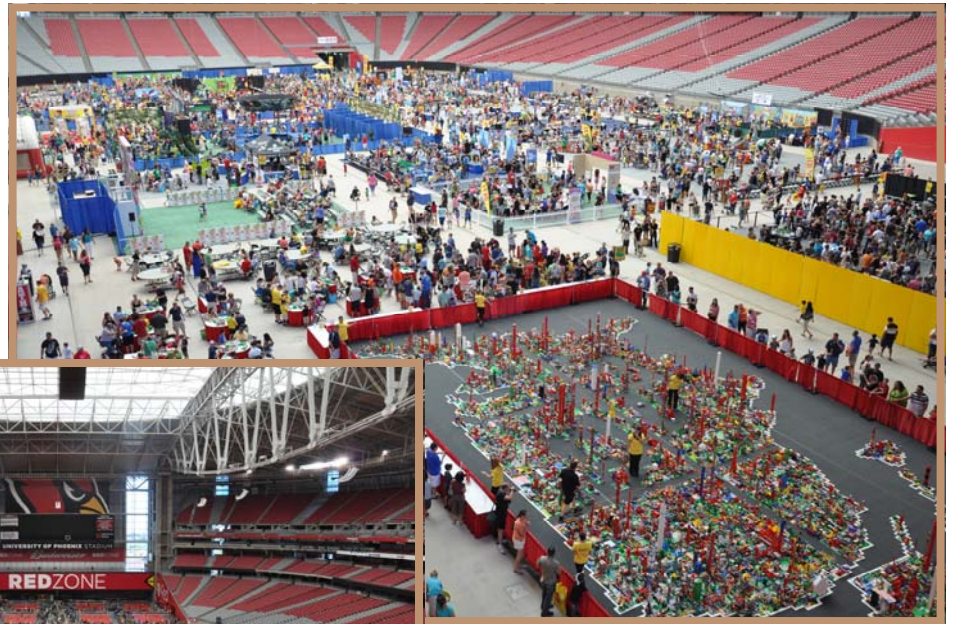
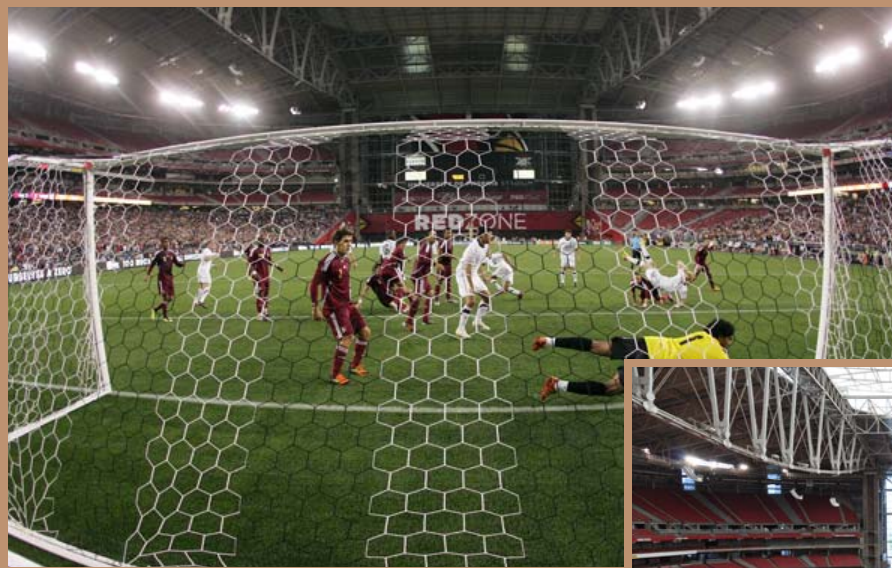


# AZSTA Fiscal Year 2015 Annual Financial Budget







# Fiscal Year 2015 Budget

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## OVERVIEW

The budget as presented is for FY2015 covering the period July 1, 2014 through June 30, 2015. Our guideline for the completion of this budget package comes within the authority of Section 5-831 of the Arizona Revised Statutes (ARS). The financial information contained within this budget represents the Authority's 9th year of operations at the University of Phoenix Stadium and our 14th operating year overall.

### AZSTA Cash Position

In 2007, as the economic recession took hold of the AZ economy, it was forecast that AZSTA would run-out of operating cash by mid-2010. Through the efforts of the AZSTA Board of Directors, the AZSTA Staff, Global Spectrum, and the Arizona Cardinals, expenses have been held down or been lowered and new revenue opportunities have been created. At the end of FY2014, AZSTA is forecasting to retain an operating cash balance greater than \$13.0M, and projects no cash shortage through the foreseeable budgetary horizon.

### AZSTA Budget Overview

Total AZSTA revenues for FY2015 are forecast to be up \$2.796M better than budget FY2014; due primarily to Facility -related event revenues.

FY2014 AZSTA's operational expenses are expected to be better than budget for FY2014 by \$69.67 / 6.67%. For FY2015, operational expenses are expected to increase \$38.97K / 3.73% vs. FY2014 Budget. However, this is still less than FY2009 and prior year levels.

### Economic Overview

The economic impact of the recession on AZSTA was slightly less in FY2014 than in FY2010 thru FY2013. We are forecasting a stabilization in Tourism revenues: as we expect to be within \$204.3K of the FY2014 budget.

Tourism revenues are recovering, however, at a slower rate of recovery than what has been seen in prior economic corrections. The Authority remains cautiously optimistic about continued TRCA revenue growth in FY2015. Budget FY2015 is based on a Total Tourism Revenues growth rate = 2.50% vs. 'actuals' from FY2014.

FY2015 FRCA Revenues improve

\$1.689M / 4.18% vs. 'actuals' from FY2014.

Total TRCA and FRCA Revenues are up year-over-year by \$1.326M / 6.95%.

**Prepared by:** Kevin Daniels,  
Chief Financial Officer

**Reviewed by:** Thomas Sadler,  
President and CEO

**To be Reviewed by:** Finance Sub-Committee of the AZSTA Board of Directors.

**To be Approved by:** Arizona Sports and Tourism Authority Board of Directors vote @ the Board meeting scheduled for June 17, 2014.

# Comparative: Budget 2015, FY2014 Update, FY2014 Budget

Item	FY2015 Budget	FY2014 Forecast Update	FY2014 Budget
<b>Sources</b>			
<b>Tourism Revenues</b>			
Hotel Bed Tax	\$ 13,756,804	\$ 13,421,272	\$ 13,444,847
Rental Car Surcharge Tax	12,333,318	12,032,505	12,213,232
<b>TOTAL TOURISM REVENUES</b>	<b>\$ 26,090,122</b>	<b>\$ 25,453,777</b>	<b>\$ 25,658,079</b>
<b>Facilities Revenues</b>			
NFL Income Tax	\$ 6,987,979	\$ 5,519,253	\$ 5,519,253
AZ Cardinals Rent	292,915	287,171	287,171
AZ Cardinals STR	4,958,248	4,483,774	4,483,774
Fiesta Bowl Ticket Surcharge / FUF / STR	1,218,486	1,176,385	1,382,600
<b>Subtotal - FOOTBALL-RELATED FACILITIES REVENUES</b>	<b>\$ 13,457,627</b>	<b>\$ 11,466,583</b>	<b>\$ 11,672,798</b>
AZSTA/Global Spectrum Event FUF	439,890	656,911	299,892
AZSTA/Global Spectrum Event STR	1,320,222	1,552,883	1,083,929
AZSTA/Global Spectrum NET Building Revenue	543,908	684,276	426,976
AZSTA/Global Spectrum Event F&B Revenue	365,135	737,591	323,384
AZSTA/Global Spectrum Ancillary Income	189,106	236,959	115,000
ROJO Incremental Income (guarantee \$750K)	874,464	1,167,351	859,977
Telecom License Fees	13,200	11,296	8,458
<b>Subtotal - STADIUM-RELATED FACILITIES REVENUES</b>	<b>\$ 3,745,925</b>	<b>\$ 5,047,267</b>	<b>\$ 3,117,616</b>
<b>TOTAL FACILITIES REVENUES</b>	<b>\$ 17,203,552</b>	<b>\$ 16,513,850</b>	<b>\$ 14,790,414</b>
<b>Other Revenues</b>			
MCSD Excess Car Rental Surcharge Tax	\$ 1,578,419	\$ 1,539,921	\$ 1,127,500
ROJO Commission Advance	-	500,000	\$ 500,000
<b>Subtotal - OTHER REVENUES</b>	<b>\$ 1,578,419</b>	<b>\$ 2,039,921</b>	<b>\$ 1,627,500</b>
<b>TOTAL REVENUES - ALL SOURCES</b>	<b>\$ 44,872,094</b>	<b>\$ 44,007,548</b>	<b>\$ 42,075,993</b>

# Comparative: Budget 2015, FY2014 Update, FY2014 Budget

Item	FY2015 Budget	FY2014 Forecast Update	FY2014 Budget
<b>Uses</b>			
<b>Fund Distributions</b>			
Senior Bonds Debt Service	\$ 16,015,713	\$ 13,259,913	\$ 13,259,913
Tourism Promotions	7,130,897	7,015,053	7,213,356
Cactus League Promotions - Sub Bonds DS	4,570,750	4,554,550	4,554,550
Cactus League Promotions - Cactus League	1,387,129	1,630,325	2,445,450
YAS Promotions	975,931	797,040	1,108,333
<b>Subtotal - USES before Operations</b>	<b>\$ 30,080,419</b>	<b>\$ 27,256,881</b>	<b>\$ 28,581,602</b>
<b>Operations</b>			
AZSTA Operations	\$ 1,083,552	\$ 947,896	\$ 1,044,576
Fiesta Bowl Expenses	344,606	337,566	337,849
AZ Cardinals Game Day Expenses	3,007,074	2,847,873	2,760,079
Global Spectrum - stadium management (indirect)	7,879,878	7,846,646	7,609,345
<b>Subtotal - Operational Uses</b>	<b>\$ 12,315,110</b>	<b>\$ 11,979,981</b>	<b>\$ 11,751,849</b>
<b>Non-Operational Uses</b>			
AZSTA Distribute of MCSD Excess to CL	\$ 1,578,419	\$ 1,539,921	\$ 1,125,500
<b>Subtotal - Non-Operational Uses</b>	<b>\$ 1,578,419</b>	<b>\$ 1,539,921</b>	<b>\$ 1,125,500</b>
<b>TOTAL USES</b>	<b>\$ 43,973,948</b>	<b>\$ 40,776,782</b>	<b>\$ 41,458,951</b>
<b>TOTAL REVENUES</b>	<b>\$ 44,872,094</b>	<b>\$ 44,007,548</b>	<b>\$ 42,075,993</b>
<b>Less: USES before Operations</b>	30,080,419	27,256,881	28,581,602
<b>Less: USES - Operational</b>	12,315,110	11,979,981	11,751,849
<b>Less: USES - Non-Operational</b>	1,578,419	1,539,921	1,125,500
<b>NET OPERATING SOURCES / (USES)</b>	<b>\$ 898,147</b>	<b>\$ 3,230,766</b>	<b>\$ 617,042</b>
<b>Capital Investment - Scoreboard Project</b>			
AZSTA annual payment - new scoreboard	\$ 1,358,177	\$ -	\$ -
<b>Total - Capital Investment</b>	<b>\$ 1,358,177</b>	<b>\$ -</b>	<b>\$ -</b>

# Statement of Operations—Fiscal Year 2014 Projected

## FY2014 Projected Results:

### REVENUES / SOURCES Highlights

- Total Tourism Revenues are forecast to be @ \$25.453M. This is just 'short' of AZSTA's FY2014 budget by (\$204.3K) / (0.80)%.
- Hotel Bed Tax comes in essentially "at budget" at (0.18)% less than budget. Rental Car Surcharge Taxes fall short of FY2014 budget forecast by (\$180.7K) / (1.48)%. This is driven by a shortfall from AUG 2013. AZSTA has been working with AzDOR and the Governor's Office to understand total tourism revenue receipts and to validate that AZSTA is receiving 100% of the Prop 302 Tourism Revenues.
- Football-related revenues are (\$206.2K) / (1.77%) less than FY2014 budget. A forecast model in FY2014 included STR from the City of Glendale for FB ticket sales.
- Stadium revenues surpassed budget by \$1.929M / 61.90%, driven by unbudgeted events and several existing events exceeding revenue targets in FY2014.
- Total Facilities Revenues are better than FY2014 budget forecast by \$1.723M / 11.65% on a budget of \$14.790M. The stadium had an exceptional line-up of non-football events in FY2014.
- Other Revenues are driven by the MCSD transfer of \$1.539M to AZSTA in June 2014 = \$412.4K / 36.58% 'good news'
- Total Revenues are forecast to exceed budget by \$1.931M / 4.59% for the year.

Item	FY2014 Forecast Update	FY2014 Budget	Positive / (Negative) \$ Delta	% Delta
<b>Sources</b>				
<b>Tourism Revenues</b>				
Hotel Bed Tax	\$ 13,421,272	\$ 13,444,847	\$ (23,575)	(0.18)%
Rental Car Surcharge Tax	12,032,505	12,213,232	(180,727)	(1.48)%
<b>TOTAL TOURISM REVENUES</b>	<b>\$ 25,453,777</b>	<b>\$ 25,658,079</b>	<b>\$ (204,302)</b>	<b>(0.80)%</b>
<b>Facilities Revenues</b>				
NFL Income Tax	\$ 5,519,253	\$ 5,519,253	\$ -	0.00%
AZ Cardinals Rent	287,171	287,171	-	0.00%
AZ Cardinals STR	4,483,774	4,483,774	-	0.00%
Fiesta Bowl Ticket Surcharge/FUF/STR	1,176,385	1,382,600	(206,215)	(14.92)%
<b>Subtotal - FOOTBALL-RELATED FACILITIES REVENUES</b>	<b>\$ 11,466,583</b>	<b>\$ 11,672,798</b>	<b>\$ (206,215)</b>	<b>(1.77)%</b>
AZSTA/Global Spectrum Event FUF	656,911	299,892	357,019	119.05%
AZSTA/Global Spectrum Event STR	1,552,903	1,083,929	468,974	43.27%
AZSTA/Global Spectrum NET Building Revenue	684,276	426,976	257,300	60.26%
AZSTA/Global Spectrum Event F&B Revenue	737,591	323,384	414,207	128.09%
AZSTA/Global Spectrum Ancillary Revenue	236,959	115,000	121,959	106.05%
ROJO Incremental Income (guarantee \$750K)	1,167,331	859,977	307,354	35.74%
Telecom License Fees	11,296	8,458	2,838	33.55%
<b>Subtotal - STADIUM-RELATED FACILITIES REVENUES</b>	<b>\$ 5,047,267</b>	<b>\$ 3,117,616</b>	<b>\$ 1,929,651</b>	<b>61.90%</b>
<b>TOTAL FACILITIES REVENUES</b>	<b>\$ 16,513,850</b>	<b>\$ 14,790,414</b>	<b>\$ 1,723,436</b>	<b>11.65%</b>
<b>Other Revenues</b>				
MCSD Excess Car Rental Surcharge Tax	\$ 1,539,921	\$ 1,127,500	\$ 412,421	36.58%
ROJO Commission Advance	500,000	500,000	-	0.00%
<b>Subtotal - OTHER REVENUES</b>	<b>\$ 2,039,921</b>	<b>\$ 1,627,500</b>	<b>\$ 412,421</b>	<b>25.34%</b>
<b>TOTAL REVENUES - ALL SOURCES</b>	<b>\$ 44,007,548</b>	<b>\$ 42,075,993</b>	<b>\$ 1,931,555</b>	<b>4.59%</b>

# Statement of Operations—Fiscal Year 2014 Projected Results

Item	FY2014 Forecast Update	FY2014 Budget	Favorable / (Unfavorable)	
			\$ Delta	% Delta
<b>Uses</b>				
<b>Distributions</b>				
Senior Bonds Debt Service	\$ 13,259,913	\$ 13,259,913	\$ -	0.00%
Tourism Promotions	7,015,053	7,213,356	198,303	2.75%
Cactus League Promotions - Sub Bonds DS	4,554,550	4,554,550	-	0.00%
Cactus League Promotions - CL Promotions-IGA's	1,630,325	2,445,450	815,125	33.33%
YAS Promotions	797,040	1,108,333	311,293	28.09%
<b>Subtotal - USES before OPS &amp; OTHER</b>	<b>\$ 27,256,881</b>	<b>\$ 28,581,602</b>	<b>\$ 1,324,721</b>	<b>4.63%</b>
<b>Operational Expenses</b>				
AZSTA Operations	\$ 947,896	\$ 1,044,576	\$ 96,680	9.26%
AZSTA / GS - Fiesta Bowl Expenses	337,566	337,849	283	0.08%
AZ Cardinals Game Day Expenses	2,847,873	2,760,079	(87,794)	(3.18)%
Global Spectrum - contract stadium mgmnt (indirect)	7,846,646	7,609,345	(237,301)	(3.12)%
<b>Subtotal - OPERATIONAL USES</b>	<b>\$ 11,979,981</b>	<b>\$ 11,751,849</b>	<b>\$ (228,132)</b>	<b>(1.94)%</b>
<b>Non-Operational Uses/Distribution</b>				
AZSTA distribution of MCSD "Excess"	\$ 1,539,921	1,125,500	(414,421)	(36.82)%
<b>Subtotal - NON-OPERATIONAL USES</b>	<b>\$ 1,539,921</b>	<b>\$ 1,125,500</b>	<b>\$ (414,421)</b>	<b>(36.82)%</b>
<b>TOTAL USES</b>	<b>\$ 40,776,783</b>	<b>\$ 41,458,951</b>	<b>\$ 682,168</b>	<b>1.65%</b>
<b>TOTAL REVENUES</b>	<b>\$ 44,007,548</b>	<b>\$ 42,075,993</b>	<b>\$ 1,931,555</b>	<b>4.59%</b>
<b>Less: USES before Operations</b>	<b>27,256,881</b>	<b>28,581,602</b>	<b>1,324,721</b>	<b>4.63%</b>
<b>Less: USES - Operational</b>	<b>11,979,981</b>	<b>11,751,849</b>	<b>(228,132)</b>	<b>(1.94)%</b>
<b>Less: USES - Non-Operational</b>	<b>1,539,921</b>	<b>1,125,500</b>	<b>(414,421)</b>	<b>(36.82)%</b>
<b>NET OPERATING SOURCES / (USES)</b>	<b>\$ 3,230,766</b>	<b>\$ 617,042</b>	<b>\$ 2,613,724</b>	<b>423.59%</b>

## FY2014 Projected Results:

### USES - DISTRIBUTIONS & OPERATIONS Highlights

- Due to the results for the actual month-end "waterfall", the Authority was unable to distribute as much as was forecast in FY2014: Tourism (\$198.3K) in SEPT 2013; Cactus League (\$815.1K), YAS (\$311.3K).
- AZSTA's forecast operating expenses are less than budget FY2014 by \$69.7K = 6.67% delta. Cardinals Game Day expenses @ (\$87.8K) are from new NFL Security protocols. Global Spectrum forecasts to exceed their operational expense budget by (\$237.5K) due to one-time consulting expenses.
- With a transfer of \$1.539M from MCSD to AZSTA in mid-June, the Authority will be able to pay-down the o/s balances of current IGAs w/ Scottsdale and Tempe.
- NOTE: The Authority also released an incremental \$1.994M in DEC 2013 due to the reduction of the Subordinate Bonds Debt Service Reserve. The reserve requirement was adjusted down due to the 2013A sub bonds refunding.

# Executive Summary - Fiscal Year 2015 Budget vs. FY2014 Projected Actuals

Item	FY2015 Budget	FY2014 Forecast Update	Favorable / (Unfavorable)	
			\$ Delta	% Delta
<b>Sources</b>				
<b>Tourism Revenues</b>				
Hotel Bed Tax	\$ 13,756,804	\$ 13,421,272	\$ 335,532	2.50%
Rental Car Surcharge Tax	\$ 12,333,318	12,032,505	300,813	2.50%
<b>TOTAL TOURISM REVENUES</b>	<b>\$ 26,090,122</b>	<b>\$ 25,453,777</b>	<b>\$ 636,345</b>	<b>2.50%</b>
<b>Facilities Revenues</b>				
NFL Income Tax	\$ 6,987,979	\$ 5,519,253	\$ 1,468,726	26.61%
AZ Cardinals Rent	292,915	287,171	5,744	2.00%
AZ Cardinals STR	4,958,248	4,483,774	474,474	10.58%
Fiesta Bowl Tix Surcharge/FUF/STR	1,218,486	1,176,385	42,101	3.58%
<b>Subtotal-FOOTBALL-RELATED FACILITIES REVENUE</b>	<b>\$ 13,457,627</b>	<b>\$ 11,466,583</b>	<b>\$ 1,991,045</b>	<b>17.36%</b>
AZSTA/Global Spectrum Event FUF	439,890	656,911	(217,021)	(33.04)%
AZSTA/Global Spectrum Event STR	1,320,222	1,552,883	(232,661)	(14.98)%
AZSTA/Global Spectrum NET Building Revenue	543,908	684,276	(140,368)	(20.51)%
AZSTA/Global Spectrum Event F&B Revenue	365,135	737,591	(372,456)	(50.50)%
AZSTA/Global Spectrum Ancillary Revenue	189,106	236,959	(47,853)	(20.19)%
ROJO Incremental Income (guarantee \$750K)	874,464	1,167,351	(292,887)	(25.09)%
Telecom License Fees	13,200	11,296	1,904	16.86%
<b>Subtotal - STADIUM-RELATED FACILITIES REVENUES</b>	<b>\$ 3,745,925</b>	<b>\$ 5,047,267</b>	<b>\$ (1,301,342)</b>	<b>(25.78)%</b>
<b>TOTAL FACILITIES REVENUES</b>	<b>\$ 17,203,552</b>	<b>\$ 16,513,850</b>	<b>\$ 689,702</b>	<b>4.18%</b>
<b>Other Revenues</b>				
MCS D Excess Car Rental Surcharge Tax	\$ 1,578,419	\$ 1,539,921	\$ 38,498	2.50%
ROJO Commission Advance	-	500,000	\$ (500,000)	(100.0)%
<b>Subtotal - OTHER REVENUES</b>	<b>\$ 1,578,419</b>	<b>\$ 2,039,921</b>	<b>\$ (461,502)</b>	<b>(22.62)%</b>
<b>TOTAL REVENUES - ALL SOURCES</b>	<b>\$ 44,872,094</b>	<b>\$ 44,007,548</b>	<b>\$ 864,546</b>	<b>1.96%</b>

## FY2015 Budget Overview / Highlights

- FY15 Tourism Revenues are forecast to increase vs. FY14 UPD \$636K. The forecast is cautiously optimistic with a forecast of 2.5% over FY2014 actuals + forecast.
- Football-Related Facilities Revenues are forecasted to increase in FY2015 by \$1.991M vs. FY14-ending forecast. This increase is driven by \$1.468M from the NFL Income Tax and \$474K from AZ Cardinals related STR.
- The reduction in Stadium-Related Facilities Revenues are the result of the composition of budgeted non-football events that will be held at the stadium in FY2015. FY2014 was an exceptional year for events at the stadium.
- Other Revenues are down overall by (\$461K) driven by the last ROJO Commission Advance having been executed in FY2014 @ \$500K.
- Total Revenues from All Sources are up \$.864M = 1.96%. Tourism Revenues are up 2.5%, Forecast Facilities Revenues are up 4.18%. MCS D—Other Revenues are down (22.62%) due to no advances due from ROJO.



# Executive Summary - Fiscal Year 2015 Budget vs. FY2014 Projected Actuals

Item	FY2015 Budget	FY2014 Forecast Update	Yr-Over-Yr: Dec / (Inc) \$ Delta	% Delta
<b>Uses</b>				
<b>Fund Distributions</b>				
Senior Bonds Debt Service	\$ 16,015,713	\$ 13,259,913	\$ (2,755,800)	(20.78)%
Tourism Promotions	7,130,897	7,015,053	(115,844)	(1.65)%
Cactus League Promotions - Sub Bonds DS	4,570,750	4,554,550	(16,200)	(0.36)%
Cactus League Promotions - Cactus League	1,387,129	1,630,325	243,196	14.92%
YAS Promotions	975,931	797,040	(178,891)	(22.44)%
<b>Subtotal - USES before Operations</b>	<b>\$ 30,080,419</b>	<b>\$ 27,256,881</b>	<b>\$ (2,823,538)</b>	<b>(10.36)%</b>
<b>Operations</b>				
AZSTA Operations	\$ 1,083,552	\$ 947,896	\$ (135,656)	(14.31)%
Fiesta Bowl Expenses	344,606	337,566	(7,040)	(2.09)%
AZ Cardinals Game Day Expenses	3,007,074	2,847,873	(159,201)	(5.59)%
Global Spectrum - stadium management (indirect)	7,879,878	7,846,646	(33,232)	(0.42)%
<b>Subtotal - Operational Uses</b>	<b>\$ 12,315,110</b>	<b>\$ 11,979,981</b>	<b>\$ (335,129)</b>	<b>(2.80)%</b>
<b>Non-Operational Uses</b>				
AZSTA Distribute of MCSD Excess to CL	\$ 1,578,419	\$ 1,539,921	\$ (38,498)	(2.50)%
<b>Subtotal - Non-Operational Uses</b>	<b>\$ 1,578,419</b>	<b>\$ 1,539,921</b>	<b>\$ (38,498)</b>	<b>(2.50)%</b>
<b>TOTAL USES</b>	<b>\$ 43,973,948</b>	<b>\$ 40,776,782</b>	<b>\$ (3,197,165)</b>	<b>(7.84)%</b>
<b>TOTAL REVENUES</b>	<b>\$ 44,872,094</b>	<b>\$ 44,007,548</b>	<b>\$ 864,546</b>	<b>1.96%</b>
<b>Less: USES before Operations</b>	<b>30,080,419</b>	<b>27,256,881</b>	<b>(2,823,538)</b>	<b>(10.36)%</b>
<b>Less: USES - Operational</b>	<b>12,315,110</b>	<b>11,979,981</b>	<b>(335,129)</b>	<b>(2.80)%</b>
<b>Less: USES - Non-Operational</b>	<b>1,578,419</b>	<b>1,539,921</b>	<b>(38,498)</b>	<b>(2.50)%</b>
<b>NET OPERATING SOURCES / (USES)</b>	<b>\$ 898,147</b>	<b>\$ 3,230,766</b>	<b>\$ (2,332,619)</b>	<b>(72.20)%</b>
<b>Capital Investment - Scoreboard Project</b>				
AZSTA annual payment - new scoreboard	\$ 1,358,177	\$ -	\$ (1,358,177)	n/a
<b>Subtotal - Capital Investment</b>	<b>\$ 1,358,177</b>	<b>\$ -</b>	<b>\$ (1,358,177)</b>	<b>n/a</b>

## FY2015 Budget Overview Highlights

- All Bond Debt Service payments are made per the amortization tables provided by the Trustee (BNY Mellon Trust Services). FY2014 incorporates the Senior Bond DS refunding from FY2012 and the Subordinate Bonds DS refunding that took place in FY2013.
- All "Fund Distributions USES" reflect the projected aggregate of all "waterfall disbursements" made each month versus the "statutory distribution \$". Statutory levels for FY2015: Tourism \$7.574M, Cactus League \$7.0M (includes Subordinate Debt Service + Cactus League) and YAS \$2.308M.
- Total AZSTA operating expenses are forecast to increase vs. FY2014 by (\$135.6K) / (14.31%). See page 18 for line-by-line details.
- Stadium Operations (excluding AZSTA) are up (\$0.192M) year-over-year = (2.41%) increase vs. FY14 forecast. (\$0.165M) for football-related costs, and (\$0.033M) for stadium-management costs.
- Total Uses increase by (\$3.196M) / (7.82%) in FY2015 vs. FY2014 FC Update. Senior Bonds DS increases (\$2.76M), Tourism Promotions increase (\$0.115M) and Sub Bonds DS increases (\$0.016M). Total Operations USES increase (0.334M) year over year. Excess MCSD distributions increase (\$0.038M) to Cactus League IGA's = same as the increase in receipts from MCSD.
- FY2015 is the first year of a capital investment in a new scoreboard system for the stadium @ \$1.358M per year for 7 years....so long as the year-over-year revenue growth parameters are met/exceeded.



# Executive Summary - Five Year Forecast

Item	FY2015 Budget	FY2016 Forecast	FY2017 Forecast	FY2018 Forecast	FY2019 Forecast	FY2020 Forecast
<b>Tourism Revenues</b>						
Hotel Bed Tax	\$ 13,756,804	\$ 14,100,724	\$ 14,453,242	\$ 14,814,573	\$ 15,184,938	\$ 15,564,561
Rental Car Surcharge Tax	12,333,318	12,641,651	12,957,693	13,281,635	13,613,676	13,954,018
<b>TOTAL TOURISM REVENUES</b>	<b>\$ 26,090,122</b>	<b>\$ 26,742,375</b>	<b>\$ 27,410,935</b>	<b>\$ 28,096,208</b>	<b>\$ 28,798,613</b>	<b>\$ 29,518,579</b>
<b>Facilities Revenues</b>						
NFL Income Tax	\$ 6,987,979	\$ 7,162,678	\$ 7,341,745	\$ 7,525,289	\$ 7,713,421	\$ 7,906,257
AZ Cardinals Rent	292,915	298,773	304,748	310,843	317,060	323,402
AZ Cardinals STR	4,958,248	5,082,204	5,209,259	5,339,491	5,472,978	5,609,802
Fiesta Bowl Tix Surcharge/FUF/STR	1,218,486	1,242,945	1,268,675	1,294,405	1,320,135	1,345,865
<b>Subtotal - FOOTBALL-RELATED FACILITIES REVENUES</b>	<b>\$ 13,457,627</b>	<b>\$ 13,786,600</b>	<b>\$ 14,124,428</b>	<b>\$ 14,470,028</b>	<b>\$ 14,823,594</b>	<b>\$ 15,185,326</b>
AZSTA/Global Spectrum Event FUF	\$ 439,890	461,885	484,979	509,228	534,689	561,423
AZSTA/Global Spectrum Event STR	1,320,222	1,386,233	1,455,545	1,528,322	1,604,738	1,684,975
AZSTA/Global Spectrum Events - F&B Commissions	365,135	383,397	466,051	422,706	443,848	466,051
ROJO Incremental Revenue (\$750K guarantee)	874,464	918,187	964,097	1,012,301	1,062,916	1,116,062
Telecom License Fees	13,200	13,530	13,868	14,215	14,570	14,935
AZSTA/Global Spectrum-BLDG Net Revenue	543,908	571,104	599,660	629,643	661,125	694,181
AZSTA/Global Spectrum-Other Ancillary Revenues	189,106	198,561	208,489	218,914	229,860	241,353
<b>Subtotal - STADIUM-RELATED FACILITIES REVENUES</b>	<b>\$ 3,745,925</b>	<b>\$ 3,932,898</b>	<b>\$ 4,192,689</b>	<b>\$ 4,335,328</b>	<b>\$ 4,551,746</b>	<b>\$ 4,778,979</b>
<b>TOTAL FACILITIES REVENUES</b>	<b>\$ 17,203,552</b>	<b>\$ 17,719,498</b>	<b>\$ 18,317,117</b>	<b>\$ 18,805,356</b>	<b>\$ 19,375,340</b>	<b>\$ 19,964,305</b>
<b>Other Revenues</b>						
MCSD Excess Car Rental Surcharge Tax	\$ 1,578,419	\$ 1,609,558	\$ 1,649,796	\$ 1,691,041	\$ 1,733,317	\$ 1,776,650
<b>Subtotal - OTHER REVENUES</b>	<b>\$ 1,578,419</b>	<b>\$ 1,609,558</b>	<b>\$ 1,649,796</b>	<b>\$ 1,691,041</b>	<b>\$ 1,733,317</b>	<b>\$ 1,776,650</b>
<b>TOTAL REVENUES - ALL SOURCES</b>	<b>\$ 44,872,094</b>	<b>\$ 46,071,431</b>	<b>\$ 47,377,848</b>	<b>\$ 48,592,606</b>	<b>\$ 49,907,271</b>	<b>\$ 51,259,534</b>

# Executive Summary - Five Year Forecast

Item	FY2015 Budget	FY2016 Forecast	FY2017 Forecast	FY2018 Forecast	FY2019 Forecast	FY2020 Forecast
<b>USES</b>						
Senior Bonds Debt Service	\$ 16,015,713	\$ 16,300,713	\$ 22,039,313	\$ 22,790,175	\$ 23,446,825	\$ 23,490,925
Tourism Promotions	7,130,897	7,226,476	6,756,973	7,017,379	7,314,717	7,345,480
Cactus League Promotions - Sub Bonds DS	4,570,750	4,588,500	-	-	-	-
Cactus League Promotions - CL Promotions-IGA's	1,387,129	1,540,607	3,951,677	4,173,482	4,124,297	4,030,763
YAS Promotions	975,931	1,106,604	881,438	807,588	831,271	2,558,736
<b>Subtotal - USES before Operations</b>	<b>\$ 30,080,419</b>	<b>\$ 30,762,899</b>	<b>\$ 33,629,401</b>	<b>\$ 34,788,623</b>	<b>\$ 35,717,110</b>	<b>\$ 37,425,904</b>
<b>Operations</b>						
AZSTA Operations	\$ 1,083,552	\$ 1,121,476	\$ 1,160,728	\$ 1,201,353	\$ 1,243,400	\$ 1,286,919
Fiesta Bowl Expenses	344,606	351,498	358,528	365,698	373,012	380,473
AZ Cardinals Game Day Expenses	3,007,074	3,157,428	3,315,299	3,481,064	3,655,117	3,837,873
Global Spectrum - stadium management (indirect)	7,879,878	8,155,674	8,441,122	8,736,562	9,042,341	9,358,823
<b>Subtotal - Operational Uses</b>	<b>\$ 12,315,109</b>	<b>\$ 12,786,075</b>	<b>\$ 13,275,677</b>	<b>\$ 13,784,677</b>	<b>\$ 14,313,871</b>	<b>\$ 14,864,088</b>
<b>Non-Operational Uses</b>						
AZSTA Distribute of MCSD Excess to CL	\$ 1,578,419	\$ 1,617,879	\$ 1,658,326	\$ 1,699,785	\$ 1,742,279	\$ 1,785,836
<b>Subtotal - Non-Operational Uses</b>	<b>\$ 1,578,419</b>	<b>\$ 1,617,879</b>	<b>\$ 1,658,326</b>	<b>\$ 1,699,785</b>	<b>\$ 1,742,279</b>	<b>\$ 1,785,836</b>
<b>TOTAL USES</b>	<b>\$ 43,973,947</b>	<b>\$ 45,166,854</b>	<b>\$ 48,563,404</b>	<b>\$ 50,273,085</b>	<b>\$ 51,773,260</b>	<b>\$ 54,075,829</b>
<b>TOTAL REVENUES</b>						
<b>TOTAL REVENUES</b>	<b>\$ 44,872,094</b>	<b>\$ 46,071,431</b>	<b>\$ 47,377,848</b>	<b>\$ 48,592,606</b>	<b>\$ 49,907,271</b>	<b>\$ 51,259,534</b>
<b>Less: USES before Operations</b>	30,080,419	30,762,899	33,629,401	34,788,623	35,717,110	37,425,904
<b>Less: USES - Operational</b>	12,315,109	12,786,075	13,275,677	13,784,677	14,313,871	14,864,088
<b>Less: USES - Non-Operational</b>	1,578,419	1,617,879	1,658,326	1,699,785	1,742,279	1,785,836
<b>NET OPERATING SOURCES / (USES)</b>	<b>\$ 898,147</b>	<b>\$ 904,577</b>	<b>\$ (1,185,556)</b>	<b>\$ (1,680,479)</b>	<b>\$ (1,865,989)</b>	<b>\$ (2,816,295)</b>
<b>Capital Investment - Scoreboard Project</b>						
AZSTA annual payment - new scoreboard	\$ 1,358,177	\$ 1,358,177	\$ 1,358,177	\$ 1,358,177	\$ 1,358,177	\$ 1,358,177
<b>Subtotal - Capital Investment</b>	<b>\$ 1,358,177</b>	<b>\$ 1,358,177</b>	<b>\$ 1,358,177</b>	<b>\$ 1,358,177</b>	<b>\$ 1,358,177</b>	<b>\$ 1,358,177</b>

# ***Executive Summary - Five Year Forecast***

## **AZSTA Five Year Forecast**

- Tourism revenues and sales tax recapture are expected to continue to increase over the forecast time horizon, but only @ an estimated 2.5% per year growth rate.
- Facility revenues are expected to rise slightly as the Authority/Global Spectrum/AZ Cardinals combine to continue to book a profitable “mix” of events each year: soccer, car events, RV sales, special events (concerts, etc.)
- Total Sources of funds increase 1.85% from FY2014 to FY2015, and then rise more than 2.5% annually from FY2016 through the end of this forecast horizon.
- Debt service remains to be paid on-time semi-annually (July 1 and January 1) as per the bonds debt service schedules after the Senior Bonds DS refunding in FY2012 and the Subordinate Bonds DS refunding in FY21013.
- The Authority, in partnership with Global Spectrum and the AZ Cardinals, will continue to drive additional revenues and/or opportunities for further expense reductions.

# Facilities Revenue Clearing Account (FRCA)

The primary purpose of the Facilities Revenue Clearing Account (FRCA) is to collect revenues for use in funding debt service for the Authority's senior and subordinate bonds (if needed). Any undistributed funds are transferred to the operating account on a monthly basis via the "waterfall". The following schedule outlines the expected sources and uses of the FRCA for FY13.

## SOURCES

### NFL Franchise Income Tax—\$6.987M

This revenue source is comprised of the Arizona corporate income tax liability from the AZ Cardinals organization + the personal income tax liability for all Cardinal employees and their spouses for the State of Arizona. The amount that will be received in each fiscal year is established by the State of Arizona Department of Revenue each year based on the income taxes.

### AZ Cardinals Rent—\$292K

Per the use agreement between the Authority and the AZ Cardinals, they pay the Authority an annual rent that started @ \$250K per year and increases by 2% annually thereafter.

### AZSTA/GS Revenues - \$2.125M

These revenues consist of various revenues (STR, FUF, F&B, Ancillary) from all events that are not Cardinal games, the

Fiesta Bowl, or team events.

### Fiesta Bowl Ticket Surcharge, FUF, and Sales Tax Recapture—\$1.218M

For FY15, the ticket surcharge revenues are @ \$of \$6.25/ticket. The balance of \$0.806M is derived from sales tax recapture. The ticket surcharge and the facilities use fee increase by \$0.20 and \$0.25 per year respectively. FY2015 is \$4.10/ticket.

### AZ Cardinals Revenues - \$4.958M

These revenue sources are comprised of sales tax recapture on Cardinals tickets & parking, concessions, and novelties for home games.

### ROJO Other -Guarantee—\$874K

With the ROJO contract, ROJO will continue to provide 'new events' to the stadium which will guarantee AZSTA additional net revenues each year vs. the minimum \$750K guarantee each year. ROJO has surpassed the minimum guarantee each year.

### Telecom License Fees—\$13.2K

Starting in FY2012– there is an agreement for the use of telecom equipment on the stadium premises. There is an established revenue sharing agreement and these \$ are received each month directly from the vendor.

FACILITIES REVENUE CLEARING ACCOUNT - FY 2015	FY2015 Projection	As a % of FRCA Sources
<b>Sources</b>		
Account - ending balance 06/30/2014	\$ -	0.00%
NFL Income Tax	6,987,979	42.43%
AZ Cardinals Rent	292,915	1.78%
AZ Cardinals STR	4,958,248	30.10%
Fiesta Bowl Tix Surcharge/FUF/STR	1,218,486	7.40%
AZSTA/Global Spectrum Event FUF	439,890	2.67%
AZSTA/Global Spectrum Event STR	1,320,222	8.02%
AZSTA/Global Spectrum Events - F&B Commissions	365,135	2.22%
ROJO Incremental Revenue (\$750K guarantee)	874,464	5.31%
Telecom License Fees	13,200	0.08%
AZSTA/Global Spectrum-Building Net Revenue(non-cash)	-	0.00%
AZSTA/Global Spectrum-Other Ancillary Revenues (non-cash)	-	0.00%
<b>TOTAL FRCA SOURCES</b>	<b>\$ 16,470,538</b>	<b>100.00%</b>
<b>Uses</b>		
Senior Bonds Debt Service	\$ 6,078,694	36.91%
Cactus League Subordinate Bonds DS	1,333,276	8.09%
Operations and Reserves	9,058,569	55.00%
<b>TOTAL FRCA USES</b>	<b>\$ 16,470,538</b>	<b>100.00%</b>
<b>Ending Balance - \$ \$</b>		<b>-</b>



# Facilities Revenue Clearing Account (FRCA) - continued

**Telecom License—\$13.2K**

As per the contract, AZSTA receives a share of telecom license fees each month.

**USES—Pledged**

**Senior Bond Debt—\$6.078M**

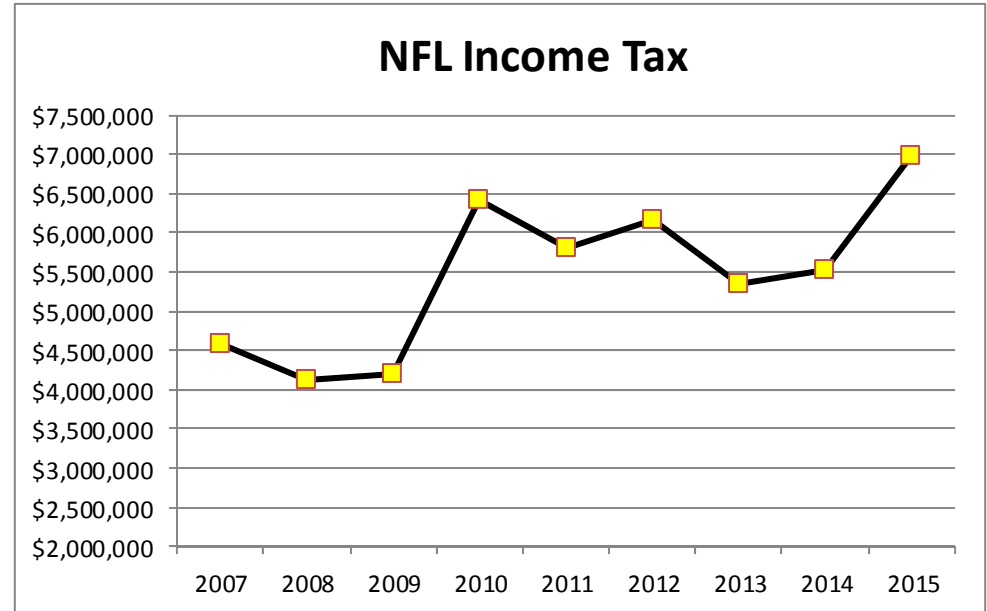
The primary use of these FRCA \$ is to assist the Tourism Revenue Clearing Account (TRCA) in meeting the debt service obligations of the Authority in their order of priority, as per the “waterfall”. TRCA is limited to funding the AZ Cardinals debt service on a maximum of \$165.5M of original bond principal. This is the FRCA share of the senior bond debt service for FY2015.

**Subordinate Bond Debt Service—\$1.333M**

The secondary purpose of the FRCA is to assist the Tourism Revenue Clearing Account (TRCA) in meeting the debt service obligations of the subordinate bond debt issue. These funds are forecast in FY2015 to pay the scheduled \$4.5M in subordinate bond debt service. TRCA revenues should cover @ ~ 85%

**Operating Account—\$9.058M**

If there are any remaining FRCA funds after meeting the senior and subordinate bond debt service payment each month, the balance of these FRCA funds is transferred into the operating account in order to meet current & future operating requirements.



# Tourism Revenue Clearing Account (TRCA)

The Tourism Revenue Clearing Account (TRCA) exists by statute to collect the tourism revenues (hotel bed tax and rental car surcharge) and then to distribute those funding sources in accordance to what is referred to as the monthly “waterfall”. TRCA Sources and Uses table presents the USES in their priority order of the statutory flow of funds.

The following schedule outlines the expected funding sources and uses for the TRCA during FY14.

**SOURCES**

**Hotel Bed Tax —\$13.756M**

This revenue source is derived from 1% of every dollar spent on lodging in Maricopa County is collected by the Authority as Hotel Bed Tax. A modest increase of 2.5% is anticipated for FY15 over FY14 forecast (11 months of actual receipts + the budgeted \$ for Jun 2014). The Authority is optimistic, yet still cautious, about tourism revenues in FY15. FY2014 has seen Hotel Bed Tax receipts @ budget forecast for the fiscal year.

TOURISM REVENUE CLEARING ACCOUNT - FY 2015	FY2015 Projection	As a % of FRCA Sources
<b><u>Sources</u></b>		
Account - ending balance 06/30/2014	\$ -	0.00%
Hotel Bed Tax	13,756,804	52.73%
Rental Car Surcharge Tax	12,333,318	47.27%
<b>TOTAL TRCA SOURCES</b>	<b>\$ 26,090,122</b>	<b>100.00%</b>
<b><u>Uses</u></b>		
Senior Bonds Debt Service	\$ 9,937,019	38.09%
Tourism Promotion	\$ 7,130,897	27.33%
Cactus League Subordinate Bonds DS	3,237,474	12.41%
Cactus League - Cactus League Promotion	1,387,129	5.32%
Youth & Amateur Sports Promotion	975,931	3.74%
Operations and Reserves	3,421,673	13.11%
<b>TOTAL TRCA USES</b>	<b>\$ 26,090,122</b>	<b>100.00%</b>
<b>Ending Balance - \$ \$</b>	<b>0</b>	

**Rental Car Surcharge—\$12.333M**

3.25% of every dollar spent on car rentals in Maricopa County (minimum of \$2.50 per contract) is collected as a surcharge to support tourism promotions in Maricopa County. Of the total surcharge collected, the first \$2.50 is distributed by the State Treasurer to the Maricopa County Stadium District (MCSD) to maintain their debt service payment on MCSD bonds previously issued. Any balance of the MCSD surcharge is distributed to the Authority for use by the Authority for Cactus League promotions.

The Rental Car Surcharge for FY15 is modeled to increase 2.5% over the FY14 total receipts forecast (just the same as Hotel Bed Tax for FY14).

**Total Tourism Revenues - \$26.09M**

FY15 combined total tourism revenue is forecast to be \$26.09M = 2.5% more than the FY14 budget.

**USES**

**Senior Bond Debt—\$9.937M**

The first priority of the TRCA is senior bond debt service. A total of \$16.0159M is to be paid uses revenues from FY15; with \$9.937M com-

ing from TRCA (the balance comes from FRCA). The reason for this “split” funding is the statutory requirement that no more than the equivalent of \$165.5M of the senior debt service can be paid from the tourism revenues.

The senior bond debt follows the bond debt service schedules as adjusted after the FY2012 senior bond refunding to take advantage of the lower bond interest rates achieved in FY2012 with the bond refunding.

**Tourism Promotion - \$7.1M**

This distribution exists to aid in the promotion of tourism in Maricopa County by providing funding to the Arizona Office of Tourism (AOT).

Tourism’s statutory distribution amount for FY15 is \$7.574M. The Authority forecasts that it will not be able to meet 100% of this statutory distribution each month FY15. The Authority “missed” 1 month in FY2014 from being able to fulfill 100% of the statutory amount each month.

# Tourism Revenue Clearing Account (TRCA)....continued

## **Tourism Promotion - \$7.1M (continued)**

AOT then distributes the majority of these funds to the various municipal Convention and Visitor's Bureaus (CVB's) based on a formula that is built on hotel sales tax generation.

This funding mechanism began @ \$4.0M in the first 12 months and is increased by 5% each twelve-month period thereafter for a total of 360 months.

## **Cactus League—\$3.2M for Subordinate Bond DS and \$1.387M for Promotions**

This fund is used to pay the Subordinate Bonds Debt Service for the promotion of Major League Baseball Spring Training in Maricopa County. This is done via the construction of new and/or renovations of existing spring training stadiums and practice facilities.

These distributions are also used for the promotion and marketing of the Cactus League and its associated activities. Currently, the Authority uses this fund for three things: subordinate bond debt service, renovation

costs for approved projects and to fund the subordinate bond debt reserve (which has been fully funded since Feb 2008).

The total TRCA distribution for Cactus League in FY14 is scheduled to be \$6.184M.

## **Youth and Amateur Sports—\$0.975M.**

On a statutory basis, the amount of funding for YAS is scheduled to be \$2.308M.

The funding for this account increases, per statute, by \$100K every twelve months. These funds are used to promote youth and amateur sports within Maricopa County by building and/or renovating fields and facilities + the promotion and marketing of youth and amateur sports and their associated activities.

## **Operating Account + Reserves — \$3.421M**

The Authority's operating account exists to operate, market, promote, furnish, and equip a multi-purpose facility, to pay the administrative costs associated with operating the

Authority and to pay debt service and/or the early redemption of bonds.

The YAS Reserve has priority over the other two required reserves: operating and capital repair & replacement.

The total reserve requirement for FY15 is > \$.100M. The Authority will begin FY15 with a balance of \$0 in this reserve account. The reserve has been drawn-down over the past few years due to insufficient funds from Tourism Sources to meet all of the 'waterfall' distributions.

When the reserve has been drawn-down, the \$ are placed into the YAS operating account; leaving the same amount of funds available; just as if these \$ were still in the reserve. This process is defined in statute.

There was a biennial cycle in FY14 = with a total of \$1.712M granted. It is forecast that \$1.1M of the FY14 biennial grants will be paid in FY14 + some additional "Quick/Program Grants" @ \$63.2K.

HB2177 created a requirement for the Authority to fund a separate reserve account for YAS = the prior 12-

month funding. This requirement cannot be met due to lower Tourism Revenues.

## **Operating Reserve**

Any undistributed TRCA funds go into the general operating account and are considered to be part of the Authority's operating reserve balance.

## **Capital Repair & Replacement**

This requirement cannot be met at this time due to lower Tourism Revenues than what was forecast when the original bill was passed. The Authority is working with Global Spectrum and the Arizona Cardinals to review capital needs and prioritize those that are deemed to be high priority and/or necessary. Funding for these capital expenditures will have to come from the operating account. In FY2012, there was \$1.0M "set-aside" from the Operating Account FYE2012 cash balance for stadium capital improvements. To date, \$30K was consumed for an immediate replacement for an escalator chain the day before the 2013 Fiesta Bowl.

# Tourism Revenue Clearing Account (TRCA).....continued

Debt Service Accounts		FY2015	As a % of
FY 2015		\$	Debt Service Sources
<b>Sources</b>			
Account - ending balance 06/30/2014		\$ 11,069,731	33.20%
TRCA \$ for Senior Bond Debt Service		9,937,019	29.81%
FRCA \$ for Senior Bond Debt Service			0.00%
TRCA \$ for Subordinate Bond Debt Service		-	0.00%
FRCA \$ for Subordinate Bond Debt Service		12,333,318	36.99%
<b>TOTAL Debt Service SOURCES</b>		<b>\$ 33,340,069</b>	<b>100.00%</b>
<b>Uses</b>			
07-01-2014 Senior Bonds Debt Service	\$	6,807,456	38.40%
07-01-2014 Subordinate Bonds Debt Service		4,262,275	24.04%
01-01-2015 Senior Bonds Debt Service		6,445,356	36.36%
01-01-2015 Subordinate Bonds Debt Service		212,875	1.20%
<b>TOTAL Debt Service USES</b>		<b>\$ 17,727,963</b>	<b>100.00%</b>
<b>Ending Balance - \$ \$</b>		<b>15,612,106</b>	

Tourism Promotions		FY2015	As a % of
FY 2015		\$	Tourism Sources
<b>Sources</b>			
Account - ending balance 06/30/2014		\$ -	0.00%
TRCA \$ into Tourism account		7,130,897	100.00%
<b>TOTAL Tourism SOURCES</b>		<b>\$ 7,130,897</b>	<b>100.00%</b>
<b>Uses</b>			
AZSTA Monthly 'wires" to AZ Office of Tourism		\$ 7,130,897	100.00%
<b>TOTAL Tourism USES</b>		<b>\$ 7,130,897</b>	<b>100.00%</b>
<b>Ending Balance - \$ \$</b>		<b>-</b>	

Cactus League Promotions		FY2015	As a % of Cactus
FY 2015		\$	League Sources
<b>Sources</b>			
Account - ending balance 06/30/2014	\$	-	0.00%
TRCA \$ into Cactus League Account		5,957,879	100.00%
<b>TOTAL Cactus League SOURCES</b>		<b>\$ 5,957,879</b>	<b>100.00%</b>
<b>Uses</b>			
December 2014 IGA distributions	\$	1,356,974	22.78%
June 2015 IGA distributions	\$	4,600,905	77.22%
<b>TOTAL Tourism USES</b>		<b>\$ 5,957,879</b>	<b>100.00%</b>
<b>Ending Balance - \$ \$</b>		<b>-</b>	

Youth & Amateur Sports Promotions		FY2015	As a % of Cactus
FY 2015		\$	League Sources
<b>Sources</b>			
Account - ending balance 06/30/2014	\$	4,234,565	81.27%
TRCA \$ into YAS Account		975,931	18.73%
<b>TOTAL Cactus League SOURCES</b>		<b>\$ 5,210,496</b>	<b>100.00%</b>
<b>Uses</b>			
Quick/Program Grants - FY2015	\$	1,356,974	67.61%
2014 Biennial distributions	\$	650,000	32.39%
<b>TOTAL Tourism USES</b>		<b>\$ 2,006,974</b>	<b>100.00%</b>
<b>Ending Balance - \$ \$</b>		<b>3,203,522</b>	



# Operating Budget - AZSTA Operating Budget- FY2015

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	BUDGET FY2015
<b>Bank Service Fees / Trust Fees</b>	\$ 2,540	\$ 40	\$ 540	\$ 40	\$ 40	\$ 540	\$ 2,540	\$ 40	\$ 540	\$ 40	\$ 40	\$ 540	\$ 7,480
<b>Communications</b>	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378	\$ 16,536
<b>Employee Compensation (salaries + car)</b>	\$ 59,251	\$ 37,449	\$ 37,449	\$ 37,449	\$ 37,449	\$ 37,449	\$ 37,449	\$ 37,449	\$ 37,449	\$ 37,449	\$ 37,449	\$ 37,449	\$ 471,189
<b>Medical + Dental Insurance (employer pays)</b>	\$ 2,603	\$ 2,603	\$ 2,603	\$ 2,603	\$ 2,603	\$ 2,603	\$ 2,603	\$ 2,603	\$ 2,603	\$ 2,603	\$ 2,603	\$ 2,603	\$ 31,234
<b>Training &amp; Seminars for Employees</b>	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
<b>Employer-Paid Taxes</b>	\$ 3,370	\$ 1,710	\$ 1,710	\$ 1,710	\$ 1,082	\$ 935	\$ 3,565	\$ 2,865	\$ 2,815	\$ 2,815	\$ 2,815	\$ 2,815	\$ 28,206
<b>Retirement &amp; LTD (employer share)</b>	\$ 6,798	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 53,828
													585,656
<b>Insurance (non-employee-related)</b>	\$ 2,463	\$ -	\$ -	\$ 1,200	\$ -	\$ -	\$ 1,200	\$ -	\$ 1,500	\$ 1,200	\$ -	\$ 13,000	\$ 20,563
<b>Marketing &amp; Promotions</b>	\$ 500	\$ 2,100	\$ 3,350	\$ 2,100	\$ 2,100	\$ 3,350	\$ 2,100	\$ 7,375	\$ 2,850	\$ 6,500	\$ 500	\$ 1,750	\$ 34,575
<b>Office Expenses (includes copier lease)</b>	\$ 1,290	\$ 865	\$ 940	\$ 1,290	\$ 790	\$ 940	\$ 1,290	\$ 790	\$ 940	\$ 790	\$ 790	\$ 940	\$ 11,655
<b>Equipment Rent-copier</b>	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 4,800
<b>Professional Services &amp; Fees</b>	\$ 43,111	\$ 43,111	\$ 43,111	\$ 23,111	\$ 23,111	\$ 23,111	\$ 23,250	\$ 23,111	\$ 23,111	\$ 23,111	\$ 23,111	\$ 23,111	\$ 337,467
<b>Travel</b>	\$ 135	\$ 885	\$ 135	\$ 135	\$ 635	\$ 135	\$ 4,635	\$ 1,735	\$ 3,635	\$ 2,485	\$ 135	\$ 135	\$ 14,820
<b>Meetings</b>	\$ 200	\$ 200	\$ 600	\$ 200	\$ 200	\$ 600	\$ 1,200	\$ 200	\$ 600	\$ 200	\$ 200	\$ 600	\$ 5,000
<b>Other (game day expenses + FB re-sod)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000
<b>Totals</b>	\$ 124,139	\$ 95,115	\$ 96,590	\$ 75,990	\$ 74,163	\$ 75,816	\$ 130,985	\$ 82,321	\$ 82,196	\$ 83,346	\$ 73,796	\$ 89,096	\$ 1,083,552

## Comparative-FY2015 AZSTA Operating Budget vs. FY2014 Forecast Update

BUDGET 2015 vs. 2014 F/C Update			
Expense Category	< / (> ) \$ F/C FY2014	< / (> ) % F/C FY2014	
Bank Service / Trust Fees	\$ (345)	-0.04%	increased trust service fees for bonds
Communications	\$ (1,094)	-0.12%	increases in cell phone and internet access fees
Employee Comp + Benefits	\$ (76,254)	-8.04%	Salary increases, p/r taxes, ASRS, Med & Dental insurance increases
Insurance (non-employee)	\$ (872)	-0.09%	Increase in premiums year-over-year
Marketing & Promotions	\$ (20,341)	-2.15%	YAS events TBD @ \$5K, Final Four @ \$3K, \$25K event-related TBD
Office Expenses/Equipment	\$ (339)	-0.04%	reduction in office supplies + increase in equipment rental for colate/stapler
Professional Services	\$ 19,073	2.01%	Reduce legal (Ubowski, etc) \$0 for Glendale Parking, hold Audit & Molera @ same
Travel	\$ (9,829)	-1.04%	Sadler + Board: Super Bowl, Final Four, IAVM, Tourism in DC
Meetings	\$ (655)	-0.07%	
Other	\$ (45,000)	-4.75%	Hold re-sod @ \$30K for AZSTA share
<b>Total</b>	<b>\$ (135,656)</b>	<b>-14.311%</b>	

## Comparative-FY2015 AZSTA Operating Budget vs. FY2014 Budget

BUDGET 2015 vs. 2014 Budget			
Expense Category	< / (> ) \$ Budget 14	< / (> ) % Budget 14	
Bank Service / Trust Fees	\$ 13,040	1.25%	Reduce bank maint fees (JPMorgan Chase / BBVA Compass) and trust fees (BNY Mellon Trust)
Communications	\$ (1,440)	-0.14%	iPad, iPhone connectivity + cell phone (Verizon) increases
Employee Comp + Benefits	\$ (18,345)	-1.76%	ASRS mid-year change, Med & Dental increase by 10% @ mid-year
Insurance (non-employee)	\$ (2,413)	-0.23%	projected increase in all: general prop & liability & umbrella
Marketing & Promotions	\$ 15,840	1.52%	Not repeating \$10K for Cactus League study in FY2014
Office Expenses/Equipment	\$ (726)	-0.07%	Includes equipment rent not f/c in FY2013 budget @ \$4,090
Professional Services	\$ (44,957)	-4.30%	Legal (Saban, Cactus League IGA's, YAS, Mega-Events, Super Bowl) + Audit
Travel	\$ 25	0.00%	Super Bowl + Final Four
Meetings	\$ -	0.00%	Increase \$ for various meetings + Board/Committee meetings
Other	\$ -	0.00%	Misc expenses + Fiesta Bowl resod (shared @ \$30K each)
<b>Total</b>	<b>\$ (38,976)</b>	<b>-3.731%</b>	

# Operating Budget - AZSTA and Stadium Management Operations

## AZSTA + Global Spectrum Stadium Management Operations - \$11.4M

The Operating Account exists to operate, market, promote, furnish and equip a multipurpose facility, to pay the administrative costs associated with operating the Authority.

The FY2015 operating budget reflects the stadium's ninth year of operations.

AZSTA is forecasting operational uses = \$1.083M for FY2015 + Global Spectrum is forecasting operating uses of \$11.231M. (includes games day \$)

### SOURCES: OPERATING BUDGET

The Authority forecasts that \$3.4M will come from TRCA sources, with the continued reliance on FRCA contributions @ \$9.058M to the cover the FY2015 stadium operating budget.

### USES: OPERATING BUDGET

#### AZSTA Operations-\$1.083M

#### Bank & Trust Service Fees—\$7.48K

These charges are for the trust administration provided by BNY Mellon for the bonds debt service and the monthly charges for the Wells Fargo bank accounts that we have to manage the segregation of funds (Operations, Tourism, YAS, etc.).

#### Communications—\$16.5K

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

	BUDGET FY2015
Bank Service Fees / Trust Fees	\$ 7,480
Communications	\$ 16,536
Employee Compensation (salaries + car)	\$ 471,189
Medical + Dental Insurance (employer pays)	\$ 31,234
Training & Seminars for Employees	\$ 1,200
Employer-Paid Taxes	\$ 28,206
Retirement & LTD (employer share)	\$ 53,828
	585,656
Insurance (non-employee-related)	\$ 20,563
Marketing & Promotions	\$ 34,575
Office Expenses (includes copier lease)	\$ 11,655
Equipment Rent-copier	\$ 4,800
Professional Services & Fees	\$ 337,467
Travel	\$ 14,820
Meetings	\$ 5,000
Other (game day expenses + FB re-sod)	\$ 45,000
<b>Totals</b>	<b>\$ 1,083,552</b>

### Total Employee-Related Comp & Benefits- \$585.6K

#### Employee Compensation—\$471.1K

This category is for the annual compensation of the 3 full-time employees.

This includes a set-aside of funds for the Board/HR Committee to award additional compensation for performance + a merit increase @ 5%.

#### Medical/Dental Coverage—\$31.2K

This category is for the payment of medical, dental, vision, and pharmacy premiums for 2 of the 3 employees. Premiums are down year-over-year due to the change in provider network.

#### Training & Seminars - \$1.2K

This is for the payment for employees to attend continuing education or new knowledge classes and events.

### Employer-Paid Taxes - \$28.2K

Authority's portion of employment taxes for federal and state that are required by law.

### Retirement - \$53.8K

This 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. In FY2015, the % for both the employee and employer will be a combined 11.34%.

Employer are required to contribute ~ the same amount of the gross salary. In FY2015, the % for both the employee and employer will be a combined 11.34%.

### SUBTOTAL: Comp & Benefits—\$585.6K

#### Insurance (non-employee) - \$20.5K

This is for the payment of premiums for none-employee-related insurance.

#### Market & Promotions \$34.5K

The Authority uses this line-item to promote the stadium.

#### OFFICE EXPENSES - \$11.6K

Supplies-\$11.6K are for those "behind the scenes" costs to operate the office – paper, pens, computer supplies, files, folders, printing costs, subscriptions, and the copier lease.

#### Professional & Outside Svcs - \$337.4K

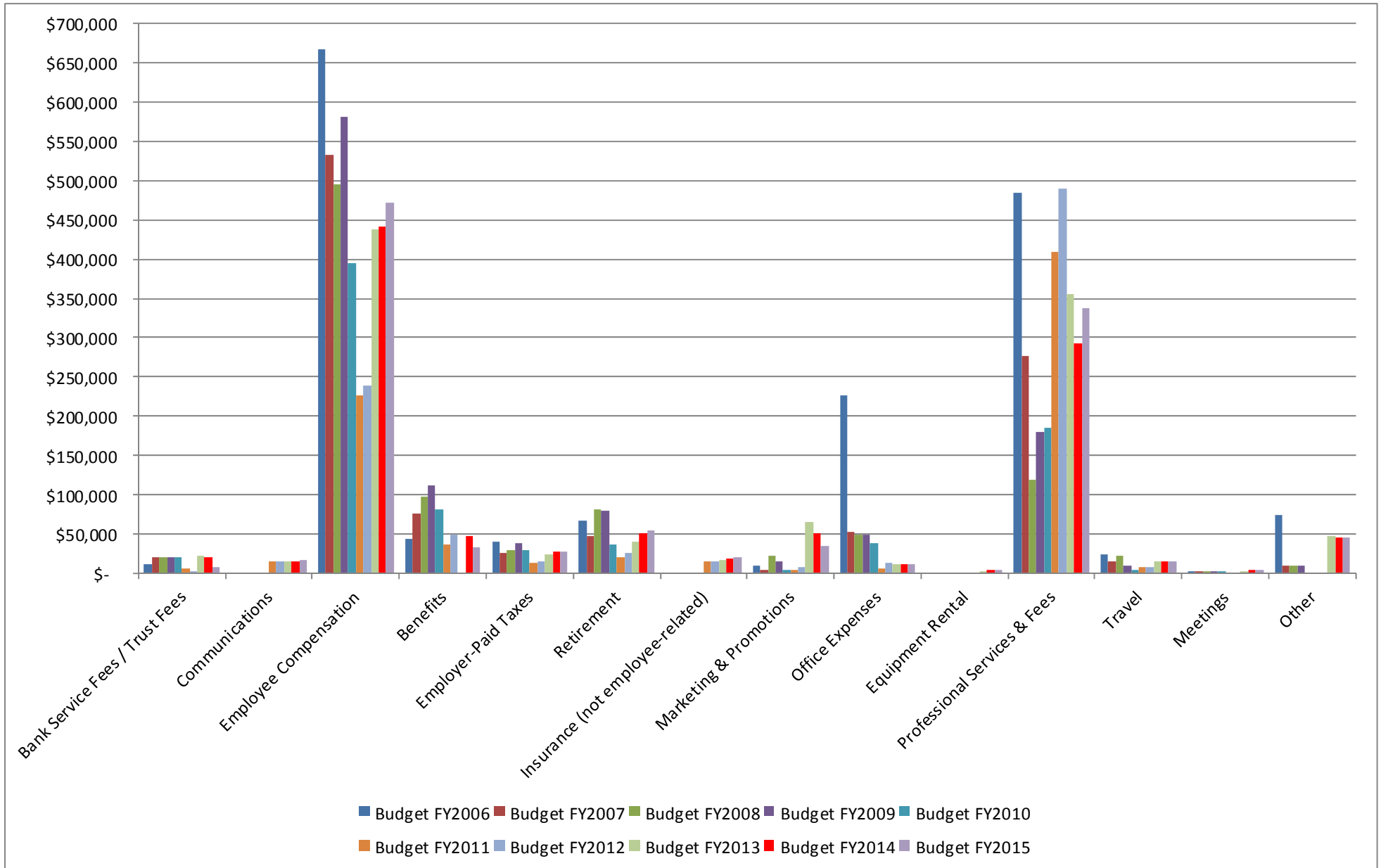
This category includes our legal costs for our on-going general representation, consultants, and for the cost of the annual independent financial audit.

Travel - \$14.8K - All travel is expected to be done by the CEO for purposes of business development and expanding the Authority relationships & to further drive business revenue opportunities for the stadium.

Meeting—\$5K - All local meetings held at the stadium and/or at off-site locations.

Other—\$45K - Forecast \$35K for the AZSTA share of the field re-sod (if necessary) prior to the Fiesta Bowl + \$10K for unforeseen/misc. expenses though-out the year.

# AZSTA Operating Budget - Trend Graphic





# Net Building Operating Income / (Cost)

<u>AZSTA / GS EVENTS</u>	<u>BUDGET FY015</u>	<u>FY2014 FC UPD</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
Building Gross Revenue	\$ 2,388,292	\$ 3,333,994	\$ 2,464,986	\$ 2,383,095	\$ 2,278,087	\$ 3,468,893	\$ 2,191,217	\$ 3,019,876
Ancillary Income	554,240	974,550	624,486	520,508	464,874	1,680,357	434,679	1,128,485
FUF	439,890	656,911	340,275	276,167	206,859	704,364	183,852	358,614
Sales Tax Recapture	1,320,222	1,552,903	1,590,999	770,385	750,470	1,230,104	493,721	1,108,976
Subtotal - Revenues	\$ 4,702,644	\$ 6,518,358	\$ 5,020,746	\$ 3,950,155	\$ 3,700,290	\$ 7,083,718	\$ 3,303,469	\$ 5,615,951
Building Expenses - related to events	(1,844,383)	(2,649,718)	(1,999,953)	(1,695,649)	(1,676,586)	(2,687,930)	(1,509,466)	(2,903,454)
<b>(A) - Net Income from Events</b>	<b>\$ 2,858,261</b>	<b>\$ 3,868,640</b>	<b>\$ 3,020,793</b>	<b>\$ 2,254,506</b>	<b>\$ 2,023,704</b>	<b>\$ 4,395,788</b>	<b>\$ 1,794,003</b>	<b>\$ 2,712,497</b>

<u>FIESTA BOWL</u>	<u>BUDGET FY015</u>	<u>FY2014 FC UPD</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
FUF & Ticket Surcharge	\$ 598,486	\$ 575,493	\$ 639,784	\$ 603,468	\$ 570,003	\$ 550,800	\$ 629,000	\$ 501,256
Sales Tax Recapture	620,000	600,892	585,441	575,839	595,000	565,024	535,431	500,000
Subtotal - Revenues	\$ 1,218,486	\$ 1,176,385	\$ 1,225,225	\$ 1,179,307	\$ 1,165,003	\$ 1,115,824	\$ 1,164,431	\$ 1,001,256
Game Day Expenses (AZSTA share)	(344,606)	(337,566)	(337,849)	(314,371)	(292,777)	(419,947)	(475,442)	(482,540)
<b>(B) - Net Income from Fiesta Bowl</b>	<b>\$ 873,880</b>	<b>\$ 838,819</b>	<b>\$ 887,376</b>	<b>\$ 864,936</b>	<b>\$ 872,226</b>	<b>\$ 695,877</b>	<b>\$ 688,989</b>	<b>\$ 518,716</b>

<u>AZ CARDINALS</u>	<u>BUDGET FY015</u>	<u>FY2014 FC UPD</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
Sales Tax Recapture	\$ 4,958,248	\$ 4,883,774	\$ 4,540,852	\$ 4,353,872	\$ 3,970,707	\$ 3,939,646	\$ 4,281,734	\$ 3,213,275
Rent	292,915	287,171	281,540	276,020	270,608	265,302	260,100	255,000
Subtotal - Revenues	\$ 5,251,163	\$ 5,170,945	\$ 4,822,392	\$ 4,629,892	\$ 4,241,315	\$ 4,204,948	\$ 4,541,834	\$ 3,468,275
Game Day Expenses	(3,007,074)	(2,847,873)	(2,601,648)	(2,527,458)	(2,460,130)	(2,314,286)	(2,420,243)	(2,112,249)
<b>(C) - Net Income from AZ Cardinals</b>	<b>\$ 2,244,089</b>	<b>\$ 2,323,072</b>	<b>\$ 2,220,744</b>	<b>\$ 2,102,434</b>	<b>\$ 1,781,185</b>	<b>\$ 1,890,662</b>	<b>\$ 2,121,591</b>	<b>\$ 1,356,026</b>

	<u>BUDGET FY015</u>	<u>FY2014 FC UPD</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
(D) Facility Mngr (Global Spectrum) - indirect	(7,879,878)	(7,846,846)	(7,357,228)	(7,237,539)	(6,789,659)	(6,822,386)	(8,266,934)	(9,037,053)
(E) ROJO "Guaranteed" Incremental Revs	874,464	1,167,331	938,025	1,125,291	895,525	-	-	-

**TOTAL NET BLDG OPS INCOME / (COSTS)**

<b>A + B + C + D + E</b>	<b>\$ (1,029,184)</b>	<b>\$ 351,016</b>	<b>\$ (290,290)</b>	<b>\$ (890,372)</b>	<b>\$ (1,217,019)</b>	<b>\$ 159,941</b>	<b>\$ (3,662,351)</b>	<b>\$ (4,449,814)</b>
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	<u>BUDGET FY015</u>	<u>FY2014 FC UPD</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
AZSTA Operating Expenses	(1,083,552)	(947,896)	(1,068,586)	(865,814)	(1,002,598)	(979,365)	(1,073,821)	(1,158,447)
<b>TOTAL NET BLDG OPS INCOME / (COSTS)</b>	<b>\$ (2,112,736)</b>	<b>\$ (596,880)</b>	<b>\$ (1,358,876)</b>	<b>\$ (1,756,186)</b>	<b>\$ (2,219,617)</b>	<b>\$ (819,424)</b>	<b>\$ (4,736,172)</b>	<b>\$ (5,608,261)</b>

## ***Building Operating Income / (Cost)***

The schedule on page 21 depicts an analysis of the actual revenues and costs to operate the stadium and only discloses those revenues and expenses that are related to the actual building operations.

### **Building Operating Income / Cost) - Year over Year Analysis: FY2014**

- **Stadium Net Building Income/(Cost) in FY14 is forecast to be the lowest ever seen by the Authority @ (\$ 596,880).**
- FY2014 AZSTA/GS Net Income from Events is forecast to be \$3.868M, which, with the exception of FY2010, is the best forecast seen. NOTE: FY2014 was an exceptional year for both revenues and for expenses vs. FY2014 budget.
- Fiesta Bowl Operating Income is forecast to be slightly down vs. FY2013 @ \$.838M.
- FY2014 Arizona Cardinals Game Day Expenses increased in FY2014 vs. FY2013. The increase is due to additional costs to comply NFL mandates for security and safety protocols + some increases in game-day costs associated with EMTs and Police.  
NOTE: the increase in NFL costs were split between the AZ Cardinals and AZSTA.
- Facility Management Indirect Expenses are up slightly in FY2014 driven by an approved increase in external consulting contract services.
- FY2014 Net Building Operating Costs @ (\$0.596M) are being driven in the right direction by the combined efforts of the AZ Cardinals, Global Spectrum, and the Authority seeking opportunities to increase revenues while keeping spending "flat" where possible and allowing for only minimal spending increases.

### **Building Operating Income / Cost) - Year over Year Analysis: FY2015 BUDGET**

- Stadium Net Building Income/(Cost) for Budget FTY2015 forecast to be on-par with FY2011, after the 3rd lowest costs from 2008—2015. NOTE: FY2014 and FY2010 both resulted in Operating Income, before AZSTA Operating Expenses.
- FY2015 AZSTA/GS Net Income from Events is forecast to be \$2.858M. Fiesta Bowl Net Income for FY2015 is forecast to be \$0.873M. AZ Cardinals game Net Income for FY2015 is forecast to be \$2.244M.

# Global Spectrum Budget—Net Income

	BUDGET FY2015	FY2014 Forecast	FY2014 BUDGET
# OF EVENTS	118	120	121
# OF EVENT DAYS	159	177	165
ATTENDANCE - FOOTBALL EVENTS	735,080	586,424	603,080
ATTENDANCE - GLOBAL EVENTS	477,535	532,658	471,531
<b>TOTAL ATTENDANCE</b>	<b>1,212,615</b>	<b>1,119,082</b>	<b>1,074,611</b>
<b>BUILDING INCOME</b>			
RENTAL REVENUE/TOUR REVENUE	\$ 854,819	\$ 981,966	\$ 806,148
OTHER TICKET REVENUE	218,568	314,299	39,267
BUILDING EXPENSES BILLED	1,314,905	2,037,729	960,369
Less: BUILDING EXPENSES-EVENTS	(1,844,383)	(2,649,718)	(1,378,808)
<b>TOTAL BUILDING NET REVENUE</b>	<b>543,908</b>	<b>684,276</b>	<b>426,976</b>
<b>ANCILLARY INCOME</b>			
REFRESHMENT COMMISSIONS	313,050	658,209	269,290
CATERING/SUITE COMMISSIONS	52,085	79,382	54,094
EXHIBITOR INCOME	13,874	26,674	18,192
PARKING LOT REVENUE	143,822	185,740	89,761
NOVELTY INCOME	31,410	24,545	7,047
<b>TOTAL ANCILLARY INCOME</b>	<b>554,240</b>	<b>974,550</b>	<b>438,384</b>
<b>GLOBAL EVENT INCOME (LOSS) ^^</b>	<b>1,098,148</b>	<b>1,658,826</b>	<b>865,360</b>
FIESTA BOWL/BCS GAME DAY EXP **	(344,606)	(337,566)	(337,849)
CARDINALS GAME DAY EXPENSES	(3,007,074)	(2,847,873)	(2,760,079)
<b>TOTAL EVENT OPERATING INCOME / (COST)</b>	<b>(2,253,532)</b>	<b>(1,526,613)</b>	<b>(2,232,568)</b>
<b>INDIRECT EXPENSES</b>			
EXECUTIVE/SALES	552,452	528,368	540,368
MARKETING	361,120	334,743	343,243
FINANCE	503,299	492,742	505,942
OPERATIONS	5,378,849	5,163,767	5,189,766
OVERHEAD	1,084,158	1,327,026	1,030,026
<b>TOTAL INDIRECT EXPENSES</b>	<b>7,879,878</b>	<b>7,846,646</b>	<b>7,609,345</b>
<b>NET BUILDING OPERATING INCOME / (COST)</b>	<b>\$ (10,133,410)</b>	<b>\$ (9,373,259)</b>	<b>\$ (9,841,913)</b>
Other revenue resources for the Authority			
FACILITY USER FEE GLOBAL EVENTS ^^	\$ 439,890	\$ 656,911	\$ 299,892
EST TAX RECAPTURE GLOBAL EVENTS ^^	\$ 2,194,686	2,720,234	1,943,906
<b>NET BUILDING OPERATING INCOME/(COST)</b>	<b>\$ (7,498,834)</b>	<b>\$ (5,996,114)</b>	<b>\$ (7,598,115)</b>

## Global Spectrum

- Global Event Operating Income is projected to increase over FY14 budget by \$232K / 27% which is primarily attributed to a major concert scheduled for FY15. FY14 Forecast includes two major soccer games.
- Cardinals Game Day Expenses increased by \$247K due to changes in NFL security protocols and some increases in costs associated with EMT's and police.
- Total Indirect Expenses increased by \$270K / 3.6% due to one- time expenses that will occur in preparation for the presentation of Super Bowl 49 in February 2015.
- Other Revenues are projected to increase over FY14 budget by \$390K / 17.4% which is primarily attributed to a major concert scheduled for FY15, as noted above.
- Based on the above, we estimate an improvement of \$99K over the FY14 budget.

# Arizona Sports and Tourism Authority Statutory Flow of Funds

## 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

## 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 \$205M 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 with new stadiums in Goodyear and Glendale.

### 4th Priority = Youth & Amateur Sports

1. Total of \$73.5M over 30 years based on \$1.0M in year one growing at \$100K per year thereafter

### 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)

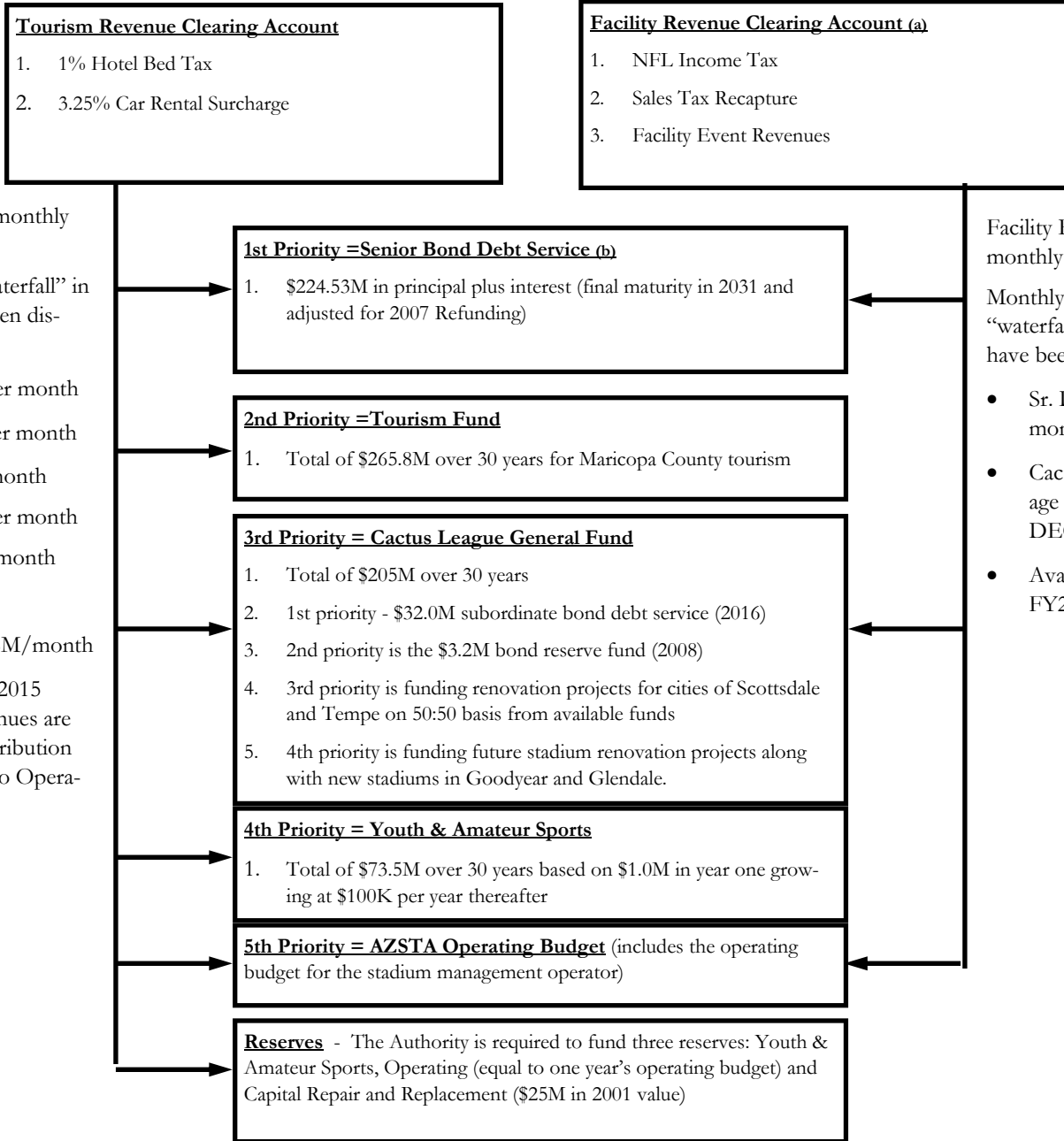
### Footnotes

(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 distribution priorities.



# Arizona Sports and Tourism Authority Statutory Flow of Funds



Tourism Revenues are forecasted on a monthly basis in FY2015.

Monthly distributions fall down the “waterfall” in priority order until all funds are have been disbursed.

- Sr. Debt coverage = \$ 828.085K per month
- Tourism Fund = \$ 628.550KK per month
- Cactus League = \$ 583.333K per month
  - Sub Bond DS = \$380.896K per month
  - CL Promotion = \$202.438K/month
- YAS = \$ 191.667K/month
- Total Prior to Operations = \$2.228M/month
- There are only 2 months in the FY2015 Budget forecast when TRCA Revenues are sufficient to make the monthly distribution through the entire waterfall and into Operations.

Facility Revenues are forecasted on a monthly basis in FY2015.

Monthly distributions fall down the “waterfall” in priority order until all funds have been disbursed.

- Sr. Debt coverage = \$506.558K per month
- Cactus League: Sub Bonds DS Coverage = \$1.333M in FY2015 (SEPT - DEC).
- Available for Operations = \$9.945M in FY2015 Budget Forecast

# Glossary of Acronyms & Terms

- Projection** - The Authority's forecast utilizes actual data and is then extended through to the end of a fiscal year. This is the 'projection' of revenues (sources) and expenses/distributions (uses)
- ARS** - Arizona Revised Statutes
- Tourism Revenues** - Revenue receipts paid to the Authority from the AZ State Department of Revenue. Comprised of two components: Hotel Bed Tax & Rental Car Surcharge Tax
- TRCA** - Tourism Revenue Clearing Account  
By statute, the Authority must report and track Tourism Revenues in a separate account. This account is named the Tourism Revenue Clearing Account (TRCA) because each month, the account needs to be 100% distributed via the “waterfall” process.
- FRCA** - Facilities Revenue Clearing Account  
By statute, the Authority must report and track Facilities Revenues in a separate account. This account is named the Facilities Revenue Clearing Account (FRCA) because each month, the account needs to be 100% distributed via the “waterfall” process.
- STR** - Sales Tax Recapture  
By statute, the Authority must report and track Sales Tax Recapture as a type of Facilities Revenue/FRCA.
- F&B Revenues** - Food and Beverage Revenues  
The Authority receives a % commission from the sales of food and beverages for events held at the stadium. This is a specific type of Facilities Revenue / FRCA.

# Glossary of Acronyms & Terms

## Ancillary Revenues

- The Authority receives revenues generated by various transactions that take place at the stadium events. Examples include the collection of ATM fees, parking revenues, and TicketMaster box office fees. These are specific types of Facilities Revenues/FRCA.

## MCS D

- Maricopa County Stadium District  
The Authority has an IGA with the MCS D to receive any excess rental car surcharge taxes after the MCS D covers their debt service and their administration expenses.

## ROJO Commission

### Advance

- The Authority has an agreement with the ROJO Hospitality Group for their management of food services for the stadium. As part of the terms of that initial agreement, ROJO has provided the Authority with Food & Beverage (F&B) commissions advances. The final advance is due to be received by the Authority in AUG of 2013. The balance is reduced via the monthly report of F&B Commissions earned during the events held at the stadium.

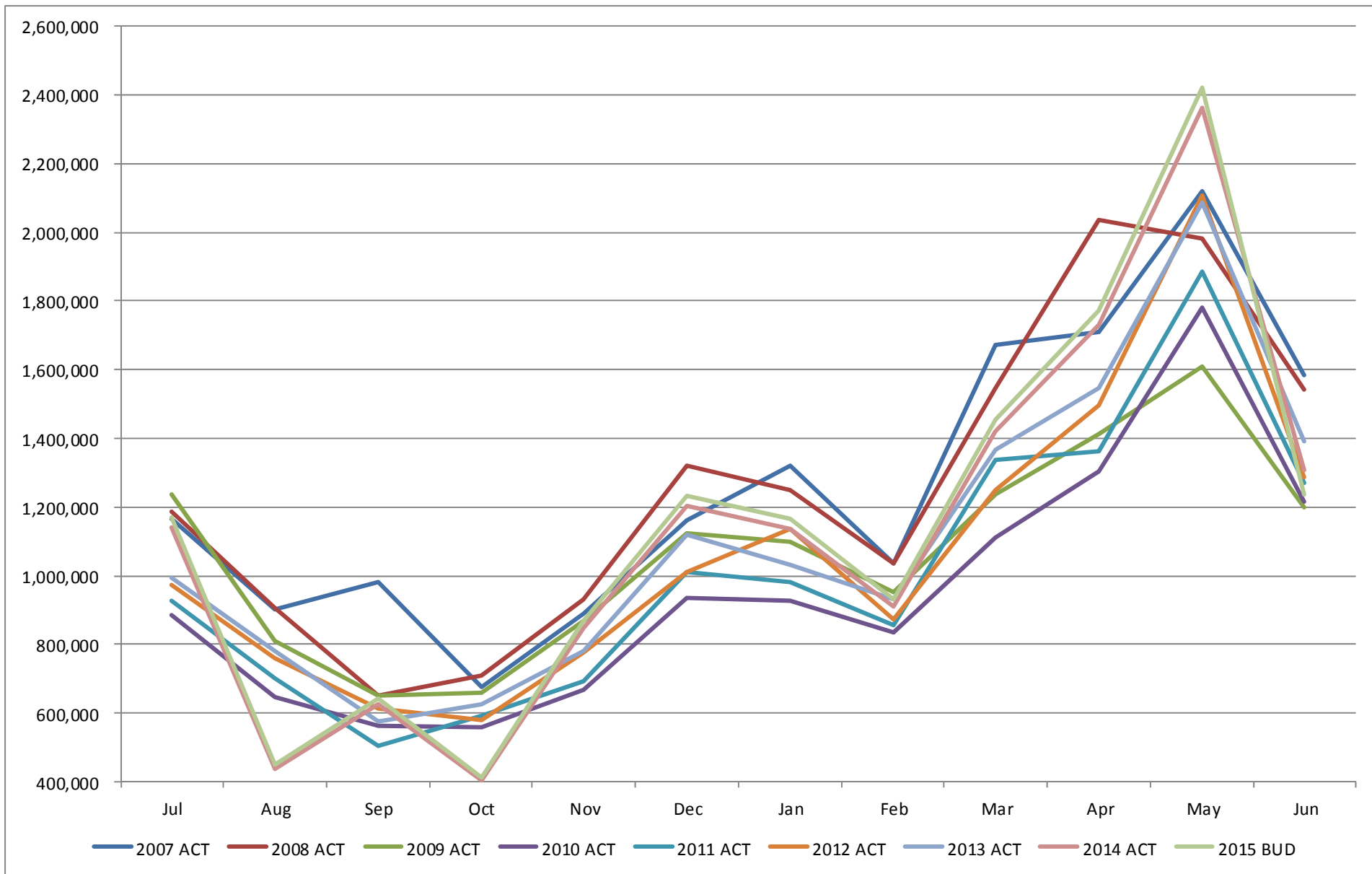
## IGA

- Intergovernmental Agreement  
Contract terms between the Authority and local cities and/or governmental agencies (example - MCS D)

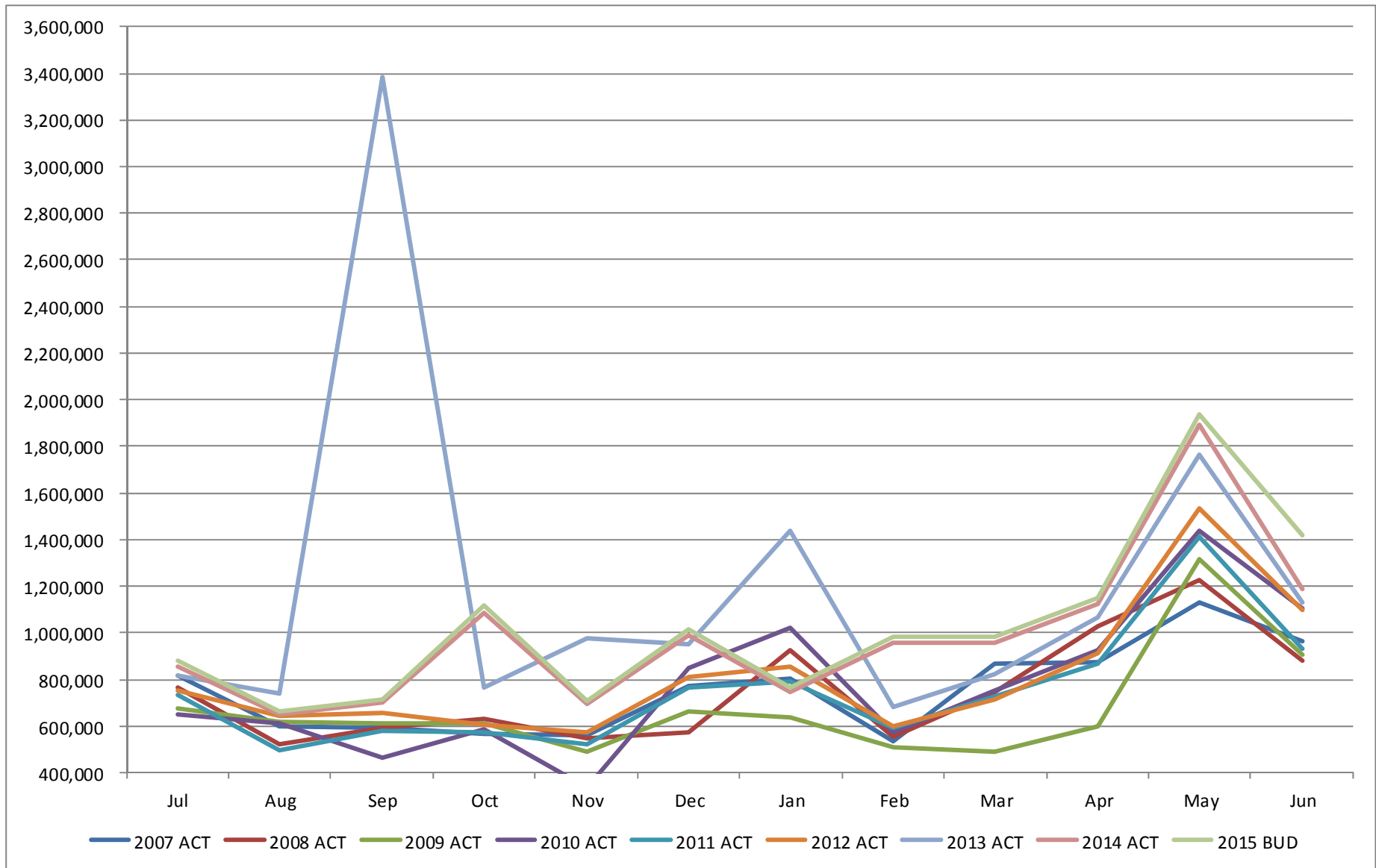
## Distributions

- By statute, the Authority must distribute the balance in each of the TRCA and FRCA revenue accounts on a monthly basis in a specific priority order. The distribution process is called "the waterfall" and is executed on the 2nd Tuesday of each calendar month.

# Supplemental Information—Tourism Revenues –HOTEL BED TAX



# Supplemental Information-Tourism Revenue-Car Rental Surcharge Tax





- 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:
    - (3a) Costs of planning, constructing, financing, maintaining, operating, and managing a multipurpose facility.
    - (3b) Promotional and marketing expenses for the authority.
    - (3c) 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 the 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.