

Formed as a result of voter approval of Prop. 302 in Nov. 2000, AZSTA is dedicated to enhancing Maricopa County's economy and the community's quality of life through the development of professional and amateur sports facilities, the attraction of entertainment, sporting, and business events.

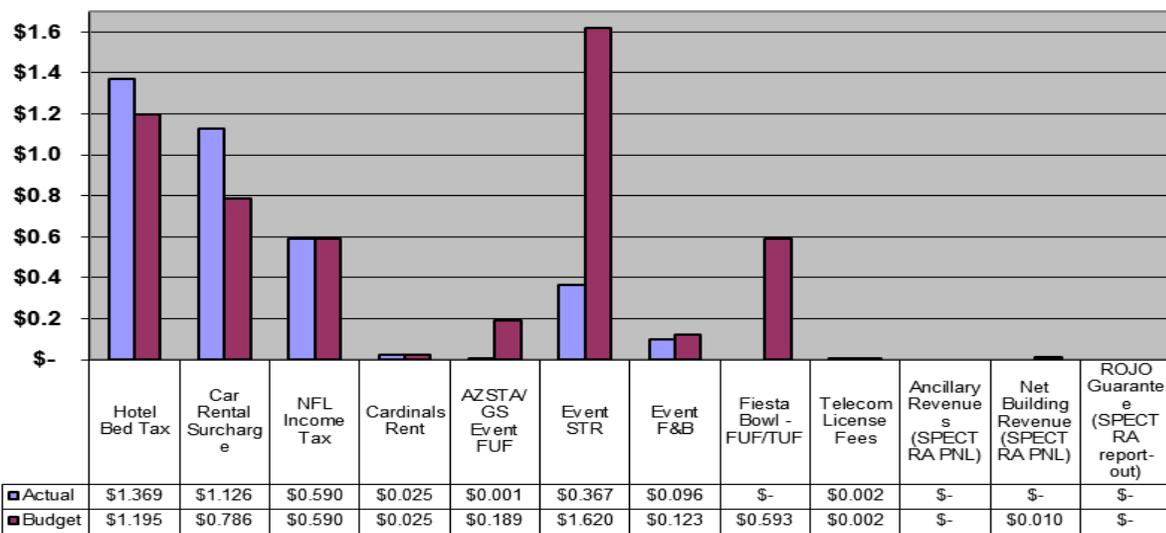
Home of 2016 College Football Playoff National Championship Game



FINANCIAL OVERVIEW

Sources – The following chart lists AZSTA revenue receipts for the month of January 2016; which represents transaction activity primarily from November 2015.

AZSTA Revenue Sources - JANUARY 2016 (\$M)



REVENUE The Authority's total revenues for the month are less than the FY2016 budget forecast for the month by a total of (\$1, 556,624) / (30.33%).

NOTE: This negative variance vs. budget for the month is driven by the Facilities revenue components:

Tourism Revenues (TRCA) for the month, exceeded the budget forecast by \$ 278,494 = 12.08%.

Facilities Revenues (FRCA) for the month, were less than the budget forecast by (\$2,070,488) / (65.70%). The individual FRCA revenue line items that drove this "bad news" are FUF (\$187,711), Event Sales Tax Rebate/Recapture (STR) @ (\$1,253,109) / (77.36%) less than budget for the month and

the Fiesta Bowl FUF / TUF @ (\$592,650) / (100.00%) of budget.

The individual revenue components and their performance vs. budget forecast for the month are as follows:

The Tourism Revenues (TRCA) (hotel bed tax and car rental surcharge) posted \$ 2,494,928 in total; which is \$ 513,864 / 25.94% better than the budget forecast for the month.

Hotel Bed Tax reported \$ 1,368,759; which is \$ 173,679 / 14.53% better than budget for the month.

Car Rental Surcharge Tax posted revenue receipts of \$ 1,126,169; which is \$ 340,185 / 43.28% better than the FY2016 budget forecast for the month.

The Facilities Revenues (FRCA) includes:

The **NFL income tax**. This monthly revenue is determined by the Arizona Department of Revenue prior to the start of each fiscal year. This monthly receipt was on budget @ **\$590,077** per month for FY2016. It is anticipated that each month in FY2016 will be @ budget.

AZ Cardinals Rent is pre-determined via the agreement with the Authority. This monthly receipt was on budget @ **\$24,898** for the month. It is anticipated that each month in FY2016 will be @ budget.

The **Facility Use Fees (FUF)** receipts for the month were **\$ 1,256**; which is (\$187,711) / (99.34%) less than the FY2016 budget for the month. This revenue component typically has a timing issue vs. the forecast budget: i.e. relating to when the FUF revenues are collected, the accounts get settled with the event promoter. The FUF then gets reported and paid-out to the Authority during the SPECTRA / Global Spectrum's financial package review for a given month. It is anticipated that the total FUF for FY2016 will be better than budget at year-end.

Sales Tax Rebate / Recapture (STR) revenues receipts for the month were **\$ 366,648** = (\$1,253,109) / (77.36%) less than the FY2016 budget forecast for the month. This revenue source is also subject to timing issues related to when the Authority actually receives STR receipts from the City of Glendale and/or from the State of Arizona-Department of Revenue. These timing delays are driven by the date of the event, when vendors file their tax returns / remit their applicable sales taxes to these two taxing authorities; and then, when these taxing authorities are able to process the tax returns and revenue receipts, and, finally, when these two taxing authorities send the Sales Tax Rebate/ Recapture to AZSTA. It is anticipated that the total STR for FY2016 will be better than budget at year-end.

The **Food & Beverage Commissions (F&B)** receipts for the month were **\$ 96,970** = (\$27,045) / (21.99%) less than the budget for the month. This FRCA revenue source has a similar timing issue related to when the F&B commission revenues are collected, calculated, and reported on the month-end commission workbook by ROJO Hospitality vs. when the F&B commission check gets released to AZSTA.

The **Fiesta Bowl Facilities Use Fee (FUF) / Ticket Use Fee (TUF)** receipts for the month were **\$ 0** = (\$592,650) / (100.00%) less than budget forecast for the month. Note: the Fiesta Bowl FUF & TUF revenue sources have a timing that hits near the date of the game. AZSTA's CFO has been in contact with the FB Foundation and the FUF/TUF should be made in FEB 2016 or early MAR 2016 at the latest. Given the match-up for the FB in Jan 2016, it is anticipated that both FUF and TUF will exceed the budget forecast for FY2016.

The **Telecom License Fees** revenues represent a license fee paid by a carrier for the lease of a telecommunications tower located on the stadium property. The receipts for the month = **\$ 1,984** vs. the monthly budget forecast @ \$1,800 = \$ 184 / 10.21% better than budget forecast for the month.

Year-to-Date Tourism Revenues (TRCA) are **\$ 14,002,412** = \$ 1,901,944 / 15.72% better than budget forecast YTD for FY2016. It is expected that the Authority will surpass the TRCA total revenue \$ budget forecast for the fiscal year.

Authorized by:



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Note: This monthly report is required by Arizona Revised Statutes Section 5-814. A. which states that.... "Within three weeks after the end of each calendar month the authority shall prepare a report signed by the executive director of the authority and transmit the report to the governor, the legislature, as provided by section 41-1178, and the joint legislative budget committee. The report