

CITY OF TAMPA, FLORIDA - GOLF COURSE OPERATIONS  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

September 30, 2012 and 2011

## TABLE OF CONTENTS

Independent Auditors' Report	1 - 3
Basic Financial Statements	4
Statements of Net Assets	5
Statements of Revenues, Expenses and Changes in Fund Net Assets	6
Statements of Cash Flows	7 - 8
Notes to Financial Statements	9 - 17
Supplementary Information	18
Combining Statement of Net Assets	19
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	20
Combining Statement of Cash Flows	21 - 22
Compliance Report	23
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24 – 26

INDEPENDENT AUDITORS' REPORT



**RIVERO, GORDIMER & COMPANY, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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American Institute of Certified Public Accountants  
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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Tampa Sports Authority

We have audited the accompanying statements of net assets of the Golf Course Operations of the City of Tampa, Florida (the "Golf Course Operations"), as managed by the Tampa Sports Authority, as of September 30, 2012 and 2011, and the related statements of revenues, expenses and changes in fund net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Tampa Sports Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note A, the financial statements present only the Golf Course Operations and do not purport to, and do not, present fairly the financial position of the City of Tampa, Florida as of September 30, 2012 and 2011, and the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Golf Course Operations of the City of Tampa, Florida as of September 30, 2012 and 2011, and the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 25, 2013 on our consideration of the Golf Course Operation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The Combining Statements identified in the Table of Contents are presented for purposes of additional analysis, and are not a required part of the basic financial statements of the Golf Course Operations of the City of Tampa, Florida. Such information, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Bucio, Gardner & Company, P.A.*

Tampa, Florida  
February 25, 2013

CITY OF TAMPA, FLORIDA - GOLF COURSE OPERATIONS

BASIC FINANCIAL STATEMENTS

September 30, 2012 and 2011

City of Tampa, Florida - Golf Course Operations

STATEMENTS OF NET ASSETS

September 30,

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (note C)	\$ 177,302	\$ 121,353
Accounts receivable	96,775	40,903
Prepaid expenses and deposits	12,111	11,749
Inventory	<u>91,823</u>	<u>64,098</u>
Total current assets	<u>378,011</u>	<u>238,103</u>
<b>NON-CURRENT ASSETS</b>		
Capital assets, net of depreciation (note D)	<u>4,898,473</u>	<u>5,156,362</u>
<b>TOTAL ASSETS</b>	<u>5,276,484</u>	<u>5,394,465</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Long-term debt due within one year (note E)	143,082	146,286
Accounts payable and accrued liabilities	223,883	137,423
Deferred revenue	<u>28,811</u>	<u>28,315</u>
Total current liabilities	<u>395,776</u>	<u>312,024</u>
<b>NON-CURRENT LIABILITIES</b>		
Loans payable (note E)	<u>186,697</u>	<u>165,415</u>
<b>TOTAL LIABILITIES</b>	<u>582,473</u>	<u>477,439</u>
<b>NET ASSETS</b>		
Invested in capital assets net of related debt	4,568,694	4,844,661
Unrestricted	<u>125,317</u>	<u>72,365</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 4,694,011</u>	<u>\$ 4,917,026</u>

The accompanying notes are an integral part of these statements.

City of Tampa, Florida - Golf Course Operations

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the year ended September 30,

	<u>2012</u>	<u>2011</u>
Operating revenues		
Golf fees	\$ 2,282,453	\$ 2,283,561
Merchandise and food sales	610,725	584,916
Memberships	98,667	76,863
Driving range	<u>117,744</u>	<u>125,680</u>
Total operating revenues	<u>3,109,589</u>	<u>3,071,020</u>
Operating expenses		
Cost of merchandise sold	299,279	278,107
Clubhouse operations	989,458	1,038,052
Course maintenance	1,602,094	1,608,351
General and administrative	<u>491,033</u>	<u>527,966</u>
Operating expenses before depreciation expense	<u>3,381,864</u>	<u>3,452,476</u>
Depreciation expense	<u>792,097</u>	<u>745,672</u>
Total operating expenses	<u>4,173,961</u>	<u>4,198,148</u>
Operating loss	<u>(1,064,372)</u>	<u>(1,127,128)</u>
Non-operating revenues (expenses)		
Investment income	427	404
Loss on disposal of assets	(11,630)	(2,405)
Interest expense	<u>(25,226)</u>	<u>(25,389)</u>
Total non-operating expenses	<u>(36,429)</u>	<u>(27,390)</u>
Change in net assets before capital grants and contributions	(1,100,801)	(1,154,518)
Capital grants and other contributions	<u>877,786</u>	<u>857,352</u>
Change in net assets	(223,015)	(297,166)
Net assets at beginning of year	<u>4,917,026</u>	<u>5,214,192</u>
Net assets at end of year	<u><u>\$ 4,694,011</u></u>	<u><u>\$ 4,917,026</u></u>

The accompanying notes are an integral part of these statements.



City of Tampa, Florida - Golf Course Operations

STATEMENTS OF CASH FLOWS

For the year ended September 30,

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Cash received from customers	\$ 3,054,213	\$ 3,234,081
Cash payments to vendors for goods and services	(2,240,652)	(2,424,946)
Cash payments to employees for services	<u>(1,082,839)</u>	<u>(1,175,657)</u>
Net cash used by operating activities	<u>(269,278)</u>	<u>(366,522)</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(381,475)	(152,107)
Principal payments on debt	(146,285)	(207,251)
Interest payments on debt	(25,226)	(25,389)
Contributions received	<u>877,786</u>	<u>857,352</u>
Net cash provided by capital and related financing activities	<u>324,800</u>	<u>472,605</u>
Cash flows from investing activities		
Investment income	<u>427</u>	<u>404</u>
Net increase in cash and cash equivalents	55,949	106,487
Cash and cash equivalents at beginning of year	<u>121,353</u>	<u>14,866</u>
Cash and cash equivalents at end of year	<u><u>\$ 177,302</u></u>	<u><u>\$ 121,353</u></u>

City of Tampa, Florida – Golf Course Operations  
 STATEMENTS OF CASH FLOWS – CONTINUED

For the year ended September 30,

	2012	2011
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	<u>\$ (1,064,372)</u>	<u>\$ (1,127,128)</u>
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	792,097	745,672
Changes in assets and liabilities		
(Increase) decrease in		
Accounts receivable	(55,872)	163,064
Prepaid expenses and deposits	(362)	3,789
Inventory	(27,725)	(6,718)
Increase (decrease) in		
Accounts payable and accrued liabilities	86,460	(145,198)
Deferred revenue	496	(3)
Total adjustments	<u>795,094</u>	<u>760,606</u>
Net cash used by operating activities	<u><u>\$ (269,278)</u></u>	<u><u>\$ (366,522)</u></u>

Noncash investing and financing activities

During the 2012 fiscal year, the capital assets and loans payable balances were increased by \$164,363 to record an increased cost basis and loan value on previously acquired capital assets.

The accompanying notes are an integral part of these statements.

## NOTES TO FINANCIAL STATEMENTS

City of Tampa, Florida - Golf Course Operations

NOTES TO FINANCIAL STATEMENTS

September 30, 2012 and 2011

NOTE A - ORGANIZATION AND REPORTING ENTITY

The City of Tampa, Florida ("City") owns three golf courses located in Hillsborough County, Florida: Babe Zaharias Golf Course, Rocky Point Golf Course and Rogers Park Golf Course. These three golf courses are maintained and operated by the Tampa Sports Authority (the "Sports Authority"), under a Management Agreement between the City and the Sports Authority. The Golf Course Operations are considered a Nonmajor Enterprise Fund of the City of Tampa, Florida. These financial statements only include the operations of the golf courses, and do not purport to, and do not, present fairly the financial position of the City of Tampa, Florida as of September 30, 2012 and 2011 and the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The Golf Course Operations is considered to be a self-supporting enterprise similar to a commercial entity organized for profit. Accordingly, these financial statements are prepared on the accrual basis of accounting similar to that prescribed for proprietary operations of state and local governments. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and measurable, and expenses are recognized in the period in which the related liability is incurred.

2. Fund Accounting

The operations of the Golf Course Operations are recorded in a proprietary fund. Proprietary funds are used to account for activities that are similar to those often found in the private sector. All financial transactions of the Golf Course Operations are grouped in one major fund type, an enterprise fund. Enterprise funds are used to account for operations that are financed primarily through user charges, or where the governing body has concluded that the determination of net income is appropriate.

Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of the fund are included on the Statement of Net Assets. Fund equity is segregated into its net assets components. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions.

All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

City of Tampa, Florida - Golf Course Operations

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2012 and 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

3. Capital and Other Grants

Grants, defined as contributions from governmental entities which are restricted by the grantor for capital acquisitions or construction, are reported as operating grants and contributions or as capital grants and contributions.

4. Cash and Cash Equivalents

Cash consists of checking accounts, designated as demand deposits. Cash deposits are carried at cost. The Golf Course Operations considers all highly liquid debt instruments (including restricted assets) with original maturities of three months or less to be cash equivalents. Cash equivalents are recorded at amortized cost, which approximates market value.

5. Accounts Receivable

The Golf Course Operations records accounts receivable at the estimated net realizable value. Accordingly, accounts receivable at September 30, 2012 and 2011 are shown net of allowances for doubtful accounts. The Golf Course Operations has set their allowance for doubtful accounts at zero as of September 30, 2012 and 2011, respectively.

6. Inventory

Inventory consisting of merchandise and foods for resale, are valued at cost, which approximates market, using the first-in/first-out method.

7. Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation. Depreciation is provided over the estimated useful lives (twenty to forty years for land improvements and buildings and two to ten years for furniture, fixtures and equipment) utilizing the straight-line method. Acquisitions of \$750 or more are capitalized and expenditures for repairs and maintenance are expensed in the period incurred.

Expenditures for renewals and improvements that significantly add to productive capacity or extend the useful life of the asset are capitalized.

Donated assets are valued at their estimated fair value on the date of donation.

City of Tampa, Florida - Golf Course Operations

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2012 and 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

8. Compensated Absences

Full time employees earn from 10 to 20 vacation days a year, depending upon their length of employment, and 8 to 12 sick days a year depending upon the plan option that the employee falls under. Annual leave (vacation days) is accrued up to 320 hours during an employee's term of active employment. Sick leave accrual is based on Hillsborough County's Civil Service Rules.

The compensated absences liability is calculated based on the pay or salary rates in effect at the date of the Statement of Net Assets. Additionally, accruals have been made for salary-related payments associated with the payment of compensated absences, using the rates in effect at the date of the Statement of Net Assets.

9. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of contributions and expenses during the reporting period. These estimates are based on management's knowledge and experience. Actual results could differ from those estimates.

10. Tax-exempt Status

The Golf Course Operations are exempt from federal and state income taxes under provisions of the U.S. Internal Revenue Code and Florida Income Tax Code, respectively. Accordingly, there is no provision for income taxes in the financial statements.

11. Reclassifications

During the 2011 fiscal year, the Sports Authority, with the City of Tampa's approval, elected to eliminate intercompany receivables and payables between the individual golf courses that have accumulated over prior fiscal years. This elimination was done through reclassification of net assets between the golf courses and had no effect on the presentation of the basic financial statements of the Golf Course Operations taken as a whole for the 2011 fiscal year.

City of Tampa, Florida - Golf Course Operations

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2012 and 2011

NOTE C - CASH AND CASH EQUIVALENTS

1. Deposits

The Golf Course Operations deposit cash in qualified public depositories. The deposits are fully insured by the Federal Deposit Insurance Corporation (the FDIC) and are secured by the multiple financial institution collateral pool established under Chapter 280, Florida Statutes. In accordance with these statutes, qualified public depositories are required to pledge eligible collateral in varying percentages. Any losses to public depositors are covered by applicable deposit insurance, by the sale of pledged securities, and if necessary, by assessments against other qualified public depositories.

The bank balances of the Golf Course Operations deposits were \$295,050 and \$270,920, and the total carrying amounts of its deposits were \$177,302 and \$121,353 at September 30, 2012 and 2011, respectively. The difference between the book amount and bank amount is due to outstanding checks and deposits in transit. All of the September 30, 2012 and 2011 bank balance of the Golf Course Operations was covered by the FDIC.

2. Cash on Hand

The Golf Course Operations had cash on hand in its petty cash funds totaling approximately \$3,400 and \$2,700 for the years ended September 30, 2012 and 2011, respectively.

NOTE D - CAPITAL ASSETS

Property and equipment at September 30, 2012 is summarized as follows:

	Balance September 30, 2011	Additions/ Transfers	Dispositions	Balance September 30, 2012
Capital assets being depreciated				
Land	\$ 924,662	\$ -	\$ -	\$ 924,662
Improvements other than buildings	5,423,758	225,083	(5,276)	5,643,565
Leasehold improvements	4,192,345	103,531	(43,232)	4,252,644
Machinery and equipment	1,189,793	17,021	(13,204)	1,193,610
Clubhouse, equipment and furniture	895,021	200,203	(16,326)	1,078,898
Total capital assets depreciated	<u>12,625,579</u>	<u>545,838</u>	<u>(78,038)</u>	<u>13,093,379</u>
Less accumulated depreciation				
Improvements other than buildings	3,721,938	413,572	(5,276)	4,130,234
Leasehold improvements	2,179,894	156,224	(31,902)	2,304,216
Machinery and equipment	1,000,984	75,519	(17,032)	1,059,471
Clubhouse, equipment and furniture	566,401	146,782	(12,198)	700,985
Total accumulated depreciation	<u>7,469,217</u>	<u>792,097</u>	<u>(66,408)</u>	<u>8,194,906</u>
Capital assets, net	<u>\$ 5,156,362</u>	<u>\$ (246,259)</u>	<u>\$ (11,630)</u>	<u>\$ 4,898,473</u>

City of Tampa, Florida - Golf Course Operations

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2012 and 2011

NOTE D - CAPITAL ASSETS – Continued

Property and equipment at September 30, 2011 is summarized as follows:

	Balance September 30, 2010	Additions/ Transfers	Dispositions	Balance September 30, 2011
Capital assets being depreciated				
Land	\$ 924,662	\$ -	\$ -	\$ 924,662
Improvements other than buildings	5,433,380	40,679	(50,301)	5,423,758
Leasehold improvements	4,132,021	64,709	(4,385)	4,192,345
Machinery and equipment	1,217,833	20,658	(48,698)	1,189,793
Clubhouse, equipment and furniture	884,495	26,061	(15,535)	895,021
Total capital assets depreciated	<u>12,592,391</u>	<u>152,107</u>	<u>(118,919)</u>	<u>12,625,579</u>
Less accumulated depreciation				
Improvements other than buildings	3,373,465	398,774	(50,301)	3,721,938
Leasehold improvements	2,062,344	121,935	(4,385)	2,179,894
Machinery and equipment	969,276	79,478	(47,770)	1,000,984
Clubhouse, equipment and furniture	434,974	145,485	(14,058)	566,401
Total accumulated depreciation	<u>6,840,059</u>	<u>745,672</u>	<u>(116,514)</u>	<u>7,469,217</u>
Capital assets, net	<u>\$ 5,752,332</u>	<u>\$ (593,565)</u>	<u>\$ (2,405)</u>	<u>\$ 5,156,362</u>

Depreciation expense was \$792,097 and \$745,672 for the years ended September 30, 2012 and 2011, respectively.

Included in the capital assets for the Golf Course Operations is equipment with a cost basis of \$751,677 and \$587,314 acquired through capital lease agreements for the years ended September 30, 2012 and 2011, respectively. Accumulated depreciation related to these capital assets totaled \$436,035 and \$292,039 at September 30, 2012 and 2011, respectively.

NOTE E - LONG-TERM DEBT

Loans payable by Golf Course Operations consist of the following at September 30, 2012:

	Due within one year	Long-term	Total
Capital leases payable to various companies, monthly payments of approximately \$14,000 including interest ranging from 5.0% to 6.9% through November 2013 and balloon payment of \$164,365 due in November 2013, secured by equipment	<u>\$ 143,082</u>	<u>\$ 186,697</u>	<u>\$ 329,779</u>



City of Tampa, Florida - Golf Course Operations

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2012 and 2011

NOTE E - LONG-TERM DEBT – Continued

Debt maturities and related interest payments for the Golf Course Operations consist of the following at September 30, 2012:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 143,082	\$ 23,094	\$ 166,176
2014	186,697	3,810	190,507
Total	<u>\$ 329,779</u>	<u>\$ 26,904</u>	<u>\$ 356,683</u>

NOTE F - MANAGEMENT AGREEMENT

The Sports Authority and the City entered into an agreement on February 28, 1993, stipulating the terms and conditions for the Sports Authority to manage three City-owned golf courses (the “Golf Course Management Agreement”) which has been amended seven times. The City has made contributions in excess of \$7 million for improvements to the golf courses since October 2002. Such contributions are repayable to the City only from the Golf Course Operations’ net revenues, as defined.

Net revenues are defined as gross revenue less all operating and maintenance expenses of the golf courses other than fees payable to the City and the Sports Authority. The agreement, as amended, expressly states that the repayment of these moneys to the City shall be due only from net revenues of the golf courses, and in no event is the Sports Authority obligated to repay them from revenues derived from any other source.

Under the terms of the amended agreement dated February 2000, the Sports Authority is to receive, within 45 days after its fiscal year end, one percent of the golf courses’ gross revenue, as defined, as a management fee to be paid only from the golf courses’ surplus revenues, defined as net revenues less any debt service installment then due. These management fees have been waived for the fiscal year ended September 30, 2012 and 2011.

Under the terms of the amended agreement dated June 2004, the City shall be responsible for any operating shortfalls realized by the golf courses. An operating shortfall exists only when operating and maintenance expenses, excluding depreciation and any amortization costs approved by the City, exceeds gross revenue realized from the operations of the golf courses.

City of Tampa, Florida - Golf Course Operations

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2012 and 2011

NOTE G - PENSION PLANS AND COMPENSATED ABSENCES

Defined Benefit Pension Plan

Substantially all full-time employees of the Golf Course Operations are participants in the Florida Retirement System (the "System"), a multiple-employer, cost-sharing public retirement system. The System, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement, covers approximately 640,000 active members of various governmental units within the State of Florida (the "State"). The System provides for vesting benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after 62 years of age with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based on age, average compensation and years-of-service credit where the average compensation is computed as the average of an individual's five highest years of earnings. Employees are not required to contribute to this retirement system.

The Golf Course Operations has no responsibility to the System other than to make the periodic payments required by the State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, 2639 Monroe Street, Building C, Tallahassee, Florida 32399-1560.

The Florida Legislature established a Deferred Retirement Option Program ("DROP") effective July 1, 1998. This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a System employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

Defined Contribution Plan

The System offered a second retirement plan option beginning December 1, 2002, the FRS Investment Plan. Under this plan, the employer pays all contributions, which are a percentage of salary based on the System's Membership Class. The employee makes investment elections within the investment funds chosen by the State Board of Administration. The retirement benefit is based on the account balance, and the benefit is vested after one year of service. If an employee leaves the job, he or she can keep the benefit in the System, or transfer his or her account to another retirement plan. The employee can also elect to cash out of the benefit when leaving but is subject to tax penalties for taking early withdrawal. The employee in this plan is not eligible for DROP. All employees in the System's defined benefit pension plan were given a choice of switching to the FRS Investment Plan within a designated time period.

City of Tampa, Florida - Golf Course Operations

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2012 and 2011

NOTE G - PENSION PLANS AND COMPENSATED ABSENCES - Continued

Contributions to Florida Retirement System

For the System's fiscal year commencing July 1, 2012, participating employer contributions are based upon statewide rates established by the State. The July 1, 2012 rates are applied to employee salaries as follow: regular employees at 5.18%, senior management at 6.30%, and DROP at 5.44%. As of July 1, 2012, participating employees, excluding DROP members are required to contribute 3% of their annual salary. The Golf Course Operations' contributions during the years ended September 30, 2012, 2011 and 2010 were \$53,801, \$85,308 and \$138,115, respectively, equal to the required contributions for each year.

Compensated Absences

The Golf Course Operations provide for compensated absences through employee benefit plans. Under the plans, employees are provided absences for sick and vacation time. Approximate amounts owed under the plans were \$51,000 and \$54,000 at September 30, 2012 and 2011, respectively. These amounts are recorded as accrued liabilities in the Statement of Net Assets.

NOTE H - RISK MANAGEMENT

The Golf Course Operations are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which commercial insurance is purchased. During the years ended September 30, 2012, insurance coverage was not reduced from coverage levels in place as of September 30, 2011. No settlements have exceeded coverage levels in place during the past three fiscal years.

NOTE I - COMMITMENTS AND CONTINGENCIES

The Golf Course Operations are contingently liable to the City for amounts contributed by the City to improve the golf courses at September 30, 2012 and 2011. These advances are only repayable when the golf courses have a positive cash flow. The Golf Course Operations has recorded these moneys as capital grants and contributions, and no liability is recorded since repayments are based on positive future cash flow.

NOTE J - SUBSEQUENT EVENTS

The Golf Course Operations have evaluated events and transactions occurring subsequent to September 30, 2012 as of February 25, 2013 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

City of Tampa, Florida - Golf Course Operations

COMBINING STATEMENT OF NET ASSETS

September 30, 2012

	BABE ZAHARIAS GOLF COURSE	ROCKY POINT GOLF COURSE	ROGERS PARK GOLF COURSE	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 104,460	\$ 32,611	\$ 40,231	\$ 177,302
Accounts receivable	26,388	21,996	48,391	96,775
Receivable from other funds	4,793	9,520	2,098	16,411
Prepaid expenses and deposits	2,562	5,190	4,359	12,111
Inventory	31,247	32,776	27,800	91,823
Total current assets	169,450	102,093	122,879	394,422
<b>NON-CURRENT ASSETS</b>				
Capital assets, net of depreciation	1,405,528	993,630	2,499,315	4,898,473
<b>TOTAL ASSETS</b>	<b>1,574,978</b>	<b>1,095,723</b>	<b>2,622,194</b>	<b>5,292,895</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Current portion of loans payable	42,312	58,458	42,312	143,082
Accounts payable and accrued liabilities	52,374	91,722	79,787	223,883
Due to other funds	1,474	624	14,313	16,411
Deferred revenue	12,106	10,395	6,310	28,811
Total current liabilities	108,266	161,199	142,722	412,187
<b>NON-CURRENT LIABILITIES</b>				
Loans payable	56,085	74,528	56,084	186,697
<b>TOTAL LIABILITIES</b>	<b>164,351</b>	<b>235,727</b>	<b>198,806</b>	<b>598,884</b>
<b>NET ASSETS</b>				
Invested in capital assets net of related debt	1,307,131	860,645	2,400,918	4,568,694
Unrestricted	103,496	(649)	22,470	125,317
<b>TOTAL NET ASSETS</b>	<b>\$ 1,410,627</b>	<b>\$ 859,996</b>	<b>\$ 2,423,388</b>	<b>\$ 4,694,011</b>

City of Tampa, Florida - Golf Course Operations

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS

For the year ended September 30, 2012

	BABE ZAHARIAS GOLF COURSE	ROCKY POINT GOLF COURSE	ROGERS PARK GOLF COURSE	Total
Operating revenues				
Golf fees	\$ 783,750	\$ 893,416	\$ 605,287	\$2,282,453
Merchandise and food sales	187,509	248,268	174,948	610,725
Memberships	40,771	39,955	17,941	98,667
Driving range	-	60,020	57,724	117,744
Total operating revenues	<u>1,012,030</u>	<u>1,241,659</u>	<u>855,900</u>	<u>3,109,589</u>
Operating expenses				
Cost of merchandise sold	85,736	123,246	90,297	299,279
Clubhouse operations	292,960	371,592	324,906	989,458
Course maintenance	526,127	537,161	538,806	1,602,094
General and administrative	153,821	176,420	160,792	491,033
Operating expenses before depreciation expense	<u>1,058,644</u>	<u>1,208,419</u>	<u>1,114,801</u>	<u>3,381,864</u>
Depreciation expense	<u>274,809</u>	<u>246,580</u>	<u>270,708</u>	<u>792,097</u>
Total operating expenses	<u>1,333,453</u>	<u>1,454,999</u>	<u>1,385,509</u>	<u>4,173,961</u>
Total operating loss	<u>(321,423)</u>	<u>(213,340)</u>	<u>(529,609)</u>	<u>(1,064,372)</u>
Non-operating revenues (expenses)				
Investment income	161	123	143	427
Loss on disposal of assets	(100)	(11,330)	(200)	(11,630)
Interest expense	(7,612)	(10,002)	(7,612)	(25,226)
Total non-operating expenses	<u>(7,551)</u>	<u>(21,209)</u>	<u>(7,669)</u>	<u>(36,429)</u>
Change in net assets before capital grants and contributions	<u>(328,974)</u>	<u>(234,549)</u>	<u>(537,278)</u>	<u>(1,100,801)</u>
Capital grants and contributions	<u>267,753</u>	<u>158,482</u>	<u>451,551</u>	<u>877,786</u>
Change in net assets	<u>(61,221)</u>	<u>(76,067)</u>	<u>(85,727)</u>	<u>(223,015)</u>
Net assets at beginning of year	<u>1,471,848</u>	<u>936,063</u>	<u>2,509,115</u>	<u>4,917,026</u>
Net assets at end of year	<u>\$ 1,410,627</u>	<u>\$ 859,996</u>	<u>\$ 2,423,388</u>	<u>\$4,694,011</u>

City of Tampa, Florida - Golf Course Operations

COMBINING STATEMENT OF CASH FLOWS

For the year ended September 30, 2012

	BABE ZAHARIAS GOLF COURSE	ROCKY POINT GOLF COURSE	ROGERS PARK GOLF COURSE	Total
Cash flows used by operating activities				
Cash received from customers	\$ 1,001,053	\$ 1,230,673	\$ 822,487	\$ 3,054,213
Cash payments to vendors for goods and services	(735,241)	(763,007)	(742,404)	(2,240,652)
Cash payments to employees for services	(332,171)	(398,563)	(352,105)	(1,082,839)
Net cash (used) provided by operating activities	<u>(66,359)</u>	<u>69,103</u>	<u>(272,022)</u>	<u>(269,278)</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(126,454)	(130,171)	(124,850)	(381,475)
Principal payments on debt	(42,313)	(61,660)	(42,312)	(146,285)
Interest payments on loans	(7,612)	(10,002)	(7,612)	(25,226)
Contributions received	267,753	158,482	451,551	877,786
Net cash provided (used) by capital and related financing activities	<u>91,374</u>	<u>(43,351)</u>	<u>276,777</u>	<u>324,800</u>
Cash flows from investing activities				
Investment income	161	123	143	427
Net increase in cash and cash equivalents	25,176	25,875	4,898	55,949
Cash and cash equivalents at beginning of year	<u>79,284</u>	<u>6,736</u>	<u>35,333</u>	<u>121,353</u>
Cash and cash equivalents at end of year	<u>\$ 104,460</u>	<u>\$ 32,611</u>	<u>\$ 40,231</u>	<u>177,302</u>

City of Tampa, Florida - Golf Course Operations

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

For the year ended September 30, 2012

	BABE ZAHARIAS GOLF COURSE	ROCKY POINT GOLF COURSE	ROGERS PARK GOLF COURSE	Total
Reconciliation of operating loss to net cash used by operating activities				
Operating loss	\$ (321,423)	\$ (213,340)	\$ (529,609)	\$ (1,064,372)
Adjustments to reconcile operating loss to net cash (used) provided by operating activities				
Depreciation	274,809	246,580	270,708	792,097
Changes in assets and liabilities (Increases) decreases in				
Accounts receivable	(8,878)	(12,595)	(34,399)	(55,872)
Receivable from other funds	(4,793)	24,908	(2,098)	18,017
Prepaid expenses and deposits	40	-	(402)	(362)
Inventory	(10,872)	(6,859)	(9,994)	(27,725)
Increases (decreases) in				
Accounts payable and accrued liabilities	5,383	28,176	52,901	86,460
Payable to other funds	1,474	624	(20,115)	(18,017)
Deferred revenue	(2,099)	1,609	986	496
Total adjustments	255,064	282,443	257,587	795,094
Net cash (used) provided by operating activities	\$ (66,359)	\$ 69,103	\$ (272,022)	\$ (269,278)

Noncash investing and financing activities

During the 2012 fiscal year, the capital assets and loans payable balances were increased by \$49,032 on Babe Zaharias Golf Course, \$66,299 on Rocky Point Golf Course, and \$49,032 on Rodgers Park Golf Course to record an increased cost basis and loan value on previously acquired capital assets.



## COMPLIANCE REPORT

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

CITY OF TAMPA, FLORIDA - GOLF COURSE OPERATIONS

September 30, 2012 and 2011



**RIVERO, GORDIMER & COMPANY, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Member  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants  
Cesar J. Rivero Sam A. Lazzara  
Herman V. Lazzara Stephen G. Douglas  
Marc D. Sasser Michael E. Helton  
Richard B. Gordimer, of Counsel

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Directors  
Tampa Sports Authority

We have audited the financial statements, of the City of Tampa, Florida - Golf Course Operations (the "Golf Course Operations") as of and for the years ended September 30, 2012 and 2011, and have issued our report thereon, dated February 25, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

Management of the Golf Course Operations is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Golf Course Operations' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Golf Course Operations' internal control over financial reporting.

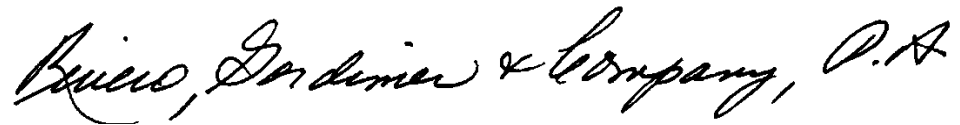
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Golf Course Operations' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors of the Tampa Sports Authority, and the City of Tampa, Florida as to Golf Course Operations, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Benicio, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida  
February 25, 2013