt Service) and YAS \$2.0 million.
- Authority operations expenses are forecasted to decrease by (22.3%) due to less legal expenses associated with the ongoing legal issues, less personnel expenses and less professional services.
- Global Spectrum operations are forecasted to increase by 5.6% - (inc. Net Stadium Revenue Transfers and Stadium Operations Net Income)
- Beg FY11 Cash = \$8.9 million

# Executive Summary - Five Year Forecast

## AZSTA - 5 YEAR OUTLOOK

	FY2011 Budget	FY2012F	FY2013F	FY2014F	FY2015F	FY2016F
<b>SOURCES</b>						
<b>Tourism Revenue Clearing Account</b>						
Hotel Bed Tax	\$ 11,098,209	\$ 11,375,664	\$ 11,944,448	\$ 12,541,670	\$ 13,168,754	\$ 13,827,191
Car Rental Surcharge	8,821,210	9,041,741	9,493,828	9,968,519	10,466,945	10,990,292
<b>Total Tourism RCA</b>	<b>\$ 19,919,420</b>	<b>\$ 20,417,405</b>	<b>\$ 21,438,275</b>	<b>\$ 22,510,189</b>	<b>\$ 23,635,699</b>	<b>\$ 24,817,483</b>
<b>Facilities Revenue Clearing Account</b>						
AZ Cardinal Sales Tax Recapture	\$ 4,061,913	\$ 4,265,008	\$ 4,478,259	\$ 4,702,172	\$ 4,937,280	\$ 5,184,144
NFL Income Tax	5,810,440	6,100,962	6,406,010	6,726,311	7,062,626	7,415,757
AZ Cardinals Rent	270,608	276,020	281,541	287,171	292,915	298,773
Fiesta Bowl Ticket Surcharge/FUF/STR	1,112,200	1,145,566	1,179,933	1,215,331	1,251,791	1,289,345
AZSTA/GS Net Direct Event Income	470,095	626,636	783,295	783,295	822,460	863,583
AZSTA/GS Event FUF (net)	260,721	347,540	434,426	434,426	456,147	478,954
AZSTA/GS Event STR's	830,850	1,107,523	1,384,404	1,384,404	1,453,624	1,526,305
AZSTA/GS Event Ancillary	438,334	584,300	730,375	730,375	766,894	805,238
Sub-Total Stadium Event Revenue	2,000,000	2,666,000	3,332,499	3,332,499	3,499,124	3,674,081
ROJO Net Event Revenue	750,000	750,000	750,000	750,000	750,000	750,000
<b>Total Facility RCA</b>	<b>\$ 14,005,160</b>	<b>\$ 15,203,556</b>	<b>\$ 16,428,242</b>	<b>\$ 17,013,484</b>	<b>\$ 17,793,737</b>	<b>\$ 18,612,100</b>
MCS D Revenues	\$ -	-	232,908	627,212	1,229,933	1,892,926
Non-operating Sources	-	-	-	-	-	1,026,204
ROJO Commission Advance	109,666	(609,666)	-	-	-	-
<b>Total Sources</b>	<b>\$ 34,034,245</b>	<b>\$ 35,011,296</b>	<b>\$ 38,099,425</b>	<b>\$ 40,150,885</b>	<b>\$ 42,659,368</b>	<b>\$ 46,348,713</b>
<b>Year over Year Increase</b>		<b>2.9%</b>	<b>8.8%</b>	<b>5.4%</b>	<b>6.2%</b>	<b>8.6%</b>
<b>USES</b>						
Debt Service Account: Senior Bonds	\$ 16,051,354	\$ 15,470,444	\$ 15,913,601	\$ 15,924,401	\$ 15,917,676	\$ 15,917,938
Tourism Fund	5,373,428	6,003,263	6,349,806	6,780,772	7,235,845	7,603,966
Debt Service Account: Subordinate Bonds	3,801,751	4,684,750	4,727,000	4,778,000	4,796,750	4,814,250
Cactus League General Account	82,603	548,021	565,139	936,979	1,025,123	1,083,152
Youth and Amateur Sports	770,501	806,212	878,472	911,056	961,806	1,003,472
<b>Total Uses before Operations and Other</b>	<b>\$ 26,079,637</b>	<b>\$ 27,512,690</b>	<b>\$ 28,434,018</b>	<b>\$ 29,331,208</b>	<b>\$ 29,937,200</b>	<b>\$ 30,422,778</b>
<b>Operating Account</b>						
Authority Operations	761,646	776,879	792,417	808,265	824,431	840,919
Net Stadium Revenue Transfers	2,000,000	2,666,000	3,332,499	3,332,499	3,499,124	3,674,081
Stadium Operations Net Income	8,251,464	7,790,494	7,333,124	7,546,436	7,597,390	7,644,364
Stadium Capital & Extraordinary Items	50,000	-	-	-	-	-
MCS D Uses	-	-	232,908	627,212	1,229,933	1,892,926
Youth and Amateur Sports Reserve	-	-	-	-	-	-
<b>Total Uses</b>	<b>37,142,748</b>	<b>38,746,063</b>	<b>40,124,966</b>	<b>41,645,620</b>	<b>43,088,077</b>	<b>44,475,068</b>
<b>Operating Surplus/(Deficit)</b>	<b>(3,108,502)</b>	<b>(3,734,767)</b>	<b>(2,025,540)</b>	<b>(1,494,735)</b>	<b>(428,709)</b>	<b>1,873,646</b>
<b>Year over Year Increase</b>		<b>20.1%</b>	<b>-45.8%</b>	<b>-26.2%</b>	<b>-71.3%</b>	<b>-537.0%</b>
<b>Cash on Hand - End of Year</b>	<b>5,781,738</b>	<b>2,046,971</b>	<b>21,431</b>	<b>(1,473,305)</b>	<b>(1,902,014)</b>	<b>(28,368)</b>

### AZSTA Five Year Forecast

- Tourism sales tax recapture is expected to continue to increase back to FY2007 levels by FY2015 to FY2016 (FY12 +2.5% FY13-FY16 +5.0%)
- Facility revenue is expected to rebound significantly in FY12 with additional mega events getting back on the calendar. Car sales events will also help in driving additional sales tax recovery.
- Other sources of funds include the repayment of the commission advance in FY12, MCS D transfers starting again in FY13 and the repayment of an advance from the Cactus League in FY16.
- Debt service remains on schedule
- Over the 7 year horizon, FY10—FY16, Tourism distributions are forecasted to be \$44.3 million versus the statutory limit of \$48.2 million
- Cactus League distributions are forecasted to be \$35.5 million versus the statutory limit of \$41.3 million.
- YAS distributions are forecasted to be \$5.9 million versus the statutory \$14.8 million.
- Cash balances for operations are forecasted to be negative starting in FY13, and turn positive again after 2016. The Authority management team remains committed to driving additional revenues and expense reductions to alleviate this negative cash position.

# Statement of Operations — Year by Year Comparison

**ARIZONA SPORTS AND TOURISM AUTHORITY**  
**FY2011**  
Year by Year Review of Revenues and Expenditures

Item	Actual Results					FY2010	FY2011
	FY2005	FY2006	FY2007	FY2008	FY2009	Projected	Budget
<b>OPERATING REVENUES</b>							
Hotel bed tax	\$ 12,145,193	\$ 14,007,052	\$ 15,244,876	\$ 15,042,646	\$ 12,341,682	\$ 11,098,209	\$ 11,098,209
Car rental surcharge	7,983,888	8,646,644	8,946,740	8,994,991	8,095,501	8,821,210	8,821,210
NFL income tax	5,148,528	4,767,156	5,148,528	4,121,340	4,200,252	6,419,515	5,810,440
Sales tax recapture	778,082	880,027	4,834,960	5,338,147	6,606,923	3,901,466	4,061,913
AZSTA/GS Net Direct Event Income			1,084,626	116,422	681,751	618,117	470,095
AZSTA/GS Event FUF (net)	-	-	697,524	358,614	183,852	736,107	260,721
AZSTA/GS Event STR's			1,686,264	1,108,976	493,721	1,153,973	830,850
AZSTA/GS Event Ancillary	-	-	1,448,928	1,128,485	434,679	1,648,975	438,334
Sub-Total AZSTA EVENTS	-	-	4,917,342	2,712,497	1,794,003	4,157,172	2,000,000
Fiesta Bowl Ticket Surcharge/FUF/STR	-	-	718,858	967,926	1,164,431	1,063,800	1,112,200
MCSD Revenues	261,626	1,107,725	1,299,117	1,329,279	700,458	-	-
Other operating revenues	143,102	-	250,000	255,000	260,000	265,302	1,020,608
<b>Total Operating Revenues</b>	<b>\$ 26,460,418</b>	<b>\$ 29,408,604</b>	<b>\$ 41,360,421</b>	<b>\$ 38,761,826</b>	<b>\$ 35,163,250</b>	<b>\$ 35,726,675</b>	<b>\$ 33,924,580</b>
<b>OPERATING EXPENSES</b>							
<b>AZSTA Operations</b>							
Employee Related	\$ 675,270	\$ 681,558	\$ 585,487	\$ 610,638	\$ 662,900	\$ 486,000	\$ 297,118
Marketing and Promotion	24,939	6,958	72,102	19,262	5,881	2,000	5,100
Professional & Consulting	574,269	542,635	593,778	311,105	298,469	444,000	409,500
Office	294,367	292,085	99,426	206,724	102,331	46,035	5,400
Travel	11,546	5,531	14,887	10,718	4,240	1,330	8,000
All Other	298,332	438,357	-	-	-	-	36,528
<b>Total AZSTA Operating Expenses</b>	<b>\$ 1,878,723</b>	<b>\$ 1,967,124</b>	<b>\$ 1,365,680</b>	<b>\$ 1,158,447</b>	<b>\$ 1,073,821</b>	<b>\$ 979,365</b>	<b>\$ 761,646</b>
Net Stadium Revenue transfers			4,917,342	2,712,497	1,794,003	4,157,172	2,000,000
<b>Stadium Operations Net Income</b>	<b>605,836</b>	<b>2,100,305</b>	<b>7,392,242</b>	<b>8,919,345</b>	<b>9,818,598</b>	<b>5,532,345</b>	<b>\$ 8,251,464</b>
<b>Stadium Capital &amp; Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>9,387,624</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
<b>Total Operating and Capital Expenses</b>	<b>\$ 2,484,559</b>	<b>\$ 4,067,429</b>	<b>\$ 23,062,888</b>	<b>\$ 12,790,289</b>	<b>\$ 12,686,422</b>	<b>\$ 10,668,882</b>	<b>\$ 11,063,110</b>
<b>OTHER FUND DISTRIBUTIONS</b>							
Bond Debt Service	\$ 11,143,906	\$ 12,259,453	\$ 12,627,042	\$ 12,868,305	\$ 14,690,318	\$ 15,758,332	\$ 16,051,354
Tourism Fund	4,882,284	4,902,542	5,147,670	5,405,054	5,651,855	5,259,305	5,373,428
Cactus League	3,000,000	3,000,000	3,000,000	3,000,000	4,000,000	3,706,413	3,884,354
Youth and Amateur Sports	1,308,333	1,408,333	1,508,333	1,608,333	1,708,333	750,000	770,501
Youth and Amateur Sports, Reserve	100,000	100,000	100,000	100,000	700,458	-	-
MCSD Uses	261,626	1,107,725	1,299,117	1,329,279	700,458	-	-
<b>Total Other Fund Distributions</b>	<b>\$ 20,696,149</b>	<b>\$ 22,778,053</b>	<b>\$ 23,682,162</b>	<b>\$ 24,310,970</b>	<b>\$ 27,451,423</b>	<b>\$ 25,474,050</b>	<b>\$ 26,079,637</b>
<b>Operating Income</b>	<b>\$ 3,279,710</b>	<b>\$ 2,563,121</b>	<b>\$ (5,384,629)</b>	<b>\$ 1,660,567</b>	<b>\$ (4,974,595)</b>	<b>\$ (416,257)</b>	<b>\$ (3,218,168)</b>
<b>NONOPERATING REVENUE/(EXPENSE)</b>							
Interest Income	\$ 18,150	\$ 51,133	\$ 76,461	\$ 78,827	\$ 290,725	\$ -	\$ -
Other Revenue	-	-	-	-	-	3,104,000	\$ 109,666
Interest Expense	-	-	-	-	-	-	-
<b>Total nonoperating revenue/(expense)</b>	<b>\$ 18,150</b>	<b>\$ 51,133</b>	<b>\$ 76,461</b>	<b>\$ 78,827</b>	<b>\$ 290,725</b>	<b>\$ 3,104,000</b>	<b>\$ 109,666</b>
<b>Net Operating Source/(Use)</b>	<b>\$ 3,297,860</b>	<b>\$ 2,614,255</b>	<b>\$ (5,308,168)</b>	<b>\$ 1,739,394</b>	<b>\$ (4,683,870)</b>	<b>\$ 2,687,743</b>	<b>\$ (3,108,502)</b>

## Y over Y Highlights

- FY11 operating revenues budget will be the lowest since FY2006
- AZSTA operations spending continues to fall year over year since inception.

# Facility Revenues

The Facility Revenue Clearing Account's ("FRCA") primary purpose is to collect all stadium-related revenues for use in funding debt service for the Authority's senior and subordinate bonds. Any undistributed funds are transferred to the operating account on a monthly basis.

The following schedule outlines the expected funding sources and uses for the pledged Facility Revenue Clearing Account in FY2011.

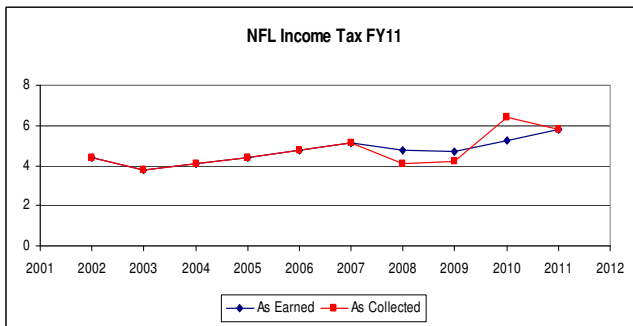
## SOURCES

### NFL Franchise Income Tax - \$5.8 million

This revenue source is comprised of the Arizona corporate income tax liability from the Arizona Cardinals organization and the personal income tax liability from all Cardinals' employees and their spouses to the State of Arizona.

The \$5.8 million to be received in FY2011 is the largest amount earned since our start in 2002, although the Authority received a higher amount in FY10 due to the catch up of funds not appropriately distributed from the State in FY08 and FY09.

Prior to the change in legislation



Facility Revenue Clearing Account FY11	Total \$ Amount	As % of Sources
<b>SOURCES</b>		
Beginning Cash Balance	\$ 720,215	4.9%
NFL Income Tax - Pledged	5,810,440	39.2%
AZ Cardinal Sales Tax Recapture	4,061,913	27.4%
AZ Cardinals Rent	270,608	1.8%
FB Surcharge/FUF/STR	1,112,200	7.5%
AZSTA/GS Net Building Revenue	470,095	3.2%
AZSTA/GS Event FUF (net)	260,721	1.8%
AZSTA/GS Event STR's	830,850	5.6%
AZSTA/GS Event Ancillary	438,334	3.0%
ROJO Funds	750,000	5.1%
ROJO Commission Advance	109,666	0.7%
Interest Income	-	0.0%
<b>TOTAL SOURCES</b>	<b>\$ 14,835,041</b>	<b>100.0%</b>
<b>USES</b>		
Senior Bond Debt Service	\$ 6,479,419	43.7%
Subordinate Bond Debt Service	1,709,063	11.5%
Operating Account	5,963,194	40.2%
<b>TOTAL USES</b>	<b>\$ 13,965,240</b>	<b>94.1%</b>

eliminating the annual increase in NFL Income Tax collections, AZSTA was guaranteed a minimum collection. The change in legislation eliminated this annual minimum increase and has resulted in a decrease in

funds collected by the Authority since its inception by \$7.8 million, including a \$1.2 million deficit in FY11.

### Cardinals Sales Tax Recapture - \$4.1 million

This revenue source is comprised of Arizona and Glendale sales tax

on tickets, concessions, novelties, and some stadium advertising.

### Arizona Cardinals Rent - \$270k

Per our use agreement with the Team they pay the Authority an annual rent starting at \$250k in the first year and increasing by 2% annually thereafter. We are in the fifth year of this agreement.

### Fiesta Bowl Ticket Surcharge, FUF and STR - \$1.12 million

Of the forecasted amount, \$0.22M

is from ticket surcharge revenues at \$3.30/ticket, \$0.36M for the Facility Use Fee of \$5.25/ticket and the balance, \$0.53 million, is derived from sales tax recapture associated with all of the above plus food and beverage, novelties, etc. The ticket surcharge and the facility use fee increase by \$0.20 and \$0.25 per year respectively. The total for Fiesta Bowl is down due to no Glendale City sales tax being collected on the Fiesta Bowl ticket sales. This also resulted in a \$608.5k refund to the City of Glendale in FY10/11.

### AZSTA/Global Spectrum Facility Use Fee - \$0.26 million

Based on the number of events and attendees a Facility Use Fee ("FUF") is charged on each ticket. The amount being forecasted is based on the events and attendance projections put forth by Global Spectrum in their annual operating budget. The coming year's forecasted amount is significantly lower than last year's actual amounts (see 'Executive Summary, page 3). This is a direct result of the number and types of events planned for the stadium in the coming fiscal year.

### AZSTA/Global Spectrum Ancillary (incl. F&B, Novelty and Parking) - \$0.44 million

The Authority's agreement with the stadium concessionaire, Rojo, includes commissions to be paid to the Authority based on specific goals and parameters. The amount in this year's budget follows the trend of other event-related revenues and is lower primarily due to the decrease in mega events from FY2010.

(1) This change occurred during the Fall of 2002 when the Appeals Court, during the John F. Long lawsuit, ruled that the Authority could continue to receive all NFL Income Tax revenues, but could only pledge that portion which was football-related. The non-football portion could continue to be used by the Authority, but could not be used as a pledged revenue stream to bondholders. The Authority determined that in order to comply with the court's ruling the non-football or non-pledged portion of the NFL Income Tax would be used to fund the Authority's operations. This portion is segregated physically into a separate account for use by the Authority to fund operations. Annually, the Authority must determine the pledged v. non-pledged portions of the NFL Income Tax

## **Facility Revenues** (continued)

### **ROJO Additional Funds - \$0.75 million**

According to the new concessions contract signed with ROJO in 2010, ROJO will bring new events to the Stadium which benefit AZSTA with additional net revenues. There is a \$750k guarantee.

senior and subordinate bond debt service payments, they are transferred to the operating account in order to meet current and/or future operating requirements.

### **USES—PLEDGED ACCOUNT**

#### **Senior Bond Debt Service - \$6.5 million**

The primary purpose of this account is to assist the Tourism Revenue Clearing Account (“TRCA”) in meeting the debt service obligations of the Authority in their order of priority. The TRCA is limited to funding the Arizona Cardinals Stadium debt service on a maximum of \$165.5 million of bond principal provided that the balance of the bond debt service can be funded from the FRCA.

#### **Subordinate Bond Debt Service - \$1.6 million**

The secondary purpose of this account is to assist the Tourism Revenue Clearing Account (“TRCA”) in meeting the debt service obligations of the subordinate bond issue. \$1.6 million, of the scheduled \$3.8 million in subordinate bond debt service will be met by the FRCA funding sources.

#### **Operating Account - \$5.7 million**

If Facility Revenue funds are remaining after meeting the required

# Tourism Revenues

The Tourism Revenue Clearing Account ("TRCA") exists, by statute, to collect the tourism revenues (the hotel bed tax and the car rental surcharge) and distribute those funding sources in accordance to what is commonly referred to as the "waterfall". TRCA Sources and Uses table (see this section) presents the Uses in the order of their waterfall priority (see pages 19 and 20 for 'Statutory Flow of Funds').

The following schedule outlines the expected funding sources and uses for the TRCA during fiscal year 2011.

## SOURCES

### Hotel Bed Tax - \$11.3 million

1% of every dollar spent on lodging in Maricopa County is collected as the Authority's Hotel Bed Tax. Bed Tax collections in FY10 were below FY09 every month until May (representing Hotel activity in March). The increased Tax Recovery in May was seen as an indication that a bottom was reached as fans returned to see Cactus League games as well as attend the WWE Wrestle Mania event held at UOP. A modest increase of 2.5% is anticipated for FY11. The Authority remains optimistic, yet cautious about tourism for FY11.

### Car Rental Surcharge - \$9.0 million

3.25% of every dollar spent (a minimum of \$2.50) on car rentals in Maricopa County is collected as a surcharge to support the promotion of tourism in Maricopa County. Of the total surcharge collected, the first \$2.50 is distributed by the

State Treasurer to the Maricopa County Stadium District ("MCS D") so they can maintain their debt service payments on MCS D bonds previously issued. The balance of the MCS D surcharge is distributed to the Authority for Cactus League purposes.

The Authority's car rental revenue forecast for the coming fiscal year, as with the hotel bed tax, is 2.5% increase over FY2010. FY10 was significantly better than budgeted due to the turnaround in industry pricing, although units rented remained very low compared to previous years..

### Combined Tourism Revenues - \$20.3 million

FY2011's forecasted total tourism revenues, \$20.3 million, is approximately equal to FY2009 actual tourism revenue total, but still 18% below FY2007.

Tourism Revenue Clearing Account FY11	Total \$ Amount	As % of Sources
<b>SOURCES</b>		
<b>Beginning Cash Balance</b>	<b>\$ 1,510,000</b>	<b>7.0%</b>
<b>Hotel Bed Tax</b>	<b>11,098,209</b>	<b>51.8%</b>
<b>Car Rental Surcharge</b>	<b>8,821,210</b>	<b>41.2%</b>
<b>Interest Income</b>	<b>-</b>	<b>0%</b>
<b>TOTAL SOURCES</b>	<b>\$ 21,429,420</b>	<b>100.0%</b>
<b>USES</b>		
<b>Senior Bond Debt Service</b>	<b>\$ 9,571,935</b>	<b>44.7%</b>
<b>Tourism Promotion</b>	<b>5,373,428</b>	<b>25.1%</b>
<b>Cactus League:</b>	<b>2,175,292</b>	<b>10.2%</b>
<i>Subordinate Bond Debt Service</i>	<i>2,092,687</i>	<i>9.8%</i>
<i>Cactus League General Acct</i>	<i>82,604</i>	<i>0.4%</i>
<b>Youth and Amateur Sports Operating Account</b>	<b>770,501</b>	<b>3.6%</b>
<b>Reserves:</b>	<b>-</b>	<b>0.0%</b>
<i>Youth and Amateur Sports</i>	<i>-</i>	<i>0.0%</i>
<i>Operating</i>	<i>-</i>	<i>0.0%</i>
<i>Stadium Capital Repair/Rplcmnt</i>	<i>-</i>	<i>0.0%</i>
<b>Operating Account</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL USES</b>	<b>\$ 19,918,753</b>	<b>93.0%</b>
<b>NET SOURCES / (USES)</b>	<b>\$ 1,510,667</b>	<b>7.0%</b>

## USES—OVERVIEW

### Senior Bond Debt Service - \$9.6 million

The first funding priority for the TRCA is the senior bond debt service. A total of \$16.1 million is forecasted to be paid in FY2011 with \$9.6 million, coming out of the TRCA. The balance, \$6.5 million, will come from the Facility Revenue Clearing Account ("FRCA"). The reason for this split funding is

the statutory requirement that no more than the equivalent of \$165.5 million of our senior bond debt service be paid from tourism revenues.

The breakdown of the total \$16.1M in debt service is \$13.5M for our fixed rate bonds and an estimated \$2.6M for our variable rate debt.

Per the requirements of Senate Bill 1220 and the existing Trust Indenture documents, the Authority is required to accrue for the annual debt service liability on an equal monthly basis. Semi-annual payments for the fixed interest rate 2003A bonds (adjusted for the 2007 refunding) are made to the bondholders from this account in July and January of each year. The 2005A bond issue (refunded in 2008) was issued as a variable rate issue with a weekly rate reset and a monthly payout to the bondholders.

### Tourism Promotion - \$5.48 million

This fund exists to aid in the promotion of tourism in Maricopa County by providing funding assistance to the Arizona Office of Tourism ("AOT"). AOT then distributes the majority of these funds to the various cities' Convention and Visitors Bureaus (for example) based on a formula whose foundation is built on hotel sales tax generation.

This funding mechanism started at \$4.0 million in its first twelve months and is increased by 5% each twelve month period thereafter for a total of 360 months. The statutory amount for FY2011 is \$6.23 million represents this annual increase. The amount

## Tourism Revenues (continued)

to be funded this year, forecasted at \$5.48 million represents the actual amount forecasted to accrue based on the tax collections. This is explained further on page 2 19-20.

### **Cactus League – \$2.2 million**

This fund is scheduled to receive a total of \$4.2 million. This amount is used to promote spring training baseball in Maricopa through the construction of new and/or the renovation of existing stadiums along with the promotion and marketing of the Cactus League and its associated activities. This annual amount is used for three related purposes: subordinate bond debt service, renovation costs for approved projects and to fund the subordinate bond reserve account (this account was fully funded in February 2008).

Due to the seasonality of the tourism revenues, the Tourism Revenue account will provide \$2.2 million of the total \$4.2 million Cactus league requirement.

Of the total \$2.2M disbursement — the scheduled subordinate bond debt service for fiscal year 2011 is \$3.8 million of which \$2.2 million is being funded from the TRCA and the balance, \$1.6 million, from the FRCA.

In December 2003 the Authority entered into an IGA with the Maricopa County Stadium District (“MCSD”). The purpose of the IGA was to consolidate the two organizations’ Cactus League financing

activities into one organization — the Authority. Under the IGA, MCSD forwards their annual excess car rental surcharge revenues to the Authority until such time their bonds are completely repaid (2019). Once the bonds are repaid the entire \$2.50 per contract surcharge will flow to the Authority. Prior to the bond repayment, the amount of any excess revenues will be a function of the growth of car rental contracts.

The Authority received \$0.0M in FY2010 and projects to receive \$0.0M in the coming year. These amounts are significantly reduced from previous projections due to the downturn in the tourism economy. Currently, 100% of these MCSD funds are earmarked for a portion of the Authority’s commitment to the City of Scottsdale. After this commitment has been met, the funds will then be allocated 50:50 between Tempe and Scottsdale until both cities are fully repaid.

### **Youth and Amateur Sports - \$0.77 million**

On a statutory basis, the amount of funding for youth and amateur sports is scheduled to be \$1.9 million for FY2011. However, due to the significantly reduced STR forecast for FY2011 only about 40% of this amount is forecasted to be funded into the YAS general account.

The funding for this account increases, per A. R. S., by \$0.1 million every twelve months. These funds are to be used to promote youth and amateur sports within Maricopa County through the building and/or renovating of fields and facilities as well as the promotion and marketing of

youth and amateur sports and its associated activities.

The Authority has finished its fourth biennial grant process awarding \$1.5 million in grant funds. Some of the grant recipients included: the Miracle League of Arizona, The Salvation Army, City of Glendale and several Boys & Girls Clubs.

### **Operating Account - \$2.0 million**

The Authority’s operating account exists to operate, market, promote, furnish and equip a multipurpose facility, to pay the administrative costs associated with operating the Authority and to pay debt service and/or the early redemption of bonds.

### **Reserves**

#### **Youth & Amateur Sports Reserves - \$0.0 million**

HB2177 created a requirement for the Authority to fund a separate reserve account for youth and amateur sports equal to the prior twelve months’ funding level. This reserve comes in advance of funding the other two required reserves for operations and capital repair and replacement.

The total reserve requirement for FY2011 is slightly over \$1.9 million. The Authority will start the new fiscal year with a balance of \$1.9+ million in the reserve account. The reserve is fully funded.

#### **Operating Reserve**

All undistributed monies from the Tourism Revenue Clearing Account go to the

general operating account and are considered to be part of the Authority’s operating reserve balance.

### **Capital Repair & Replacement Reserve - \$0 million**

The following page provides several summary charts of this information.

# Tourism Revenues (continued)

FY11 Debt Service Account	Total \$ Amount	As % of Sources
<b>SOURCES</b>		
Beginning Cash Balance	-	0.0%
<b>Senior Bonds</b>	<b>16,051,354</b>	<b>80.9%</b>
TRCA	9,571,935	48.2%
FRCA Pledged	6,479,419	32.6%
<b>Subordinate Bonds</b>	<b>3,801,751</b>	<b>19.1%</b>
TRCA	2,092,687	10.5%
FRCA Pledged	1,709,063	8.6%
Interest Income	-	0.0%
<b>TOTAL SOURCES</b>	<b>\$ 19,853,105</b>	<b>100.0%</b>
<b>USES</b>		
Senior Bond Debt Service	\$ 16,051,354	80.9%
Subordinate Bond Debt Service	3,801,750	19.1%
<b>TOTAL USES</b>	<b>\$ 19,853,104</b>	<b>100.0%</b>
<b>NET SOURCES/(USES)</b>	<b>\$ 1</b>	<b>0.0%</b>

FY11 Tourism Fund	Total \$ Amount	As % of Sources
<b>SOURCES</b>		
Beg. Cash Balance	\$ -	0.0%
TRCA	5,373,428	100.0%
<b>TOTAL SOURCES</b>	<b>\$ 5,373,428</b>	<b>100.0%</b>
<b>USES</b>		
AZ Office of Tourism	\$ 5,373,428	100.0%
<b>TOTAL USES</b>	<b>\$ 5,373,428</b>	<b>100.0%</b>
<b>NET SOURCES/(USES)</b>	<b>\$ -</b>	<b>0.0%</b>

Cactus League Promotion Account FY11	Total \$ Amount	As % of Sources
<b>SOURCES</b>		
Beg. Cash (AZSTA)	\$ -	0.0%
Beg. Cash (MCSD)	-	0.0%
TRCA	82,604	98.2%
Sub. Bond Reserve Acct.	1,537	1.8%
MCSD	-	0.0%
Interest income	-	0.0%
<b>TOTAL SOURCES</b>	<b>\$ 84,141</b>	<b>100.0%</b>
<b>USES</b>		
Renovation Projects	\$ 84,142	100.0%
Administrative Costs	-	0.0%
Subordinate Bond Reserve	-	0.0%
<b>TOTAL USES</b>	<b>\$ 84,142</b>	<b>100.0%</b>
<b>NET SOURCES/(USES)</b>	<b>\$ (1)</b>	<b>(0.0%)</b>

Youth and Amateur Sports FY11	Total \$ Amount	As % of Sources
<b>SOURCES</b>		
Beginning Cash Balance	\$ 1,678,119	68.5%
TRCA	770,501	31.5%
Interest Income (General)	-	0.0%
<b>TOTAL SOURCES</b>	<b>\$ 2,448,620</b>	<b>100.0%</b>
<b>USES</b>		
Avondale Sports Complex	\$ 477,083	19.5%
FY2008 Grant Awards	-	0.0%
FY2010 Grant Awards	1,565,768	63.9%
Quick Grants Program	95,417	3.9%
YAS Reserve Account	-	0.0%
Professional fees	-	0.0%
<b>TOTAL USES</b>	<b>\$ 2,138,268</b>	<b>87.3%</b>
<b>NET SOURCES/(USES)</b>	<b>\$ 310,352</b>	<b>12.7%</b>

Youth and Amateur Sports Reserve Account	Total \$ Amount	As % of Sources
<b>SOURCES</b>		
Beginning Cash Balance	\$ 1,908,333	100.0%
YAS General Account	-	0.0%
Interest Income (Reserve)	\$ -	0.0%
<b>TOTAL SOURCES</b>	<b>\$ 1,908,333</b>	<b>100.0%</b>
<b>USES</b>		
YAS General Account	\$ -	0.0%
<b>TOTAL USES</b>	<b>\$ -</b>	<b>0.0%</b>
<b>NET SOURCES/(USES)</b>	<b>\$ 1,908,333</b>	<b>100.0%</b>

# Operating Budget

FY11 Operating Account	Total \$ Amount	As % of Sources
<b>SOURCES</b>		
Beginning Cash Balance	\$ 8,854,058	52.6%
TRCA, Budgeted	2,027,597	12.0%
FRCA, Non-Pledged	-	0.0%
TRCA Excess/Operating Reserve Dist.	-	0.0%
FRCA Pledged Excess	5,963,194	35.4%
Interest Income	-	0.0%
<b>TOTAL SOURCES</b>	<b>\$ 16,844,849</b>	<b>100.0%</b>
<b>USES</b>		
Marketing and Promotion	\$ 5,100	0.0%
Employee Related	297,118	1.8%
Office	5,400	0.0%
Professional Services	409,500	2.4%
Travel	8,000	0.0%
Meeting	-	0.0%
Bank Fees/Interest Expense	6,300	0.0%
Communications	14,624	0.1%
Insurance	15,604	0.1%
Accounts Payable	-	0.0%
<b>AZSTA Operating Uses</b>	<b>761,646</b>	<b>4.5%</b>
<b>Stadium Capital &amp; Extraordinary Items</b>	<b>50,000</b>	<b>0.3%</b>
Net Stadium Revenue Transfers	2,000,000	
Stadium Operations Net Income	\$ 8,251,464	49.0%
<b>TOTAL USES:</b>	<b>\$ 11,063,110</b>	<b>65.7%</b>

**Authority/Global Spectrum Operations - \$11.1 million**

The Operating Account exists to operate, market, promote, furnish and equip a multipurpose facility, to pay the administrative costs associated with operating the Authority and to pay debt service and/or the early redemption of bonds.

The FY2011 operating budget

reflects the stadium's fifth year of operation.

The \$11.1M operating budget consists of the Authority's operating budget of \$0.8 million and the Global Spectrum net operating income of \$8.5 million and net Stadium revenue transfers of \$1.8 million.

- The Authority's operating budget is a decrease of \$0.2M, or 22.3%, over the prior year's projected results.

re-

- Global Spectrum's operating budget increases by \$0.6M, 5.6%, over last year's projected actual results.

**SOURCES—OPERATING BUDGET**

The Authority will continue to rely heavily on its existing operating reserves (\$8.7M at start of FY2011) in order to meet its budgeted operating obligations for FY2010. Of the total \$11.1 million operating budget:

- \$2.0 million will be sourced from the TRCA
- \$6.0 million will be sourced from the FRCA
- The balance of \$3.1 million is to come from existing operating cash

**USES - AZSTA OPERATIONS - \$0.8 million**

**MARKETING & PROMOTION—\$5,100**

The Authority has decided that due to the current and projected financial challenges facing the Authority that there would be severely limited funds allocated in this budget for use primarily related to the Authority's left for stadium marketing and promotion purposes.

**EMPLOYEE RELATED - \$297.1k**

The following are the planned expenditures for this category:

**Employee Compensation—\$220k and Benefits \$36k** accounts for the annual compensation and related employee insurance benefits of three FTE's (fulltime employees). The

Authority had three FTE's during the past fiscal years, but currently has two, filling the Chief Financial Officer position through a professional services firm and does not plan to rehire during FY2011.

**Employer-paid taxes - \$13.4k** are the Authority's portion of employment taxes for federal and state that are required by law (does not include the employer's share of the mandatory ASRS defined benefits program)

**Retirement - \$22k** is the employer portion of the Arizona State Retirement System defined benefits plan which the Authority joined in its first year — 2001. Under this program, the employee and the employer are required to contribute the same amount of the gross salary. ASRS has increased its rates for the employer and employee four times since the Authority joined. The rate in 2001 was 2.49% and now, for fiscal year 2010, the rate is 9.40% — a 277% increase.

**Seminars/Conferences - \$1.0k** is included in this section for employees that attend seminars, conferences or coursework that will help them in the performance of their duties.

**OFFICE EXPENSES - \$5.4k**

The following are the planned expenditures for this category:

**Supplies - \$1.2k** are for those "behind the scenes" costs to operate the office — paper, pens, computer supplies, files, folders, printing costs, subscriptions, etc.

**Computer equipment - \$0k** — no planned expenditures.

**Office Equipment - \$3.0k** covers the monthly

## Operating Budget (continued)

rent and operating costs for our new networked multifunction printer/copier/scanner/fax. The Authority ended its previous lease at the termination date — we are saving an estimated \$4.0k per year under our new arrangement.

**Postage/Delivery - \$1.2** — the Authority's staff has greatly reduced our requirements in this area by using technology to replace some of these prior costs. We eliminated our postage meter and consolidated our minimal requirements with Global Spectrum.

**PROFESSIONAL AND OUTSIDE SERVICES - \$409k** - this category includes our legal costs for our on-going general representation and the expenses related to our annual audit fees. Of the total approximately 35% is for legal and 25% for lobbyist and the remainder for the annual financial audit and CFO services. The CFO services being provided by Tatum LLC will save the Authority approximately \$80k in FY11 compared to the prior fiscal years.

**TRAVEL - \$8.0k** - The Authority's personnel are expected to travel more than was done during FY2010. All travel is expected to be done by the Pres/CEO for purposes of business development and expanding the Authority relationships with key industry personnel to drive business revenue opportunities in FY11 and FY12.

### **BANK/TRUST/RATING AGENCY FEES- \$6.3k**

This represents the following:

- Four existing trusts with Bank of New York Mellon for our bonds. We've successfully renegotiated lower annual fees for several of the trusts as well as negotiated the elimination of investment sweep fees which is an estimated annual savings of nearly \$20k.
- Monthly analysis charges for our commercial bank accounts

### **COMMUNICATIONS - \$14.6k**

This category covers the Authority's local, long distance and cellular phones, networking and maintenance, Internet access, wireless email, telephone conferencing and web hosting.

### **INSURANCE - \$15.6k**

This category covers the cost of insurance (non-stadium and non-employee related) for the following:

- General/comprehensive, liability and property
- Director and officer insurance
- Workmen's Compensation

### **USES - STADIUM CAPITAL & EXTRAORDINARY ITEMS — \$50,000**

Furniture replacement needs to take place on both the

club and Loft levels for some items which are now beyond repair.

### **USES - STADIUM OPERATIONS NET- \$10.3**

**million** Global Spectrum is entering the fifth year (an extension year) of their operating agreement with the Authority. The schedule on page17 summarizes their proposed expenditures.

### **Net Sources/(Uses) - Operating Account - \$5.8 million**

This is a decrease of approximately \$3.1 million from the starting balance for fiscal year 2011.

# Operating Budget (AZSTA Expenses detail—FY10 Budget versus FY10 Fcst, and FY11 Budget versus FY10 Budget and FY10 Fcst))

## AZSTA Year over Year Analysis

- FY2010 Fcst is (\$196k) worse than budget due to increased legal fees associated with the ongoing legal issues (\$77k), increased consulting fees (\$172k). associated with the Concessions contract, lobbyist expenses associated with legislature and the replacement of the financial function with a consultant. Savings which offset these increases included Salary and benefits \$44k, and Bank fees \$19k, which were taken out of the bond Trust fund rather than operations budget.
- FY2011 Budget is lower than FY2010 Forecast by \$0.17 million
- The main drivers of savings in FY2011 include Salary and Legal.
- There is an anticipated \$50,000 replacement costs for furniture and fixtures on the Club and Loft levels. This compares to the total furniture originally purchased of \$8.0 million

	FY10 Fcst	FY10 Budget	Fcst B/(W) Budget	Proposed FY11 Budget	FY11 Budget B / (W) FY10 Budget	FY 11 Budget B / (W) FY10 Fcst
<b><u>Professional and Outside Services</u></b>						
Legal	220,000	142,500	(77,500)	150,000	(7,500)	70,000
Financial and Audit	140,000	43,500	(96,500)	163,500	(120,000)	(23,500)
Public Information & PR	64,000	-	(64,000)	96,000	(96,000)	(32,000)
Construction (MPF)	-	-	-	-	-	-
Website maintenance	11,800	-	(11,800)	-	-	11,800
	-	-	-	-	-	-
<b>Total Consultants/Professional</b>	<b>444,000</b>	<b>186,000</b>	<b>(258,000)</b>	<b>409,500</b>	<b>(223,500)</b>	<b>34,500</b>
	-	-	-	-	-	-
<b><u>Employees and Directors</u></b>						
Salary/Wages	350,000	379,575	29,575	220,000	159,574	130,000
Automobile Allowance	6,000	6,000	-	6,000	-	-
Insurance Benefits	70,000	78,701	8,701	36,068	42,633	33,932
Employer Paid Taxes	25,000	29,364	4,364	13,411	15,954	11,589
<b>Retirement</b>	<b>35,000</b>	<b>35,680</b>	<b>680</b>	<b>20,680</b>	<b>15,000</b>	<b>14,320</b>
<b>Arizona State Retirement System</b>	<b>35,000</b>	<b>35,680</b>	<b>680</b>	<b>20,680</b>	<b>15,000</b>	<b>14,320</b>
<b>Defined Contribution Plan</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Seminars/Conferences	-	900	900	960	(60)	(960)
	-	-	-	-	-	-
<b>Total Employees: Payroll &amp; Benefits</b>	<b>486,000</b>	<b>530,220</b>	<b>44,220</b>	<b>297,118</b>	<b>233,101</b>	<b>188,882</b>
	-	-	-	-	-	-
<b><u>Office Expenses</u></b>						
Communications	16,000	10,664	(5,336)	14,624	(3,960)	1,376
Insurance	15,604	17,900	2,296	15,604	2,296	-
Travel	1,330	3,420	2,090	8,000	(4,580)	(6,670)
Meeting	1,004	900	(104)	-	900	1,004
Supplies	1,200	1,800	600	1,200	600	-
Office Equipment	3,627	3,000	(627)	3,000	-	627
Postage/Delivery	1,600	-	(1,600)	1,200	(1,200)	400
	-	-	-	-	-	-
<b>Total Office Expenses</b>	<b>40,365</b>	<b>37,684</b>	<b>(2,681)</b>	<b>43,628</b>	<b>(5,944)</b>	<b>(3,263)</b>
	-	-	-	-	-	-
<b><u>Bank and Cash Management Fees</u></b>						
Cash Management Fees	7,000	6,300	(700)	6,300	-	700
Service charges and Annual Trust Fees	-	11,340	11,340	-	11,340	-
Rating Agency Fees	-	8,000	8,000	-	8,000	-
<b>Total Bank and Cash Management Fees</b>	<b>7,000</b>	<b>25,640</b>	<b>18,640</b>	<b>6,300</b>	<b>19,340</b>	<b>700</b>
	-	-	-	-	-	-
Stadium Improvements	-	-	-	50,000	(50,000)	(50,000)
	-	-	-	-	-	-
<b><u>Marketing &amp; Promotion</u></b>						
Stadium Promotional Expenses	2,000	3,800	1,800	5,100	(1,300)	(3,100)
	-	-	-	-	-	-
<b>Total AZSTA Uses before Stadium Management Op</b>	<b>979,365</b>	<b>783,344</b>	<b>(196,021)</b>	<b>811,646</b>	<b>(28,303)</b>	<b>167,719</b>

# Global Spectrum Net Income

CONSOLIDATED INCOME STATEMENT - BUDGET PROPOSAL		
	PROPOSED BUDGET FY2011	FY2010 FORECAST
# OF EVENTS	101	113
# OF EVENT DAYS	130	143
ATTENDANCE - FOOTBALL EVENTS	695,893	706,784
ATTENDANCE - GLOBAL EVENTS	325,185	394,056
<b>TOTAL ATTENDANCE</b>	<b>1,021,078</b>	<b>1,100,840</b>
<b>BUILDING INCOME</b>		
RENTAL REVENUE/TOUR REVENUE	\$ 916,573	\$ 959,350
OTHER TICKET REVENUE	58,791	575,569
BUILDING EXPENSES BILLED	919,047	1,488,275
Less: BUILDING EXPENSES RELATED TO EVENTS	(1,424,316)	(2,405,077)
<b>TOTAL BUILDING NET REVENUE</b>	<b>470,095</b>	<b>618,117</b>
<b>ANCILLARY INCOME RELATED TO GLOBAL EVENTS</b>		
REFRESHMENT COMMISSIONS	287,601	1,044,920
CATERING/SUITE COMMISSIONS	50,856	235,579
EXHIBITOR INCOME	30,613	43,627
PARKING LOT REVENUE	66,223	200,412
NOVELTY INCOME	3,041	124,437
<b>TOTAL ANCILLARY INCOME FOR GLOBAL EVENTS</b>	<b>438,334</b>	<b>1,648,975</b>
GLOBAL EVENT INCOME (LOSS) ^^	908,429	2,267,092
FIESTA BOWL/BCS GAME DAY EXPENSES **	(318,362)	(312,120)
NCAA	-	-
CARDINALS GAME DAY EXPENSES	(2,519,946)	(2,314,286)
<b>TOTAL EVENT OPERATING INCOME (LOSS)</b>	<b>(1,929,879)</b>	<b>(359,314)</b>
INDIRECT EXPENSES		
EXECUTIVE/SALES	430,564	419,354
MARKETING	297,172	300,894
FINANCE	454,792	438,759
OPERATIONS	5,265,140	5,003,400
OVERHEAD	963,016	900,704
<b>TOTAL INDIRECT EXPENSES:</b>	<b>7,410,685</b>	<b>7,063,110</b>
<b>NET BUILDING OPERATING INCOME</b>	<b>\$ (9,340,564)</b>	<b>\$ (7,422,425)</b>
Other revenue resources for the Authority ^^		
FACILITY USER FEE (GLOBAL EVENTS) ^^	\$ 260,721	\$ 736,107
<b>ESTIMATED TAX RECAPTURE GLOBAL EVENTS</b>	<b>\$ 830,850</b>	<b>1,153,973</b>
	<b>\$ (8,248,994)</b>	<b>\$ (5,532,345)</b>

## Global Spectrum

- This depiction of the net income for Global Spectrum is based upon receipts that Global Spectrum collects as AZSTA's agent.
- A secondary look at the stadium is provided on the next page and includes all revenues sources associated with the stadium operations.
- Global Spectrum's net income declines from FY10 due to the number of mega events currently calendared and signed for FY11. Global Spectrum's marketing and events team and management continue to drive to seek out additional events to increase revenues.

## Stadium Net Income (Stadium Revenue and Net Income FY2011 versus Historical by type of activity)

	FY11 Budget	FY10P	FY10 Budget	FY09Act	FY08 Act
<b>AZ-STA Events</b>					
Building Gross Revenue	1,894,410	3,023,194	2,875,536	2,191,217	3,019,876
Ancillary Income	438,334	1,648,975	1,642,006	434,679	1,128,485
FUF	260,721	736,107	786,107	183,852	358,614
Sales Tax Recapture	830,850	1,153,973	1,153,973	493,721	1,108,976
Sub-Total Revenue	3,424,315	6,562,249	6,457,622	3,303,469	5,615,951
Building Expenses Related to Events	(1,424,316)	(2,405,077)	(2,449,453)	(1,509,466)	(2,903,454)
<b>Net Income from Events</b>	(1) <b>2,000,000</b>	<b>4,157,172</b>	<b>4,008,169</b>	<b>1,794,003</b>	<b>2,712,497</b>
<b>Fiesta Bow /BCS</b>					
FUF/Surcharge	581,400	632,383	632,383	629,000	501,256
STR	530,800	431,417	431,417	535,431	500,000
Sub-Total Revenue	1,112,200	1,063,800	1,063,800	1,164,431	1,001,256
Game Day Expense	(318,362)	(312,120)	(312,120)	(306,000)	(300,000)
<b>Net Income - Fiesta Bowl/ BCS</b>	(2) <b>793,838</b>	<b>751,680</b>	<b>751,680</b>	<b>858,431</b>	<b>701,256</b>
<b>AZ Cardinals</b>					
Sales Tax Recapture	4,061,913	3,901,466	3,621,572	4,281,734	3,213,275
Rent	270,608	265,302	265,302	260,100	255,000
Sub-Total Revenue	4,332,521	4,166,768	3,886,874	4,541,834	3,468,275
Game Day Expense	(2,519,946)	(2,314,286)	(2,441,629)	(2,420,243)	(2,112,249)
Playoff Game Day Expenses		(244,163)		(511,011)	
<b>Net Building (Cost)/Income - Cardinals</b>	(3) <b>1,812,575</b>	<b>1,608,319</b>	<b>1,445,245</b>	<b>1,610,580</b>	<b>1,356,026</b>
Facility Manager Indirect Expenses	(4) (7,416,033)	(7,063,110)	(7,396,171)	(8,266,934)	(9,037,053)
ROJO Additional Revenue	(5) 750,000				
<b>Total Net Building Operating (Cost)/Income</b>	<b>1 + 2 + 3 + 4+5</b> <b>(2,059,621)</b>	<b>(545,939)</b>	<b>(1,191,077)</b>	<b>(4,003,920)</b>	<b>(4,267,274)</b>
AZ_STA Operations Expense	(811,646)	(979,365)	(783,344)	(1,073,821)	(1,158,447)
<b>Total Net AZ-STA Operations (Cost)/Income</b>	<b>(2,871,267)</b>	<b>(1,525,304)</b>	<b>(1,974,421)</b>	<b>(5,077,741)</b>	<b>(5,425,721)</b>

### Stadium Net Income - Year over Year Analysis

- This calculation includes revenues not previously associated with stadium operations, but which are associated with operations costs. It correctly reflects the revenues and costs associated with running events at the stadium.
- FY2011 Budget will look more like FY2009 than FY2010 due to the decrease in the number of mega events.
- FY2011 AZSTA events net income is forecast to be \$2.0 million, which is slightly above FY2009 \$1.8 million
- Fiesta Bowl Net Income remain relatively constant year to year with increases driven by contracted FUF increases as well as ticket price increases. The BCS Championship game is forecasted to be net income neutral.
- FY2011 Arizona Cardinals game day expenses are forecasted to increase by 5% due to the scheduling of certain homes games including a Christmas Day game against the Dallas Cowboys
- Indirect Expenses are up slightly year over year due to increases in utilities, training and personnel expenses.
- FY2011 Net Building Costs of (\$2.3 million) are up significantly from FY2010, but down from significantly from FY2009 (\$4.0 million) which had a similar number of mega events.

# Stadium Budget *(Stadium Indirect Expenses detail)*

	FY10 Fcst	FY10 Budget	FY10 Fcst B/(W) FY10 Budget	Proposed FY11 Budget	FY11 Budget B / (W) FY10 Budget	FY11 Budget B / (W) FY10 Fcst
<b><u>STADIUM MANAGEMENT OPERATIONS - GLOBAL SPECTRUM</u></b>						
<b><u>EXPENSES</u></b>						
<b><u>Indirect Expenses</u></b>						
Employee Related (Salaries, benefits, taxes, relocation)	2,394,653	2,634,864	240,211	2,579,562	55,302	(184,909)
Employee Development	63,833	73,833	10,000	85,588	(11,755)	(21,755)
Travel and Conferences	24,300	30,536	6,236	30,300	236	(6,000)
Office and Administrative	248,598	272,219	23,621	252,005	20,214	(3,407)
Marketing and Advertising	123,150	124,646	1,496	123,150	1,496	-
Operations	4,008,576	4,060,073	51,497	4,042,551	17,522	(33,975)
<u>Other</u>	-	-		-		
Contingency	-	-		-		
Management Fee	150,000	150,000	-	150,000	-	-
Incentive Pool	50,000	50,000		150,000	(100,000)	(100,000)
Misc. Expense	-	-		-		
<b>Total Indirect Expenses</b>	<b>7,063,110</b>	<b>7,396,171</b>	<b>333,061</b>	<b>7,413,156</b>	<b>(16,985)</b>	<b>(350,046)</b>
<b>Arizona Cardinal Game Day Expenses</b>	<b>2,314,286</b>	<b>2,441,629</b>	<b>127,343</b>	<b>2,519,946</b>	<b>(78,317)</b>	<b>(205,660)</b>
<b>Fiesta Bowl Game Day Expense/(Income), net</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>-</b>
<b>BCS Game Day Expense/(Income)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENSES</b>	<b>9,677,396</b>	<b>10,137,800</b>	<b>460,404</b>	<b>10,233,102</b>	<b>(95,302)</b>	<b>(555,706)</b>

## Global Spectrum Operating Budget—Year over Year Comparison:

Drivers of increase in FY2011 budget over FY2010P

- 4% Salary increase to cover performance/cost of living increases +\$118k. Part Time Labor increase of \$66k due to less cleanup labor being allocated to events
- Training for Security—i.e., renewal of security guard cards as required by the State of Arizona +\$22k
- Utilities budgeted at 3% increase or \$58k higher while SRP is forecasting a 4% increase
- Management Fee (Incentive Fee) +\$100k per contract
- Cardinals Game Day expenses up 5% due to scheduling of key home games as well as contractual rates

# AZSTA — Projected Financial Information

<b>Cash on Hand Statement</b>		
	<u>Ending</u> as of <b>June 30, 2010</b>	<u>Ending</u> as of <b>June 30, 2011</b>
<b><u>Construction Account</u></b>		
Bond Proceeds/Sales Tax Recapture	\$ -	\$ -
<b>Total Construction Account</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Facilities Revenue Clearing Account</b>	<b>720,215</b>	<b>715,893</b>
<b>Tourism Revenue Clearing Account</b>	<b>1,510,000</b>	<b>1,510,667</b>
<b>Tourism Fund</b>	<b>-</b>	<b>-</b>
<b><u>Cactus League Promotion Account</u></b>		
Bond Proceeds	-	-
General Account	-	(1)
<b>Total Cactus League Promotion Account</b>	<b>\$ -</b>	<b>\$ (1)</b>
<b><u>Youth and Amateur Sports</u></b>		
General	<b>1,678,119</b>	<b>310,352</b>
Reserve	<b>1,908,333</b>	<b>1,908,333</b>
<b>Total Youth and Amateur Sports</b>	<b>\$ 3,586,452</b>	<b>\$ 2,218,685</b>
<b><u>Debt Service Account</u></b>		
Senior bond	<b>\$ 460,036</b>	<b>\$ 460,036</b>
Subordinate bond	-	-
Subordinate bond reserve	<b>3,241,537</b>	<b>3,241,537</b>
<b>Total Debt Service Account</b>	<b>\$ 3,701,574</b>	<b>\$ 3,701,574</b>
<b>Operating Account</b>	<b>8,854,058</b>	<b>5,781,738</b>
<b>Total Bank Accounts/Sub-accounts</b>	<b>\$ 18,372,299</b>	<b>\$ 13,928,556</b>

## Cash on Hand

- Clearing accounts have a beginning and ending balance because the distributions of funds happens the 2nd Tuesday of the next month.
- YAS reserve account remains fully funding throughout FY2011. Depending upon the distribution into the general account in FY12 and the amount for the FY12 Biennial Grant, the Reserve account may need to be tapped.
- The Operating account remains in the positive balance throughout FY11 and is not anticipated to go negative until FY14.

(1) The Authority has a policy which states that an operating reserve, which is required of the Authority per A. R. S., and in an amount equal to the prior year's operating budget will be maintained in the Operating Account as funds are available.

# Arizona Sports and Tourism Authority

## Sources of Funds

### Tourism Revenue Clearing Account

1. 1% Hotel Bed Tax
2. 3.25% Car Rental Surcharge

### Facility Revenue Clearing Account (a)

1. NFL Income Tax
2. Sales Tax Recapture
3. Facility Event Revenues (including direct event

## Uses of Funds

### 1st Priority = Senior Bond Debt Service (b)

1. \$224.53M in principal plus interest (final maturity in 2031 and adjusted for 2007 Refunding)

### 2nd Priority = Tourism Fund

1. Total of \$265.8M over 30 years for Maricopa County tourism

### 3rd Priority = Cactus League General Fund

1. Total of \$205 million over 30 years
2. 1st priority - \$32.0M subordinate bond debt service (2016)
3. 2nd priority is the \$3.2M bond reserve fund (2008)
4. 3rd priority is funding renovation projects for cities of Scottsdale and Tempe on 50:50 basis from available funds
5. 4th priority is funding future stadium renovation projects along

### 4th Priority = Youth & Amateur Sports

1. Total of \$73.5 million over 30 years based on \$1.0 million in year

### 5th Priority = AZSTA Operating Budget (includes the operating budget for the stadium management operator)

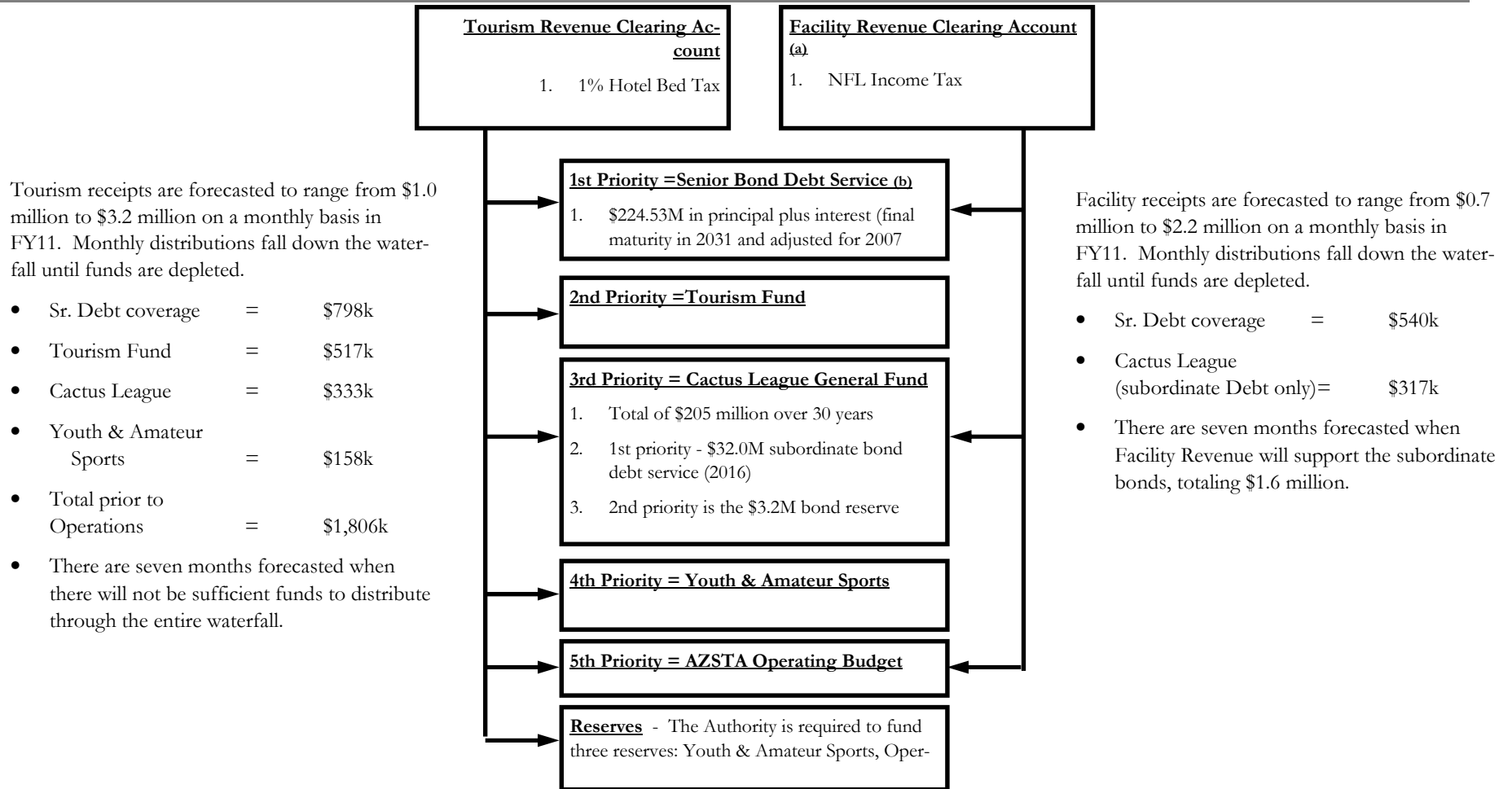
**Reserves** - The Authority is required to fund three reserves: Youth & Amateur Sports, Operating (equal to one year's operating budget) and Capital Repair and Replacement (\$25M in 2001 value)

### Footnotes

(a) The Facility RCA is used for debt service requirements on senior and subordinate bonds. Any remaining funds go to the operations account.

(b) All sources of revenue of the Authority (except for the non-pledged portion of the NFL Income Tax) are pledged to the Authority's senior and subordinate bond debt service above all other

# AZSTA Waterfall Explanation



# AZSTA - Projected Financial Information

Asset and Liability Statement		June 30, 2010	
ASSETS			Totals
<b>Current Assets</b>			
<b>Bank Accounts/Sub-accounts</b>			
<b>Construction Account</b>			
Bond Proceeds/Sales Tax Recapture	-	\$ -	
Capital Contributions	-		
Sales Tax Recapture	-	\$ -	
<b>Cactus League Promotion Account</b>			
Bond Proceeds	-		
Other (scheduled distributions)	(1)		(1)
Facilities Revenue Clearing Account		720,215	
Tourism Revenue Clearing Account		1,510,667	
Tourism Fund			
Youth and Amateur Sports		3,586,452	
<b>Debt Service Account</b>			
Senior bond	460,036		
Subordinate bond	-		
Subordinate bond reserve	3,241,537	3,701,574	
Operating Account		8,854,058	
<b>Total Bank Accounts</b>			\$ 18,372,965
<b>Other Current Assets</b>			
Accounts Receivable			4,600,000
<b>Total Current Assets</b>			\$ 22,972,965
<b>Fixed Assets *</b>			
AZ Cardinals Stadium	\$ 422,830,907		
Stadium FF&E	3,630,800		
Computer Equipment	-		
Furniture & Fixtures	15,193		
Office Equipment	-		
Capital Equipment	-		
Software	-	\$ 426,476,900	
<b>Total Fixed Assets</b>			\$ 426,476,900
<b>Other Assets</b>			
Deposits/Prepaid Expenses	24,030		
Deferred Bond Issuance Costs	7,839,806		
Operating Reserve	-	7,863,836	
<b>Total Other Assets</b>			\$ 7,863,836
<b>TOTAL ASSETS</b>			\$ 457,313,700
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable		\$ 2,236,560	
<b>Other Current Liabilities</b>			
YAS Grants		1,371,286	
Deferred revenue		1,090,277	
Capital Lease, current		-	
<b>Total Current &amp; Other Liabilities</b>			\$ 4,698,123
<b>Non-current Liabilities</b>			
Capital Lease, long-term portion	\$ -		
Youth and Amateur Sports	747,905		
Senior bonds	273,235,000		
Subordinate bonds	23,235,000		
Cactus League	136,393,327		
Arizona Cardinals, reimbursements	7,585,060		
Bond Premium Payable	5,761,950		
Other	-	\$ 446,958,243	
<b>Total Long-Term Liabilities</b>			\$ 451,656,366
<b>TOTAL LIABILITIES</b>			\$ 451,656,366
<b>NET ASSETS V. LIABILITIES</b>			\$ 5,657,335

\* Net of estimated accumulated depreciation

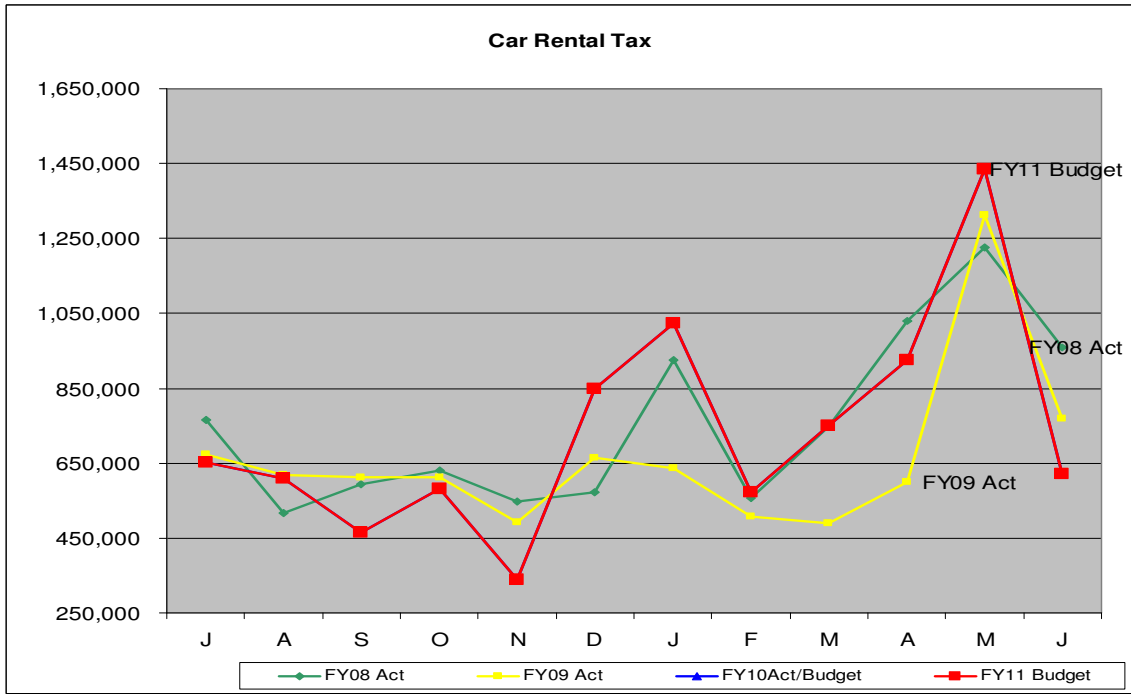
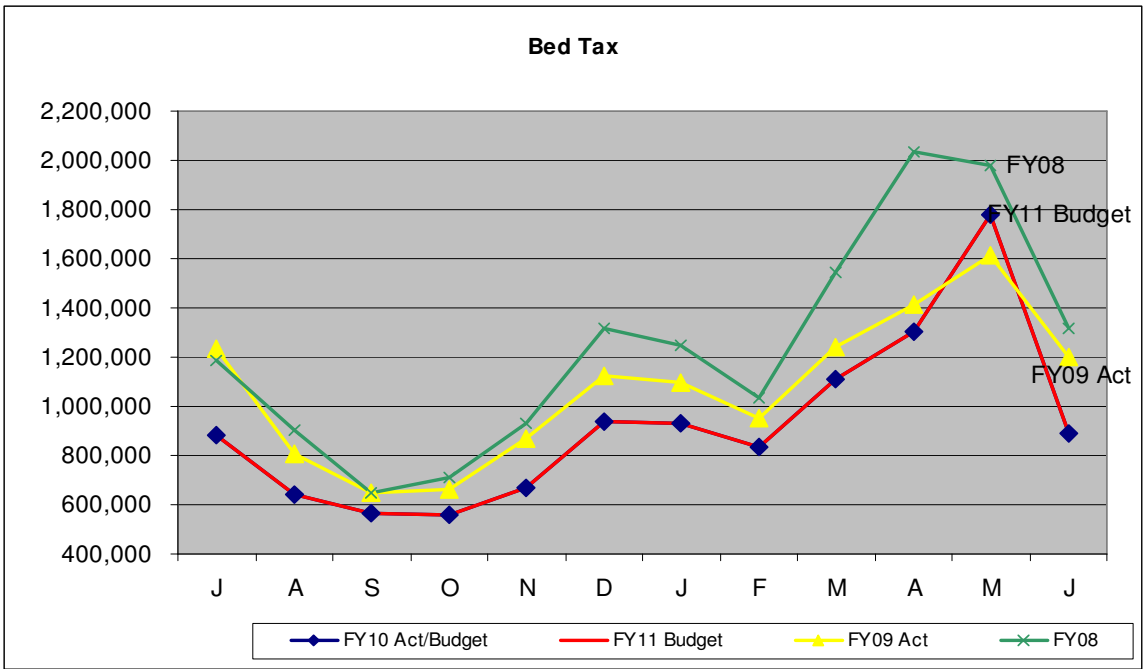
# AZSTA — Projected Financial Information

<b>Profit and Loss Statement</b>		
<b>For the Period</b>		
<b>July 1, 2010 thru June 30, 2011</b>		
<b><u>SOURCES</u></b>		
<u>Facilities Revenue Clearing Account</u>		
NFL Income Tax	5,810,440	
AZ Cardinal Sales Tax Recapture	4,061,913	
AZ Cardinals Rent	270,608	
Fiesta Bowl Ticket Surcharge/FUF/STR	1,112,200	
AZSTA/GS Net Direct Event Income	470,095	
AZSTA/GS Event FUF (net)	260,721	
AZSTA/GS Event STR's	830,850	
AZSTA/GS Event Ancillary	438,334	
Other Income	109,666	
ROJO Net Event Revenue	750,000	
Total Facilities Revenue Clearing Account		\$ 14,114,826
<u>Tourism Revenue Clearing Account</u>		
Hotel Bed Tax	\$ 11,098,209	
Car Rental Surcharge	8,821,210	
Interest Income		
Total Facilities Revenue Clearing Account		\$ 19,919,420
<b>TOTAL REVENUES</b>		<b>\$ 34,034,245</b>
<b><u>USES</u></b>		
Debt Service, Senior Bonds	\$ 16,051,354	
Tourism Promotion	5,373,428	
Debt Service, Subordinate Bonds	3,801,751	
Cactus League Promotion Account	82,603	
Youth and Amateur Sports	770,501	
AZSTA/Global Spectrum Operating Budget	11,013,110	
Youth and Amateur Sports Reserve	-	
Operating Reserve	(3,108,502)	
Capital Repair/Replacement Reserve	50,000	
<b>TOTAL EXPENDITURES</b>		<b>\$ 34,034,245</b>
<b>NET OPERATING SOURCES/(USES)</b>		<b>\$ -</b>

# AZSTA — Projected Financial Information

Financial Commitments Statement		
Fiscal Year 2011		
(projected)		
Category	\$ Amount	Total
<b>Statutory Commitments</b>		
<b>Debt Service - Annual</b>		
Senior Bonds	\$ 16,051,354	
Subordinate Bonds	3,801,750	\$ 19,853,104
<b>Tourism Promotion</b>		
		5,399,284
<b>Cactus League</b>		
		82,604
<b>Youth &amp; Amateur Sports</b>		
Distribution	\$ 770,501	
Reserve	-	770,501
<b>Authority Operations (including Global Spectrum)</b>		
		-
<b>Total Statutory Commitments</b>		<b>\$ 26,105,493</b>
<b>Other Commitments</b>		
<b>Arizona Cardinals Stadium Construction</b>		
<b>Centerplate</b>		
Small Wares Procurement		\$ -
<b>Cactus League Renovation Projects</b>		
Scottsdale/SF Giants	\$ 42,071	
Tempe/Anaheim Angels	42,071	84,142
<b>Youth and Amateur Sports Projects</b>		
Avondale Youth Soccer Complex	\$ 477,083	
FY2008 Grant Awards	-	
FY2010 Grant Awards	1,565,768	
Quick Grants Program (5% of annual distribution)	95,417	
YAS Reserve Account - Annual Increase (investment income)	-	2,138,268
<b>Total Other Commitments</b>		<b>\$ 2,222,410</b>
<b>Total Financial Commitments</b>		<b>\$ 28,327,903</b>

# Supplemental Information—Sales Tax Recapture Graphs



## ***Supplemental Information—A.R.S 5-831***

A. Beginning in 2001, on or before June 30 of each year the board shall hold a public hearing to adopt a budget for the following fiscal year that includes:

1. Receipts during the past fiscal year.
  2. Expenditures during the past fiscal year.
  3. Estimates of amounts necessary for expenses during the following fiscal year including amounts proposed for:
    - (a) Costs of planning, constructing, financing, maintaining, operating and managing a multipurpose facility.
    - (b) Promotional and marketing expenses of the authority.
    - (c) Administrative costs of the authority.
  4. Anticipated revenue to the authority from each source in the following fiscal year.
  5. A complete asset and liability statement.
  6. A statement of profit or loss from operations.
  7. Cash on hand as of the date the budget is adopted and the anticipated balance at the end of the current fiscal year.
  8. An itemized statement of commitments, reserves and anticipated obligations for the following fiscal year.
- B. The board may amend the budget on a finding of good cause.