



Comparative Operating Statement
July 1, 2011 - March 31, 2011 (first 3 quarters FY2012) vs. Budget FY2012
Actuals vs. Budget (includes Global Spectrum Stadium Operations)

INCOME	For Nine Months Ending March 31, 2012		> / (<) YTD Budget		Footnote
	JUL - MAR FY12 Actuals	FY2012 BUDGET	\$	%	
TRCA					
Hotel Bed Tax	\$ 7,964,938	\$ 7,789,765	\$ 175,173	2.2%	(a)
Car Rental Surcharge	6,176,836	5,828,559	348,277	6.0%	(a)
Total TRCA	\$14,141,774	\$13,618,324	\$523,450	3.8%	(a)
FRCA					
NFL Income Tax	\$ 4,626,366	\$ 4,626,366	\$ 0	0.0%	(b)
AZ Cardinals Rent	207,466	207,015	\$ 451	0.2%	(b)
AZ Cardinals and Event Sales Tax Recapture (STR)	4,752,657	4,707,180	\$ 45,477	1.0%	(b)
Facilities Use Fees (FUF) + F&B	827,918	491,912	\$ 336,006	68.3%	(b)
Total FRCA	\$ 10,414,408	\$ 10,032,473	\$ 381,935	3.8%	(b)
OTHER INCOME					
Fiesta Bowl: Game Day Expense & FUF	764,602	1,032,302	(\$267,700)	(25.9%)	(c)
Other	-	-	-	-	-
Total Other Income	\$764,602	\$1,032,302	(\$267,700)	(25.9%)	(c)
Total Income	\$25,320,784	\$24,683,099	\$637,684	2.6%	(d)
EXPENSES					
		For Nine Months Ending March 31, 2012		> / (<) YTD Budget	
	JUL - MAR FY12 Actuals	FY2012 BUDGET	\$	%	
DISTRIBUTIONS					
Arizona Office of Tourism (distribution to Tourism)	\$ 4,756,769	\$ 4,336,431	\$ (420,338)	(9.7%)	(e)
EXPENSES					
Stadium Operations - Global Spectrum	7,261,952	7,198,084	(63,868)	(0.9%)	(f)
Total Stadium Operations Expenses	\$ 7,261,952	\$ 7,198,084	\$ (63,868)	(0.9%)	(f)
AZSTA Operating Expenses					
Bank Service Fees / Trust Fees	16,532	1,800	(14,732)	(818.4%)	(g)
Communications	14,539	10,968	(3,571)	(32.6%)	(h)
Employee Compensation & Insurance Benefits	307,924	216,070	(91,854)	(42.5%)	(i)
Employer-Paid Taxes	17,293	10,650	(6,643)	(62.4%)	(i)
Retirement	26,587	18,750	(7,837)	(41.8%)	(i)
Insurance (non-employee-related)	16,472	11,625	(4,847)	(41.7%)	(j)
Marketing & Promotions	21,569	6,450	(15,119)	(234.4%)	(k)
Office Expenses	11,123	10,350	(773)	(7.5%)	(l)
Professional Services & Fees	206,784	367,299	160,515	43.7%	(m)
Travel	7,810	6,000	(1,810)	(30.2%)	(n)
Meetings	2,384	-	(2,384)	0.0%	(o)
Other	-	-	-	0.0%	(p)
Total AZSTA Operating Expenses	\$ 649,017	\$ 659,962	\$ 10,945	1.7%	(q)
Total Distributions + Operations Expenses	\$ 12,667,738	\$ 12,194,477	\$ (473,261)	(3.9%)	(r)
Net Ordinary Income from Operations	\$ 12,653,046	\$ 12,488,623	\$ 164,424	1.3%	(s)
OTHER INCOME					
Interest Income	\$ 8,059	\$ 0	\$ 8,059	0.0%	(t)
Other Income	-	-	-	0.0%	(t)
Total Other Income	\$ 8,059	\$ 0	\$ 8,059	0.0%	(t)
OTHER EXPENSE					
Interest Expense	\$ 0	\$ 0	\$ 0	0.0%	(u)
Other Expense	-	-	-	0.0%	(u)
Total Other Expense	\$ 0	\$ 0	\$ 0	0.0%	(u)
Net Income from Operations	\$12,661,106	\$12,488,623	\$172,483	1.4%	(v)

(a) **TRCA Income - Tourism Revenues**

YTD both Hotel Bed Tax and Rental Car Surcharge are better than budget for the year. Further analysis indicates we should exceed budgeted revenues for FY2012 by ~ 5%.

(b) **FRCA Income - Facilities Revenues**

(b) **NFL Income Tax**

All of these revenues are pledged to our debt service. As the \$ are set for the year, we are @ 100% of budget thru Dec 2011 and will be @ 100% for FY2012.

(b) **AZ Cardinals Rent**

As the \$ are set for the year, we are @ \$451 better than budget for the YTD, due to a minor correcting adjustment made in the AUG 2011 payment to the Authority. These revenues increase by 2% each year. We expect to be @ 100% of the budget for FY2012.

(b) **Sales Tax Recapture (STR)**

This revenue source is comprised of AZ and Glendale sales tax on ticket sales, concessions, novelties, and some stadium advertising. We are currently better than budget thru Q3. Additionally, we still need to "catch-up" with the Authority receipts of all Fiesta Bowl \$; as they were late filing their tax return. We anticipate receipt in APRIL 2012 and we are forecasting to exceed budgeted revenues for total FY2012.

(b) **FUF & F&B**

This revenue source is comprised of ticket surcharge revenues and concessions revenue for events held at the Stadium, other than NFL or Fiesta Bowl. This is typically forecasted based on planned attendance @ budgeted events. At this time, the significant + variance is due to the \$500K advance payment from ROJO for concessions. This variance will decline over the H2 of FY2012 as we reconcile the results from events to the advance. We anticipate that we will meet / exceed budget for FY2012.

(c) **Fiesta Bowl Game Day Expense & FUF**

This revenue source is comprised of ticket surcharge revenues and sales tax on ticket sales, concessions, novelties, and other retail sales events held for the Fiesta Bowl - in Jan 2012. The Authority has not yet received all receipts from the Fiesta Bowl \$; as they were late filing their tax return. We anticipate the remainder of these receipts in APRIL 2012. We are forecasting to be @ budgeted revenues for the entire FY2012.

(d) **Total Income**

As noted in the detailed explanations above, the Authority is currently better than budget through the first three quarters of FY2012 by 1.4% total dollar receipts. We anticipate that this will continue for Q4 FY2012 and we are currently forecasting that we will exceed total budgeted revenues by ~ 5% for FY2012.

(e) **Distributions to the AZ Office of Tourism**

The Authority makes a distribution to the AZ Office of Tourism each month for the promotion of tourism in Maricopa County. This distribution comes from TRCA revenues. As of MAR 2012, we have exceeded our budgeted distributions to the Office of Tourism by 9.7% YTD. This puts our YTD distributions @ (2.63%) vs. the 30-year Tourism Funding Schedule for FY2012. We project that we will be 7.01% better than budget = (1.99%) under the 30-year funding schedule-FY2012. Even though this looks like a negative # vs. budget, this is actually VERY GOOD NEWS for Tourism and for the Authority.

(f) **Stadium Operations Expense - Global Spectrum**

This expense line item represents Global Spectrum's reported net operating loss for the 1st three quarters of FY2012. Note that this net operating loss exceeds the budget by (\$ 63,868) = (0.9)% of budget YTD. It is forecast that Global Spectrum will end FY2012 with an operating loss @ or slightly better than their budget for FY2012.

(g) **Bank Service Fees / Trust Fees**

These are the monthly analysis fees associated w/ our commercial bank accounts and the servicing of 27 separate bank accounts + quarterly trust service / administration fees. (Trust admin @ \$9,600, Bank Svcs @ \$5,740) FY2012 budget did not forecast increased bank fees year-to-year. Forecast exceeding the budget for FY2012; but is off-set by the OTHER INCOME reported below the Net Ordinary Income from Operations.

(h) **Communications**

This classification covers the Authority's local, long distance, and cellular phones, networking & maintenance, Internet access, wireless email, telephone hosting, and web conferencing. Thru Q3 2012, we are over budget primarily due to increased communications charges associated with having 1 additional FTE in the office full-time. We anticipate FY2012 exceeding the budget.

(i) **Employee Compensation & Insurance Benefits**

This classification accounts for the annual compensation and related benefits for 3 FTE's. FY2012 was based on 2 FTE's; with the CFO position being covered by a contracted resource. YTD \$ exceeds budget by the incremental costs of the FTE - CFO position. FY2012 will exceed budget \$. Note: there will be a corresponding significant \$ reduction in PROFESSIONAL SVCS to offset.

(i) **Employer-Paid Taxes**

This classification accounts for the Authority's portion of employment taxes: both Fed and State. As noted above, the budget was developed using 2 FTE's = the incremental costs of the additional FTE-CFO are surpassing the budget YTD. FY2012 will exceed the budgeted \$. Note: there will be a corresponding significant \$ reduction in PROFESSIONAL SVCS to offset.

(i) **Retirement**

This classification accounts for the Authority's portion of retirement contribution to ASRS. As noted above, the budget was developed using 2 FTE's = the incremental costs of the additional FTE-CFO are surpassing the budget YTD. FY2012 will exceed the budgeted \$. Note: there will be a corresponding significant \$ reduction in PROFESSIONAL SVCS to offset.

(j) **Insurance (non-employee related)**

Covers the Authority's insurance policies for general, property / liability, and directors / officers. This being > budget amount is the result of timing of the invoices for the premiums vs. the amortization of the expense across the year. This line-item will exceed budget for FY2012 by \$900 due to increased premiums yr.-to-yr.

(k) **Marketing & Promotions**

This category is for use to covers the costs of using the loft to promote stadium marketing and promotions during stadium events. Contributed \$10K-Cactus League impact study. We have attended many more events than budgeted + \$2K under review. Expect to incorporate into FY2013 budget. NOTE: \$50K set aside in FY2012 budget for consulting/mega-events @ Stadium.

(l) **Office Expenses**

General working office supplies, office equipment, and postage & delivery. Slightly higher through Q3 2012, primarily due to postage/shipping to distribute tickets & materials to the Board, additional supplies and office machine use due to 1.0 additional full-time FTE in the office and aging equipment / Finance PC crash in Q3 required new desktop and software.

(m) **Professional Services**

This classification covers the Authority's legal costs for on-going general representation, lobbyist, annual audit fees, and contracted CFO services. At the time of budget development, CFO services were being provided by Tatum LLC. Savings relates to no \$ to Tatum due to FTE-CFO. Savings for FY2012 will more than enough to cover the incremental costs of FTE-CFO + benefits (\$106,333 vs. \$160,515 savings)

(n) **Travel**

This is the budget for the CEO to travel for business development and to expand the Authority's relationships in an effort to secure additional business events / revenues @ the UOP stadium. Greater than budget YTD due to extensive Q3 travel. Expected to be < budget for total FY2012.

(o) **Meetings**

This are the expenses associated with both local and other meetings to support existing business operations, and to enhance communications with our customers, the Community, and the Board. \$0 in the budget so any/ all spending will be a negative variance vs. budget for FY2012.

(p) **Other**

This are the expenses associated with all other non-classified expenses.

(q) **AZSTA Operating Expenses**

This is a subtotal of all AZSTA operating expenses associated with daily operations. \$10,945 better than budget thru Q3 FY2012 and expected to be better than budget for total FY2012.

(r) **Total Distributions and Operations Expenses**

This is a subtotal of all AZSTA distributions for TOURISM + all operating expenses thru Q3 FY2012. (\$473,261) = (3.9)% driven by excess distributions to Tourism = (\$420,338) and Stadium operations thru Q3 (\$63,868) and AZSTA operations better than budget YTD @ \$10,945. Expect "good news" vs. budget for total of FY2012.

(s) **Net Ordinary Income from Operations**

Net Ordinary Income from Operations is better than budget thru Q3 FY2012 by 1.3% due to higher than forecast revenues offset by the distributions to the AZ Office of Tourism. We forecast that this will continue in the 4th quarter for FY2012

(t) **Other Income**

The income that is recorded represents the monthly income earned from daily / over-night investing of the various commercial bank accounts and is really an off-set / buffer against the worse than budget bank service fees. These will continue thru H2 FY2012.

(u) **Other Expense**

This are the expenses associated with all other non-classified expenses.

(v) **Net Income from Operations**

Net Income from Operations is better than budget thru Q3 FY2012 by \$172,483 = 1.4% due to higher than forecast revenue receipts in the first 3 quarters to FY2012. We forecast that this will continue in Q4 FY2012