

UNIVERSITY OF PHOENIX STADIUM

January 20, 2012

Tom Sadler, CEO
AZSTA
1 Cardinals Drive
Glendale, Arizona 85305

Subject: University of Phoenix Stadium December Financial Statements

Dear Mr. Sadler:

Attached please find the University of Phoenix Stadium Financial Report for the six months ended December 31, 2011.

Please note that Global Spectrum has hosted over 46 events in the first six months of FY2012, which is 12 more than originally budgeted, and represents a total of \$1,010,410 in total event related income (Event Income plus Facility User Fee plus Tax Recapture). This resulted in a favorable budget variance of \$201,088 as of December 31, 2011.

Similarly, Global Spectrum is better than budget in indirect expenses by \$180,216 for the first six months of FY2012.

We would like to call to your attention several highlights of the past six months, as well as, look forward to the next half of the year as follows:

-Over a six week period, the Stadium presented four NFL Cardinal Football games, the Fiesta Bowl Band Championships, and the Tostitos Fiesta Bowl featuring Stanford vs. Oklahoma State. The latter of which was presented less than 24 hours after completion of the final Cardinals home game. This was done at the request of the Fiesta Bowl and through extensive planning with our various Stadium partners.

Additionally, College Football's Biggest Party, moved for the first time to the Westside of the Stadium, after being hosted off-site for the previous five years.

By all accounts the turnover of the facility from Sunday to Monday evenings game went very smoothly; similarly, the Stanford party on Lawn "B", as well as College Football Biggest Party on the Great Lawn moved in/out well, presented few challenges, and clearly indicated a "can do" attitude and good working relationship among the various party's/entities who were charged with arranging these endeavors

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GLOBAL SPECTRUM
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-Global Spectrum hosted two International Soccer matches, including the most recent, US Women's National Team vs. Sweden. This game was promoted by the US Soccer Federation and was very successful drawing over 17k fans, and resulted in the Federation booking an additional soccer match to be held January 21, 2012 featuring the US Men's National Team. This game marks the first time that the US Men's Team will return to the Stadium since their sold out game against the Mexican National Team in our inaugural year.

-Some other notable events held at the Stadium over the first six months include several RV sales, a Home Show, a Gun Show, 2- AIA Football events, 2-University of Phoenix Graduations, a Toyota Ride and Drive and several banquets and team events.

-We are looking forward to a busy schedule of events over the second half of the year, as we enter our consumer show season, and are projecting 81 events, including a yet to be announced, large multiple day family event that will take place in our West parking lot.

-In addition, we will host the Sportsmens Expo, another Home Show, a second Gun Show, a Dog Show, a Pet Expo, several more RV shows, three proms, a 400 person corporate banquet, a Jaguar Ride and Drive, another wedding, as well as working on bringing a youth basketball tournament to the Stadium on Memorial Day weekend.

- In addition to generating revenues for the Authority, keeping a firm hand on expenses is also quite important; as such, we will continue to scrutinize our indirect expenses in an effort to continue to maximize savings in these area's; while at the same time evaluating our needs to upgrade our equipment/facilities technologically.

Based on the first six months results, as well as the information indicated above, we project to be better than budget for our sixth year in a row.

We look forward to reviewing the above in our regular monthly financial review next week. If you have any specific questions, please feel free to call me in the meantime.

Sincerely,



Melissa Wasson, CPA
Assistant General Manager

University of Phoenix Stadium
AZSTA INCOME STATEMENT
For the Six Periods Ending December 31, 2011

	Year To Date		
	Actual	Curr Budget	Budget Var
Number of Events	46	34	12
Number of Stadium Tours	257	237	20
Number of Event Days	66	47	19
Turnstile Attendance- General	118,096	100,960	17,136
Turnstile Attendance- Football Events	485,332	510,000	(24,668)
BUILDING INCOME			
RENTAL REVENUE	307,198	307,109	89
BUILDING EXPENSES BILLED	535,206	446,393	88,813
LESS BUILDING EXPENSES RELATED TO EVENTS	(635,002)	(541,591)	(93,411)
BUILDING NET REVENUE	207,402	211,911	(4,509)
ATM Revenue	1,044	1,400	(356)
Ticketmaster Rebate	41,142	12,573	28,569
Net Loft Income	6,085	3,608	2,477
ANCILLARY INCOME (NET)			
Concessions	124,605	76,697	47,908
Catering	40,679	66,646	(25,967)
Lofts	1,262		1,262
Novelty	6,543	2,073	4,470
Exhibitor Services	6,838	7,265	(427)
Parking Revenue	33,895	30,693	3,202
TOTAL ANCILLARY INCOME	213,822	183,374	30,448
GLOBAL EVENT INCOME (LOSS)	469,495	412,866	56,629
CARDINALS/FIESTA BOWL GAME DAY EXPENSES *	(2,215,133)	(2,264,093)	48,960
EVENT OPERATING INCOME (LOSS)	(1,745,638)	(1,851,227)	105,589
INDIRECTS			
Executive	241,409	244,639	3,230
Marketing/PR	145,817	148,517	2,700
Finance	220,148	225,359	5,211
Event Production	130,130	135,742	5,612
Operations	514,388	571,688	57,300
Security	380,986	377,646	(3,340)
Engineering	1,647,255	1,727,917	80,662
Overhead	424,802	453,643	28,841
TOTAL INDIRECTS	3,704,935	3,885,151	180,216
OTHER INCOME	1,364		1,364
NET OPERATING INCOME (LOSS)	(5,449,209)	(5,736,378)	287,169
FACILITY USER FEE GLOBAL EVENTS NET OF 17.5% TO CARDS	141,779	91,712	50,067
ESTIMATED TAX RECAPTURE GLOBAL EVENTS	399,136	353,704	45,432
TOTAL EVENT VALUE	(4,908,294)	(5,290,962)	382,668