TAMPA SPORTS AUTHORITY

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
REGULATORY REPORTS

September 30, 2011

TAMPA SPORTS AUTHORITY

	2011 to 2012	2010 to 2011
EXECUTIVE COMMITTEE		
Chairman	Tony Muniz	Frank DeBose
Vice Chairman	Randy Larson	Tony Muniz
Secretary/Treasurer	Dana Ludwig	Randy Larson
EX-OFFICIO		
City Councilman	Hon. Frank Reddick	Hon. Thomas Scott
County Commissioner	Hon. Ken Hagan	Hon. Ken Hagen
MEMBERS		
	Kalyn Brandewie	Mary Alvarez
	Frank DeBose	Kalyn Brandewie
	Don Defosset	Don Defosset
	Vincent Marchetti	Dana Ludwig
	Andrew Scaglione	Vincent Marchetti
	Rev. Thomas Scott	Andrew Scaglione

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

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Florida Institute of Certified Public Accountants

Cesar J. Rivero | Sam A. Lazzara
Richard Gordimer | Stephen G. Douglas
Herman V. Lazzara | Michael E. Helton
Marc D. Sasser

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Tampa Sports Authority

We have audited the accompanying financial statements of the business-type activities of the Tampa Sports Authority (the "Sports Authority"), as of and for the year ended September 30, 2011, which collectively comprise the Sports Authority's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the 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. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Tampa Sports Authority, as of September 30, 2011, and the respective changes in financial position, and cash flows for the year 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 27, 2012 on our consideration of the Sports Authority'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.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sports Authority's financial statements as a whole. The accompanying Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by Chapter 10.550, *Rules of the Auditor General* of the State of Florida, and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bruno, Gordimer & Company, P.A.

Tampa, Florida
February 27, 2012

MANAGEMENT’S DISCUSSION AND ANALYSIS

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the financial performance and activity of the Tampa Sports Authority (the "Sports Authority") is to provide an introduction and understanding of the financial statements of the Sports Authority for the year ended September 30, 2011, with selected comparisons to the prior year ended September 30, 2010. The information presented should be read in conjunction with the financial statements, notes and supplemental schedules found in this report.

Introduction

The Tampa Sports Authority is an independent special district that was created by Chapter 65-2307, as superseded by Chapter 96-520, *Laws of Florida*, for the purpose of constructing and managing sports and recreational facilities in Hillsborough County. The Sports Authority's vision is to provide economic development and enhance the quality of life through sports and recreation. The Sports Authority has no taxing powers, but rather acts as an enterprise fund utilizing user-fees to subsidize its operating costs. As a result, all of its major capital construction projects, from the original Tampa Stadium, Golf Courses, the Ice Palace, Legends Field, and Raymond James Stadium (the "Stadium") have been accomplished by working closely with the approval and financial support of Hillsborough County ("County") and the City of Tampa ("City").

During its first 25 years (1965-89), the funding needs of the Sports Authority from the City and County were minimal, and the Sports Authority operated in conjunction with local government units.

Over the next eight years (1990-98), the Sports Authority became a player in several highly publicized contract negotiations with the Tampa Bay Arena, LTD (formerly known as the Tampa Bay Arena, LP) (formerly "Ice Palace" or St. Pete Times Forum, renamed "Tampa Bay Times Forum"), the New York Yankees (formerly Legends Field, renamed George M. Steinbrenner Field), and the Tampa Bay Buccaneers (Raymond James Stadium). In addition, the Sports Authority took a lead role in the design, development, and construction of George M. Steinbrenner Field and Raymond James Stadium.

In 1995, there were two referendums that did not pass. One was a three-year, half-cent local option sales tax to build new schools. These referendums, which did not include the new Stadium, were both voted down by the public (60% against and 40% in favor). In September 1996, the Hillsborough County Community Investment Tax ("CIT") referendum, which included the new Stadium, passed by a margin of 53% to 47%.

The CIT is a half-cent local option sales tax that is projected to generate over $4.7 billion over the next 30 years from its inception. The first 25% of the total projected CIT collections goes to build new schools, the next amount goes to pay the debt service on the Stadium bonds (projected to be 6%), and the remaining 69% is divided between the County and the three cities within Hillsborough County for roads, sidewalks, buildings, and public safety needs (see Attachment I).

Raymond James Stadium Project

In 1965, the City of Tampa donated 132 acres to the Sports Authority and backed the bonds issued to construct the original Tampa Stadium. In 1976, after the NFL awarded a franchise to Tampa, the City and County partnered to issue bonds to improve Tampa Stadium so that it was suitable to be operated as the home stadium for the Tampa Bay Buccaneers. At this time, through interlocal agreements, the City agreed to pay 1/3 and the County agreed to pay 2/3 of any debt or operating shortfall experienced by the Sports Authority.

In 1995, the Sports Authority and local City and County officials jointly determined that the cost to bring the old Tampa Stadium up to 1995 NFL standards would have exceeded the cost of constructing a new stadium. The Sports Authority offered expertise and industry experience in the business of building and managing the new stadium.

The City and the County took a lead role in negotiating the major financial terms of the Stadium Agreement with the Buccaneers. Moreover, County and City staff and their attorneys actively participated in all negotiations with the Buccaneers, which resulted in the Stadium Agreement. The City and County also agreed to continue their 1/3 - 2/3 financial support.

The CIT funded the initial construction cost for the Stadium. Approximately, 6% of the total projected collections from the CIT was used to finance the Stadium (see Attachment I). The remainder (94%) is being used for construction of new schools, public safety, and other infrastructure needs; this tax is still perceived to be the Stadium Tax, in spite of the relatively small percentage (6%) used to pay for the Stadium. A substantial amount of future operating and capital repair costs are comprised of obligations that are currently unfunded (see Attachment II). This was recognized during the Stadium financing negotiations and is not unusual for government practices, particularly when the governmental unit is the beneficiary of future economic impact. That is, the future increased taxes generated by a project would offset the future costs.

As a result of a Circuit Court ruling on July 18, 2001, which was later appealed and supported by the Florida Supreme Court, the Sports Authority was faced with paying ad-valorem taxes on the Stadium. These taxes were not anticipated at the time the Stadium was constructed. As a result, the Sports Authority had to deplete its reserves in excess of $5,000,000 to pay the ad-valorem taxes. Additional funding was necessary and was received from the City and County in accordance with the 1/3 - 2/3 interlocal agreements. To reduce the Sports Authority's exposure to ad-valorem taxes in the future, the Stadium assets were allocated into two separate units. Unit 1 contained approximately 97% of the Stadium tangible assets as well as 100% of the Stadium's real property. Unit 2 contained approximately 3% of the Stadium's tangible assets representing the Sports Authority's administrative offices, maintenance facilities and other general facilities. Ownership of Unit 1 was transferred to the County and ownership of Unit 2 remained with the Sports Authority. As a result, the only taxable property left at Raymond James Stadium consisted of areas set aside for the Tampa Bay Buccaneers in new suites, office space and a warehouse area. Other areas subject to tax are the South Property used for parking and the Yankees minor league complex. The Buccaneers and Yankees pay their share of these taxes.

Unless the Sports Authority receives additional funding from the CIT, or other sources, the Sports Authority will continue to rely on the County and City to pay shortfalls for future operating and capital improvement costs. In FY 2010-2011, the Sports Authority experienced an operating shortfall of approximately $1,800,000. While the funding agreement with the Buccaneers does not cover all costs for the Sports Authority, it is recognized within the Tampa Bay Community that the presence of the Buccaneers and the premier stadium facilities offered by Raymond James Stadium brings direct and indirect revenues to Tampa in the form of employment, sales tax revenue, and tourist dollars. These revenues more than offset annual shortfall amounts contributed by the County and the City.

In accordance with the terms of the 1996 Stadium Agreement between the Sports Authority and the Tampa Bay Buccaneers, the Buccaneers pay an annual rent of $3,500,000 plus a $2.50 surcharge on each admission ticket, with a maximum amount of $1,930,000 for a combined total of $5,430,000 annually.

The Sports Authority is anticipating an operating shortfall of approximately $1,450,000 in FY 2011-2012. This anticipated operating shortfall when combined with approximately $850,000 in funds contributed from the Sports Authority's operating reserves, means the County will pay approximately $400,000 of this shortfall, and the City of Tampa will pay the remaining balance of approximately $200,000. Additionally, during each contract year beginning February 1, the Sports Authority collects and pays to the Buccaneers (a) the first $2,000,000 of revenues (net of sales tax, surcharges and direct event costs) received from rents, concessions and parking for all Stadium events other than Buccaneers games, and (b) fifty percent (50%) of all such revenues in excess of $2,000,000. This is referred to as Buccaneer split. Fiscal year 2006-2007 marked the first year since its inception that related revenues exceeded the $2,000,000 threshold. During fiscal year 2006-2007 the Sports Authority recognized $16,000 of revenue from the Buccaneer split. During fiscal year 2007-2008 the Buccaneer split threshold was not met. The Buccaneer split was met during fiscal year 2008-2009 resulting in the Sports Authority recognizing $135,000 in revenue. During fiscal year 2009-2010 the Sports Authority recognized $482,000 in revenue from the Buccaneer split. The Buccaneer split threshold was met during fiscal year 2010-2011 and the Sports Authority recognized $127,418 in revenue from the Buccaneer split.

The Sports Authority used the following revenue assumptions in arriving at a budgeted number for FY 2010-2011. These assumptions were based on historical data. Also, shown below are the actual numbers.

Operating Revenue Assumptions and the Actual for FY 2010-2011:

	Assumptions	Actual
Professional football	$ 4,957,688	$ 5,186,998
College football	3,562,129	3,539,167
Concerts and motorsports	4,461,353	5,779,842
Other events	851,299	1,485,162
Less Buccaneer split	(3,090,501)	(3,997,364)
Totals	$10,741,968	$11,993,805

Actual results exceeded assumptions by $1,251,837 in fiscal year 2010-2011. This was due to increased revenue generated from concerts held at the Stadium.

Attendance at all events for FY 2010-2011:	951,413

Golf Course Operations

The City of Tampa entered into a management agreement with the Sports Authority in 1974 to operate the City-owned Babe Zaharias Golf Course. The City again entered into agreements with the Sports Authority in 1976 and in 1978 to manage Rogers Park and Rocky Point Golf Courses, respectively. The City provides capital support for selective improvements at the three City Golf Courses on an on-going basis.

In FY 2000-2001, approximately $4,000,000 in course improvements were made to Rogers Park, which included a new clubhouse and new maintenance facility. A $1,900,000 renovation of Babe Zaharias Golf Course was completed in FY 2004-2005. These improvements have been and are being financed by the City, and managed by the Sports Authority.

In fiscal year 2004-2005 a total of 120,511 paid rounds were played on the three golf courses, fiscal year 2005-2006 experienced a 6% increase in paid rounds for a total of 128,511 rounds played. Paid rounds trended down through fiscal year 2009-2010. This trend was reversed in fiscal year 2010-2011 with a 6% increase in paid rounds over the previous fiscal year to a total of 103,002 paid rounds played.

Tampa Sports Authority Community Value

The Sports Authority's vision is to provide economic development and enhance the quality of life in Hillsborough County through sports and recreation. The Sports Authority can be distinguished from a Parks and Recreation Department, in that it provides services to the public that are paid for by user fees.

The Sports Authority continually explores, expands and responds to sports and recreational needs of the community while continuing to provide current management services at Raymond James Stadium and the three City of Tampa owned golf courses.

Financial Position Summary

The Statement of Net Assets presents the financial position of the Sports Authority at the end of the fiscal year. The statements include all assets, liabilities, and net assets of the Sports Authority. A summarized comparison of the Sports Authority's assets, liabilities, and net assets at September 30, 2011 and 2010 is as follows:

STATEMENTS OF NET ASSETS

	FY 2011	FY 2010
ASSETS		
Current assets	$38,569,000	$40,504,000
Noncurrent assets		
Capital related, net	177,176,000	187,630,000
Noncapital	6,118,000	6,771,000
Total assets	221,863,000	234,905,000
LIABILITIES		
Current liabilities	11,435,000	11,847,000
Noncurrent liabilities	145,322,000	151,992,000
Total liabilities	156,757,000	163,839,000
NET ASSETS		
Invested in capital assets, net of related debt	25,183,000	29,273,000
Restricted net assets	31,515,000	33,391,000
Unrestricted net assets	8,408,000	8,402,000
	$65,106,000	$71,066,000

The Sports Authority's assets exceeded liabilities by $65 million at September 30, 2011 a $6 million decrease from September 30, 2010. The largest portion of the Sports Authority's net assets for the fiscal year ended September 30, 2011 relate to the restricted net assets invested in capital assets, Raymond James Stadium and the St. Pete Times Forum, net of the related outstanding debt. The second largest portion relates to funds restricted by bond agreements for debt service.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets is an indicator of whether the overall fiscal condition of the Sports Authority has improved over the prior year. Following is a summarized comparison of the Statements of Revenues, Expenses, and Changes in Fund Net Assets for the years ended September 30, 2011 and 2010:

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

	FY 2011	FY 2010
Operating revenues	$11,994,000	$ 8,630,000
Operating expenses	25,702,000	22,057,000
Total operating loss	(13,708,000)	(13,427,000)
Net non-operating revenues	8,507,000	8,433,000
Change in net assets	(5,201,000)	(4,994,000)
Net assets at beginning of year	71,066,000	76,060,000
Reclassifications	(759,000)	-
Net assets at end of year	$65,106,000	$71,066,000

Additional Information

The Sports Authority's public 2005 issue bond debt contained Debt Service Reserve Fund Forward Purchase Agreements (Forward Purchase Agreements) between the Sports Authority as Bond Issuer, U.S. Bank as Bond Trustee, and Lehman Brothers Special Financing, Inc. (LBSF) for guaranteed fixed rate of return of 5.162% on the reserve fund for the Local Option Sales Tax Refunding Revenue Bonds (2005 LOST), Series 2005 issue and 5.112% on the reserve fund for the Florida Sales Tax Refunding Revenue Bonds (2005 FST), Series 2005 issue. The Debt Service Reserve Fund Forward Purchase Agreements provide for LBSF to act in a brokerage capacity, presenting specified investment instruments to the bond trustee who would then purchase the un-matured investment instruments and record ownership via book entry through the Depository Trust Corporation (DTC). In accordance with this agreement, the purchased investment instruments were scheduled to mature every six months on January 1st and July 1st of each year. Matured Investment Instruments were received without incident on July 1, 2008 and on January 2, 2009. On September 15, 2008 it was announced that Lehman Brothers, including LBSF, would seek relief under Chapter 11 bankruptcy. As a result of the bankruptcy filing, LBSF failed to deliver new investment instruments in January 2010 and no further funds were invested through LBSF. Debt Service Reserve Funds for both 2005 bond issues are currently invested in allowable U.S. Treasury backed investment instruments.

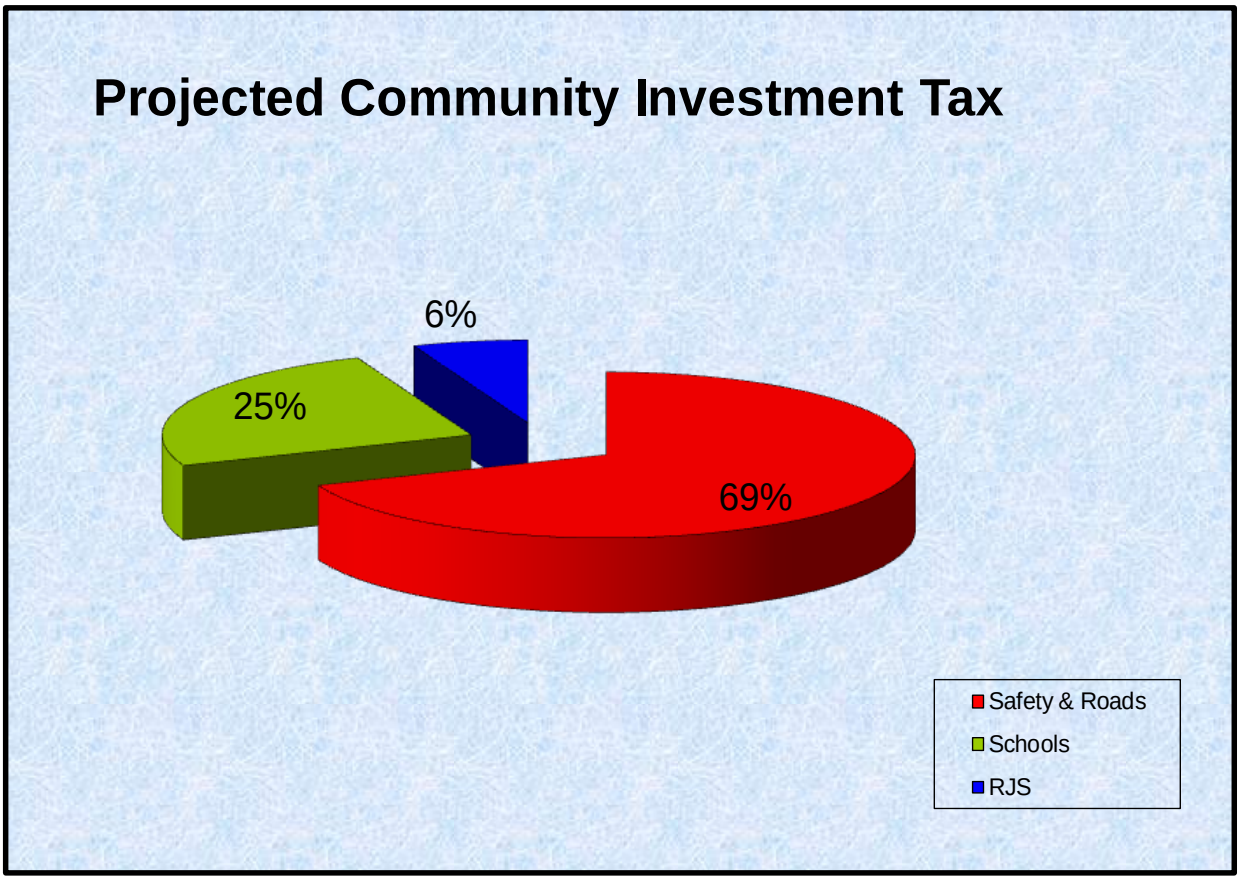
During the fourth fiscal quarter of 2009, the Tampa Sports Authority filed *Proof of Claim* forms, in the New Jersey Federal Bankruptcy Court, against LBSF's parent company, Lehman Brothers Holdings, Inc., for the loss of future guaranteed earnings under the Forward Purchase Agreements in the amount of $921,000 for the 2005 LOST bonds and $97,000 for the 2005 FST bonds. At the time of filing, the recovery estimate for the lost earnings ranged from 2% to 5% of the total claim amount submitted. In the 2011 fiscal year, the recovery estimate was increased to 40% to 60% of the total claim. It is not known as to an exact amount or percentage that may be recovered, however it is possible that some percentage of funds will be recovered in the future.

ATTACHMENT I

HILLSBOROUGH COUNTY COMMUNITY
INVESTMENT TAX

Hillsborough County Community Investment Tax
30 Year Local Option - Sales Tax
(Amount in millions)

Public safety, roads			
Infrastructure needs			
Hillsborough County	$ 2,288		
City of Tampa	813		
Plant City	76		
Temple Terrace	56		
		3,233	69%
Hillsborough County Schools		1,175	25%
Raymond James Stadium		292	6%
Total projected collections from CIT		$ 4,700	100%



ATTACHMENT II

PROJECTED CAPITAL COSTS

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

PROJECTED CAPITAL COSTS – RAYMOND JAMES STADIUM

	YEAR 2011 to 2015	YEAR 2016 to 2020	YEAR 2021 to 2025	YEAR 2026 to 2028	TOTAL
Projected Capital Costs *	$ 23,623,909	$ 27,476,000	$ 7,680,000	$ 3,087,000	$ 61,866,909
Funds Pledged From CIT	(3,750,000)	(3,750,000)	(2,000,000)	-	(9,500,000)
Restricted Revenue - Interest and Earnings on Bond Funds	(1,850,000)	(2,500,000)	(3,000,000)	(1,200,000)	(8,550,000)
Funds Carried Forward	(1,353,786)	16,670,123	37,896,123	40,576,123	(1,353,786)
Unfunded Future Capital Costs	$ 16,670,123	$ 37,896,123	$ 40,576,123	$ 42,463,123	$ 42,463,123

* Balances are summarized from pages 15 through 18 where a 2.75% annual inflation factor has been considered for years 2011 through 2028

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

PROJECTED CAPITAL COSTS - RAYMOND JAMES STADIUM

SYSTEM / ITEM	YEAR 2011 to 2015	YEAR 2016 to 2020	YEAR 2021 to 2025	YEAR 2026 to 2028	TOTAL
CAPITAL PROJECTS					
Acoustical Ceilings	$ -	$ 426,000	$ -	$ -	$ 426,000
Architectural Precast Caulking	320,160	-	-	-	320,160
Building Expansion Joints	-	1,936,000	-	-	1,936,000
Carpet - Club, Lower Galleries	497,500	764,000	87,000	-	1,348,500
Carpet - Locker Rooms	59,000	68,000	80,000	-	207,000
Carpet - Press Box	89,000	-	123,000	-	212,000
Carpet - Suites & Suite Hallways	603,685	-	-	-	603,685
Club Furnishings	699,000	-	-	-	699,000
Computers	134,156	153,000	175,000	99,000	561,156
Concourse Coating	99,000	114,000	130,000	-	343,000
Concourse Furnishings	90,000	-	-	-	90,000
Concrete	89,000	62,000	109,000	-	260,000
EIFS/Stucco	128,000	-	-	-	128,000
Elevators	93,000	-	-	-	93,000
Escalators	-	696,000	-	-	696,000
Field Wall Pads	17,870	22,000	25,000	-	64,870
Graphics and Signage	67,000	-	296,000	-	363,000
Light Tower Painting	-	581,000	-	-	581,000
Main Stadium Playing Field Replacement	-	504,000	-	-	504,000
Maintenance Equipment	180,594	140,000	160,000	107,000	587,594
Masonry	30,000	-	37,000	-	67,000
Overhead Coiling Doors	56,578	65,000	75,000	50,000	246,578
Retractable Seats	42,000	13,000	30,000	-	85,000
Roofing at General Locations (Including Clubs)	20,540	1,920,000	-	-	1,940,540
Scoreboards	-	375,000	-	-	375,000
Sound Reinforcement System	1,057,000	-	-	-	1,057,000

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

PROJECTED CAPITAL COSTS - RAYMOND JAMES STADIUM

SYSTEM / ITEM	YEAR 2011 to 2015	YEAR 2016 to 2020	YEAR 2021 to 2025	YEAR 2026 to 2028	TOTAL
CAPITAL PROJECTS - Continued					
Stadium Rails	40,000	849,000	277,000	-	1,166,000
Stadium Seating	1,700,675	5,458,000	180,000	120,000	7,458,675
Structural Precast	33,000	-	38,000	-	71,000
Suite Furnishings	2,206,000	-	-	-	2,206,000
Suite Ice Makers	225,940	268,000	-	-	493,940
Suite Refrigerators	225,940	228,000	-	-	453,940
Telephones	40,000	156,000	106,000	-	302,000
Videoboards	7,400,756	165,000	240,000	-	7,805,756
Wall Coverings	844,800	-	-	-	844,800
Water Repellent	-	261,000	331,000	-	592,000
Yankee Pedestrian Bridge	91,000	180,000	-	127,000	398,000
Subtotal	17,181,194	15,404,000	2,499,000	503,000	35,587,194
ELECTRICAL EQUIPMENT					
Access Control	-	237,000	-	-	237,000
Building Wire Above/Below Grade	19,000	22,000	25,000	-	66,000
CCTV System	-	163,000	186,000	212,000	561,000
Fire Alarm System	204,000	-	-	-	204,000
Interior Lighting Fixtures	-	-	171,000	-	171,000
Lighting Occupancy Sensors	-	-	504,000	-	504,000
Lightning Protection System	-	64,000	-	-	64,000
Sports Lighting Fixtures	-	375,000	-	-	375,000
Television Distribution	-	127,000	-	-	127,000
Televisions/Sets	-	4,100,000	-	-	4,100,000
Subtotal	223,000	5,088,000	886,000	212,000	6,409,000

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

PROJECTED CAPITAL COSTS - RAYMOND JAMES STADIUM

SYSTEM / ITEM	YEAR 2011 to 2015	YEAR 2016 to 2020	YEAR 2021 to 2025	YEAR 2026 to 2028	TOTAL
HVAC					
Air Compressors	-	11,000	-	-	11,000
Central Station Air Handlers	-	2,046,000	-	-	2,046,000
Centrifugal Chillers (2500 Tons)	-	1,876,000	-	-	1,876,000
Computer Room A/C (Telephone, Sound, etc.)	184,000	-	-	-	184,000
Cooling Towers	907,067	-	-	-	907,067
Cooling Towers Piping System	26,324	16,000	17,000	19,000	78,324
Fan Coil Units	172,000	513,000	586,000	208,000	1,479,000
Inlet Vains	142,000	-	-	-	142,000
Insulation	66,324	66,000	75,000	50,000	257,324
Scoreboard A/C Unit	179,000	-	-	-	179,000
Test & Balance	30,000	60,000	69,000	79,000	238,000
Subtotal	1,706,715	4,588,000	747,000	356,000	7,397,715
PLUMBING EQUIPMENT					
Domestic Hot Water	83,000	-	168,000	87,000	338,000
Pumps (Booster)	32,000	-	-	-	32,000
Main HW Boiler	225,000	-	309,000	-	534,000
Subtotal	340,000	-	477,000	87,000	904,000

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

PROJECTED CAPITAL COSTS - RAYMOND JAMES STADIUM

SYSTEM / ITEM	YEAR 2011 to 2015	YEAR 2016 to 2020	YEAR 2021 to 2025	YEAR 2026 to 2028	TOTAL
SITE					
Landscaping/Irrigation	17,000	-	-	-	17,000
Paving (Asphalt Parking at Stadium)	45,000	-	506,000	-	551,000
Paving (North Parking Drive Lanes)	-	166,000	-	-	166,000
Paving (South Parking Drive Lanes)	-	223,000	-	-	223,000
Paving Field Sidelines	20,000	92,000	-	-	112,000
Tree Replacement	61,000	-	-	-	61,000
Under Drains/Pump Stations (2)	25,000	-	-	-	25,000
Water Distribution	50,000	-	-	-	50,000
Gas Tank Remediation (Wetland Monitoring)	5,000	-	-	-	5,000
Subtotal	223,000	481,000	506,000	-	1,210,000
CONTINGENCY PROJECTS	3,950,000	1,915,000	2,565,000	1,929,000	10,359,000
TOTAL	$ 23,623,909	$ 27,476,000	$ 7,680,000	$ 3,087,000	$ 61,866,909

TAMPA SPORTS AUTHORITY

BASIC FINANCIAL STATEMENTS

September 30, 2011

Tampa Sports Authority

STATEMENT OF NET ASSETS

September 30, 2011
(With comparative total for 2010)

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (note C)	$ 33,992,307	$ 36,173,059
Accounts receivable	4,174,500	3,918,867
Prepaid expenses and deposits	401,872	412,276
Total current assets	38,568,679	40,504,202
NON-CURRENT ASSETS		
Investments (note C)	483,671	759,020
Capital assets, net of depreciation (note D)	5,767,344	5,806,385
Unamortized leasehold interest (note E)	171,408,289	181,823,614
Unamortized portion of bond issuance costs	1,451,330	1,555,205
Deferred costs of advance refunding (note P)	4,183,660	4,456,508
Total non-current assets	183,294,294	194,400,732
TOTAL ASSETS	221,862,973	234,904,934
LIABILITIES		
CURRENT LIABILITIES		
Long-term debt due within one year (note F)	6,669,920	6,364,920
Accounts payable and accrued liabilities	1,913,645	3,020,845
Accrued interest payable	2,323,430	2,416,246
Deferred revenue	527,988	44,507
Total current liabilities	11,434,983	11,846,518
NON-CURRENT LIABILITIES		
Bonds and loans payable, net (note F)	145,322,338	151,992,257
TOTAL LIABILITIES	156,757,321	163,838,775
NET ASSETS		
Invested in capital assets and unamortized leasehold interest, net of related debt	25,183,375	29,272,822
Restricted for capital projects (note C)	12,919,866	13,317,560
Restricted for debt service (note C)	18,113,257	19,317,830
Restricted for excess surcharge fund (note L)	480,914	755,637
Unrestricted	8,408,240	8,402,310
TOTAL NET ASSETS	$ 65,105,652	$ 71,066,159

The accompanying notes are an integral part of this statement.

Tampa Sports Authority

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the year ended September 30, 2011
(With comparative total for 2010)

	2011	2010
Operating revenues		
Charges for services	$ 11,993,805	$ 8,629,649
Total operating revenues	11,993,805	8,629,649
Operating expenses		
Facility operations	10,804,603	7,343,422
Other operations	24,074	33,851
General and administrative	2,417,636	2,414,416
Real estate taxes	567,805	443,481
Depreciation and amortization	250,333	251,658
Amortization of leasehold interest	11,533,746	11,466,398
Amortization of bond issue costs	103,875	103,875
Total operating expenses	25,702,072	22,057,101
Total operating loss	(13,708,267)	(13,427,452)
Non-operating revenues (expenses)		
Investment income	79,389	510,158
Grants and contributions	13,754,267	13,682,436
Interest expense and amortization of bond premiums, discounts and deferred costs	(7,640,089)	(7,935,984)
Loss on disposal of assets	(1,229)	(193)
Total non-operating revenues	6,192,338	6,256,417
Change in net assets before capital grants and other contributions	(7,515,929)	(7,171,035)
Capital grants and other contributions	2,314,999	2,177,206
Change in net assets	(5,200,930)	(4,993,829)
Net assets at beginning of year	71,066,159	76,059,988
Reclassifications (note B16)	(759,577)	-
Net assets at end of year	$ 65,105,652	$ 71,066,159

The accompanying notes are an integral part of this statement.

Tampa Sports Authority

STATEMENT OF CASH FLOWS

For the year ended September 30, 2011
(With comparative total for 2010)

	2011	2010
Cash flows from operating activities		
Cash received from customers	$ 11,462,076	$ 8,631,944
Cash payments to vendors for goods and services	(11,681,219)	(5,501,038)
Cash payments to employees for services	(3,229,695)	(3,481,401)
Net cash used by operating activities	(3,448,838)	(350,495)
Cash flows from non-capital financing activities		
Operating grants received	13,754,267	13,682,436
Net cash provided by non-capital financing activities	13,754,267	13,682,436
Cash flows from capital and related financing activities		
Acquisition of capital assets	(212,521)	(80,581)
Additions to leasehold interest	(1,118,421)	(643,951)
Receivable from Golf Course Operations - operating advances	-	1,708,306
Principal payments on debt	(6,095,000)	(5,805,000)
Interest payments on debt	(8,002,824)	(8,292,442)
Costs of bond refunding	272,848	272,847
Capital grants and contributions received	2,314,999	2,177,206
Net cash used by capital and related financing activities	(12,840,919)	(10,663,615)
Cash flows from investing activities		
Investment income	79,389	510,158
Net proceeds from sales of investments	275,349	2,750
Net cash provided by investing activities	354,738	512,908
Net (decrease) increase in cash and cash equivalents	(2,180,752)	3,181,234
Cash and cash equivalents at beginning of year	36,173,059	32,991,825
Cash and cash equivalents at end of year	$ 33,992,307	$ 36,173,059

Tampa Sports Authority

STATEMENT OF CASH FLOWS - CONTINUED

For the year ended September 30, 2011
(With comparative total for 2010)

	2011	2010
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	$ (13,708,267)	$ (13,427,452)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	250,333	251,658
Amortization of related bond costs	103,875	103,875
Amortization of leasehold interest	11,533,746	11,466,398
Changes in assets and liabilities		
(Increase) decrease in		
Accounts receivable	(255,633)	54,211
Prepaid expenses and deposits	10,404	(66,921)
Increase (decrease) in		
Accounts payable and accrued liabilities	(1,107,200)	1,319,652
Deferred revenue	(276,096)	(51,916)
Total adjustments	10,259,429	13,076,957
Net cash used by operating activities	$ (3,448,838)	$ (350,495)

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND REPORTING ENTITY

1. Reporting Entity

The Tampa Sports Authority (the "Sports Authority") was created by Chapter 65-2307, as superseded by Chapter 96-520, *Laws of Florida*, for the purpose of planning, developing, promoting, and maintaining a comprehensive complex of sports and recreation facilities for the use and enjoyment of the citizens of Tampa and Hillsborough County, Florida. The Sports Authority has been determined to be an Independent Special District as described in Section 189.403, *Florida Statutes*.

The Sports Authority has operated Raymond James Stadium since 1998, along with the adjacent properties located on a 134-acre site, approximately 3.5 miles northwest of Tampa's downtown business district. Raymond James Stadium is a multi-purpose facility designed primarily for football. The Stadium has a 66,071 spectator seating capacity expandable to 75,000 for special events. A National Football League team, the Tampa Bay Buccaneers, and the University of South Florida's football team, the South Florida Bulls, use Raymond James Stadium as their home field (see note E).

During October 1996, the Sports Authority completed the building of an arena facility ("Arena project") currently known as the Tampa Bay Times Forum and formerly known as the St. Pete Times Forum or the Ice Palace, in the downtown channel district of Tampa. The Tampa Bay Times Forum, a multi-purpose arena with seating capacity of approximately 20,000, was developed and operated by Tampa Bay Arena, L.P. The Tampa Bay Times Forum is principally used as a venue for home games of the Tampa Bay Lightning, a franchisee of the National Hockey League, and of the Tampa Bay Storm, a franchisee of the Arena Football League (see note E).

The Sports Authority is an "Other Stand-Alone Government" as defined by Statement No. 14, *The Financial Reporting Entity*, of the Governmental Accounting Standards Board (GASB) of the Financial Accounting Foundation. An "Other Stand-Alone Government" does not have a separately elected governing body and does not meet the definition of a component unit of a primary government, as defined. The Sports Authority is the "Primary Government" when this term is utilized in these financial statements.

2. Raymond James Stadium Ownership

In order to avoid the inclusion of Raymond James Stadium (the "Stadium Property") and most of the tangible personal property assets contained within it in the *ad valorem* tax rolls of Hillsborough County (the "County") as prepared by the Property Appraiser, and to satisfy the proviso that a county owned facility is not subject to such taxation, on December 22, 2003, the Hillsborough County Board of County Commissioners and the Sports Authority further amended an interlocal agreement dated June 1, 1997, previously amended on August 1, 2001, to, in effect, allow the County ownership rights of the Stadium Property.

NOTE A - ORGANIZATION AND REPORTING ENTITY - Continued

In essence, approximately 98% of the total square footage of the Stadium Property, together with the parking lots located on the east, west and north sides of the said property, and tangible personal property including: concession equipment; club suites, club and press box furnishings; cabinets-concierge; concession freezers; field wall pads; scoreboards and scoreboard additions; sound systems, communication systems, video boards and related computer software and hardware; but excluding all furniture, fixtures and equipment located in the Sports Authority's executive offices at the Stadium Property; all maintenance equipment located in the maintenance facility at the Stadium Property; and all motor vehicles assigned to the Sports Authority's personnel, have been transferred to the County.

The parties signed a Bill of Sale dated December 22, 2003 and a Quit Claim Deed recorded on December 30, 2003. The transfer of approximately 98% of the real property took effect through a Declaration of Condominium and the formation of RJS Condominium Association, Inc. The commercial condominium is known as RJS Stadium, a Commercial Condominium (herein referred to as RJS Stadium Condominium), consists of seven units.

The County received its ownership by acquiring Unit 1, which contains approximately 98% of the total square footage of the Stadium Property, and the parking lots located to its east, west and north. The ownership of tangible personal property assets described in the previous paragraph took place through the Bill of Sale. The Quit Claim Deed contains recitals of certain lease agreements and other matters related to transfer of assets and the operation of the Stadium Property.

Pursuant to the related lease agreement, the County leases the Stadium Property to the Sports Authority for a term ending on January 31, 2028. The Sports Authority retains ownership of Units 2 through 7 of RJS Stadium Condominium. The conveyance of the Stadium Property to the County and lease-back to the Sports Authority will not have a material effect on the Sports Authority's operation of Raymond James Stadium, the Sports Authority's internal operations, or the rights and obligations of either the Sports Authority or the Buccaneers Stadium Limited Partnership under their respective agreements, nor would it alter in any way the Sports Authority's receipt of the pledged revenues, as defined, as to each series of related outstanding bonds, its receipt of other revenues to be used to pay costs of operating the Stadium Property or for other purposes apart from the payment of debt service on the bonds, or its application of those other revenues to the payment of costs of operating the Stadium Property.

In acquiring the Stadium Property, the County did not assume responsibility for any of the outstanding bond issues (note F), which remain an obligation of the Sports Authority, with all covenants remaining intact. However, Hillsborough County issued two advanced refunding bonds in November 2006, whereby the County assumes the obligation for these bond issuances.

NOTE A - ORGANIZATION AND REPORTING ENTITY - Continued

3. Tampa Bay Times Forum Ownership

In order to avoid the inclusion of the Tampa Bay Times Forum (the "Forum") in the *ad-valorem* tax rolls of the County, as prepared by the Property Appraiser, and to satisfy the provision that a County owned facility is not subject to such taxation, the Hillsborough Board of County Commissioners and the Sports Authority entered into an interlocal agreement dated December 30, 2004 to, in effect, allow the County ownership rights of the Forum, until then owned by the Sports Authority. In essence, 100% of the total square footage of the Forum and the underlying land was transferred to the County.

The parties signed a Bill of Sale dated December 30, 2004 and a Quit Claim Deed recorded on December 30, 2004. The transfer of the Forum took effect through a Title Transfer Agreement dated December 31, 2004.

Pursuant to a lease agreement entered into on December 30, 2004, the County leases the Forum to the Sports Authority for a term ending on June 30, 2027. The Sports Authority subleased the Forum to the Tampa Bay Arena, LTD (formerly known as the Tampa Bay Arena, LLP) on December 30, 2004 for a term expiring on June 30, 2027. The conveyance of the Forum to the County and lease-back to the Sports Authority will not have a material effect on the Sports Authority's operations of the Forum, the Sports Authority's internal operations, or the rights and obligations of either the Sports Authority or the Tampa Bay Arena, LTD under their respective agreements, nor would it alter in any way the Sports Authority's receipt of pledged revenues, as defined, as to each series of related outstanding bonds, or its application of those revenues to the payment of debt service on the bonds.

In acquiring the Forum, the County did not assume responsibility for any of the outstanding bond issues (note F), which remain an obligation of the Sports Authority.

4. Management Activities

Under a Management Agreement with the City of Tampa (the "City"), the Sports Authority manages three golf courses owned by the City: Babe Zaharias Golf Course, Rocky Point Golf Course, and Rogers Park Golf Course (collectively called herein, "Golf Course Operations"). Prior to the 2010 fiscal year, the Golf Course operations were considered a Component Unit of the Sports Authority. In fiscal year 2010, the relationship between the Sports Authority and the City Golf Course Operations was reexamined by management within the requirements of GASB Statement No. 14*, the Financial Reporting Entity*. As a result of this examination, it was determined by management that as of October 1, 2010 the Golf Course Operations are not a component unit of the Sports Authority.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The Sports Authority 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. Basis of Accounting

The financial statements of the Sports Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles followed in the United States of America. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Sports Authority applies all applicable GASB pronouncements as well as the Financial Accounting Standards Board Financial Accounting Standards Codification ("FASB ASC").

3. Fund Accounting

The operations of the Sports Authority 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 Sports Authority financial transactions 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.

4. 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

5. Cash and Cash Equivalents

Cash consists of checking, money market, and savings accounts, collectively designated as demand deposits. Cash deposits are carried at cost. The Sports Authority 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.

6. Accounts Receivable

The Sports Authority records accounts receivable at the estimated net realizable value. Accordingly, accounts receivable at September 30, 2011 are shown net of allowances for doubtful accounts. The Sports Authority has set their allowance for doubtful accounts at zero as of September 30, 2011.

7. Investments

The Sports Authority invests in a high quality bond fund and local government surplus trust funds. The Sports Authority follows the guidelines of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments that mature within one year of acquisition are stated at cost or amortized cost. Investments with the remaining maturity of more than one year at the time of the purchase are carried at fair value. The fair value of investments has been determined through the depositories' pricing service as established by general industry practices. Any realized gains and losses in fair value are reported in the operations of the current period.

8. Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation. Depreciation is provided over the estimated useful lives (20 to 40 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.

9. Amortization

Bond issue costs, bond premiums, bond discounts, and leasehold rights are generally being amortized on a straight-line basis over the term of the related debt or period of benefit in the case of leasehold rights.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

10. Pension Disclosure

The Sports Authority utilizes GASB Statement No.27, *Accounting for Pensions by State and Local Governmental Employers*, for the measurement, recognition and display of pension expense.

11. 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.

12. 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.

13. New Accounting Pronouncements

GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* was issued in February 2009, and is effective for the Sports Authority in fiscal year 2011. This Statement establishes clearer fund balance classifications that can be more consistently applied by clarifying the existing governmental fund type definitions. It is intended to improve financial reporting by providing fund balance categories and classifications that will be more easily understood. The adoption of this Statement does not apply to the Sports Authority and does not have an impact on its financial statements.

GASB Statement 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* was issued in March 2009, and is effective for the Sports Authority in fiscal year 2009. This Statement incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature. The requirements in the Statement will improve financial reporting by contributing to the GASB's effort to codify all

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

GAAP for state and local governments from a single source. The Sports Authority applies GAAP in its accounting practices, and therefore the adoption of this Statement did not have a significant impact on its financial statements.

GASB Statement 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards,* was issued in March 2009, and is effective for the Sports Authority in fiscal year 2009. This Statement incorporates certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards to the GASB standards. The adoption of this Statement did not have a significant impact on the Sports Authority's financial statements.

GASB Statement 57, *OPEB Measurements by Agent Employer and Agent Multiple-Employer Plans,* was issued on December 31, 2009, and is effective for the Sports Authority in fiscal year 2012. This Statement permits an agent employer that has an individual employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method. The Sports Authority does not expect the adoption of this statement to have an impact on its financial statements.

GASB Statement 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies,* was issued in December 31, 2009, and is effective for the Sports Authority in fiscal year 2010. The Statement provides guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the U.S. Bankruptcy Code. The adoption of this Statement does not apply to the Sports Authority and does not have an impact on its financial statements.

GASB Statement 59, *Financial Instruments Omnibus,* was issued in June 2010, and is effective for the Sports Authority in fiscal year 2011. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. The adoption of this Statement did not have a significant impact on the Sports Authority's financial statements.

GASB Statement 60, *Accounting and Financial Reporting for Service Concession Arrangement*, was issued in November 2010 and is effective for the Sports Authority in fiscal year 2013. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. A transferor reports the facility subject to an SCA as its capital asset, generally following existing measurement, recognition, and disclosure guidance for capital assets.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The requirements of GASB Statement 60 improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. It alleviates the confusion that arises when determining what guidance should be applied in complex circumstances that are not specifically addressed by existing standards. The requirements of this Statement could have an impact on the Sports Authority's financial statements in relation to the presentation of the Golf Course Operations.

GASB Statement 61, *The Financial Reporting Entity: Omnibus*—an amendment of GASB Statements No. 14 and No. 34, was issued in November 2010 and is effective for the Sports Authority in fiscal year 2013. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

The requirements of GASB Statement 61 result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The requirements of this Statement could have an impact on the Sports Authority's financial statements in relation to the presentation of the Golf Course Operations.

GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued in December 2010 and is effective for the Sports Authority in fiscal year 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements." This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for*

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

The requirements in GASB Statement 62 will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This effort brings the authoritative accounting and financial reporting literature together in one place, with that guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. It will eliminate the need for financial statement preparers and auditors to determine which FASB and AICPA pronouncement provisions apply to state and local governments, thereby resulting in a more consistent application of applicable guidance in financial statements of state and local governments. The Sports Authority does not expect the adoption of GASB Statement 62 to have a significant impact on its financial statements.

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, was issued in June 2011 and is effective for the Sports Authority in fiscal year 2013. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The Sports Authority does not expect the adoption of this Statement to have a significant impact on its financial statements.

GASB Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*—an amendment of GASB Statement No. 53, was issued in June 2011 and is effective for the Sports Authority in fiscal year 2013. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The Sports Authority does not expect the adoption of this Statement to have a significant impact on its financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

14. Tax-exempt Status

The Sports Authority is 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.

15. Comparative Data

Comparative total data for the prior year have been presented in the accompanying basic financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all notes to the financial statements because their inclusion would make certain notes unduly complex and difficult to understand. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

Accordingly, such information should be read in conjunction with the Sports Authority's financial statements for the year ended September 30, 2010 from which it was derived.

16. Reclassifications

Certain amounts previously reported in the financial statements for the prior year have been reclassified in order for them to be in conformity with the current year presentation.

Certain net assets totaling approximately $760,000 have been reclassified at October 1, 2010 to reflect the change of recognition of surcharge revenue as defined in the agreement between the Sports Authority and the Buccaneers Stadium Limited Partnership (See Note L – Revenue Sharing and Ticket Surcharge Revenue).

17. Restricted Funds

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed.

NOTE C - CASH AND INVESTMENTS

1. Deposits

The Sports Authority deposits 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.

NOTE C - CASH AND INVESTMENTS – Continued

The bank balances of the Sports Authority deposits were $35,091,043, and the total carrying amounts of its deposits (unrestricted and restricted) were $34,475,978 at September 30, 2011.

The difference between the Sports Authority's book amount and bank amount is due to outstanding checks and transfers, deposits in transit in its demand accounts, and adjustments to market value for funds maintained in the Florida State Board of Administration Local Government Surplus Trust Funds Investment Pool.

$275,676 of the September 30, 2011 Sports Authority's bank balance was collateralized by the State of Florida collateral pool, which is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if any of its member institutions fail. Required collateral is defined under Chapter 280 of the Florida Statutes, *Security for Public Deposits*.

Restricted cash and cash equivalents held by the Sports Authority totaled $31,514,037 and represent amounts that are restricted through debt covenants and agreements for the payment of $12,919,866 in capital project purchases, $18,113,257 for debt service payments and $480,914 for excess surcharge collections.

2. Cash on Hand

The Sports Authority had cash on hand in its petty cash funds totaling approximately $200 at September 30, 2011.

3. Investments

Florida Statute 218.415 and the Sports Authority's investment policy authorize the Sports Authority to invest surplus funds in the following:

a. The Local Government Surplus Funds Trust Fund, an investment pool, under the sponsorship of the Florida State Board of Administration.

b. Negotiable direct obligations of, or obligations where the principal and interest are unconditionally guaranteed by the United States Government.

c. Interest bearing time deposits or savings accounts in qualified public depositories, as defined in Florida Statute 280.02.

d. Obligations of the Federal Home Loan Mortgage Corporation.

e. Obligations of the Federal National Mortgage Association.

NOTE C - CASH AND INVESTMENTS – Continued

f. Securities of, or other interest in open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss.80a-1 et seq, as amended from time to time, provided the portfolio of such investment company or trust fund is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided such an entity takes delivery of such collateral, either directly or through an authorized custodian.

g. Prime commercial paper with the highest credit quality rating from a nationally recognized agency.

h. Tax exempt obligations rated “AA” or higher and issued by state and local governments.

There were no violations to this policy during the fiscal year ended September 30, 2011.

The Sports Authority’s investment activity during the year ended September 30, 2011 is summarized as follows:

The Sports Authority invests funds throughout the year with the Local Government Surplus Funds Trust Fund Investment Pool (the “LGIP”) and the Fund B Surplus Funds Trust Fund (the “Fund B”), which are investment pools administered by the Florida State Board of Administration (“FSBA”), under the regulatory oversight of the State of Florida. There is a risk of loss of value in the investments if there are changes in the underlying indexed base. The FSBA LGIP met the criteria to be a “2a-7Like” pool, as defined in GASB No. 31 at September 30, 2011. Therefore, the investment was valued at share value, which approximates fair value. The FSBA Fund B is accounted for using a fluctuating net asset value pool, therefore, the account value is adjusted by a fair value factor (.7568386 at September 30, 2011, as determined by FSBA) to determine the fair value of the investment at the reporting date. The total fair market value of investments held in the LPIG and Fund B at September 30, 2011, was $1 and $275,676, respectively, and is included in cash and cash equivalents and investments.

The LGIP is rated by Standard and Poors and the current rating is AAAm. Fund B is not rated by any nationally recognized statistical rating agency. The weighted day to maturity of the LGIP at September 30, 2011 was 38 days and the weighted average life of the Fund B at September 30, 2011 was 4.82 years. The financial statements for the LGIP and Fund B may be obtained from the FSBA website.

NOTE C - CASH AND INVESTMENTS – Continued

The fair market value of investments consisted of the following at September 30, 2011:

Cash	$	475,587
Florida Local Government Surplus Funds Trust Fund (managed by State Board of Administration)		8,084
	$	483,671

NOTE D - CAPITAL ASSETS

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

Primary Government Sports Authority	Balance September 30, 2010	Additions	Dispositions	Balance September 30, 2011
Capital assets not being depreciated				
Land	$ 20,000	$ -	$ -	$ 20,000
Construction in progress	336,585	-	-	336,585
Total capital assets not depreciated	356,585	-	-	356,585
Capital assets being depreciated				
Buildings and improvements	6,327,196	-	-	6,327,196
Furniture, fixtures and equipment	1,429,522	212,521	(57,050)	1,584,993
Total capital assets depreciated	7,756,718	212,521	(57,050)	7,912,189
Less accumulated depreciation				
Buildings and improvements	1,260,595	125,568	-	1,386,163
Furniture, fixtures and equipment	1,046,323	124,765	(55,821)	1,115,267
Total accumulated depreciation	2,306,918	250,333	(55,821)	2,501,430
Capital assets, net	$ 5,806,385	$ (37,812)	$ (1,229)	$ 5,767,344

Depreciation expense charged to the Sports Authority operations for capital assets of the primary government was $250,333 for the year ended September 30, 2011.

NOTE E - UNAMORTIZED LEASEHOLD INTEREST

As previously mentioned in note A, the ownership of Raymond James Stadium was transferred to Hillsborough County in December 2003 and then simultaneously leased back by the Sports Authority for a lease term expiring in January 2028. The costs of additions and improvements to the leasehold property are recorded at cost as increases in the value of the leasehold interest. This leasehold interest is being amortized using the straight-line method over the estimated useful life of 4 to 25 years for additions or the remaining lease term, whichever is shorter.

Also, as previously mentioned in note A, the ownership of the Tampa Bay Times Forum was transferred to Hillsborough County in December 2004 and simultaneously leased back by the Sports Authority for a lease term expiring in June 2027. The transferred cost for the land and building was $92,258,364 and a reduction of accumulated depreciation of $12,475,408 was applied, leaving a net book value to the leasehold interest of $79,782,956. Starting in January 2005, this leasehold interest is being amortized on a straight-line basis over the 22.5 year life of the lease.

Leasehold Interest

Sports Authority	Balance September 30, 2010	Additions	Dispositions	Balance September 30, 2011
Leasehold interest				
Raymond James Stadium	$ 171,012,842	$ 1,118,421	$ -	$ 172,131,263
Tampa Bay Times Forum	79,782,956	-	-	79,782,956
	250,795,798	1,118,421	-	251,914,219
Less accumulated depreciation				
Raymond James Stadium	48,583,207	7,987,837	-	56,571,044
Tampa Bay Times Forum	20,388,977	3,545,909	-	23,934,886
	68,972,184	11,533,746	-	80,505,930
Leasehold interest, net	$ 181,823,614	$ (10,415,325)	$ -	$ 171,408,289

Amortization expense for the year ended September 30, 2011 was $11,533,746.

NOTE F - LONG-TERM DEBT

The following is the long-term debt activity related to the bonds and loans payable for the year ended September 30, 2011:

	Balance at September 30, 2010	Additions	Deductions	Balance at September 30, 2011	Due within one year
Sports Authority	$ 158,357,177	$ -	$ 6,364,919	$ 151,992,258	$ 6,669,920

NOTE F - LONG-TERM DEBT – Continued

Bonds payable by the Sports Authority at September 30, 2011 consist of the following:

	Due within one year	Long-term	Total
$28,790,000, 1995 Special Purpose Bonds, State of Florida Sales Tax Payments Series, due in semi-annual installments through 2025; interest at 5.40% to 5.50% (Arena Project)	$ 890,000	$ 18,550,000	$ 19,440,000
$10,300,000, 1995 Special Purpose Bonds, City of Tampa, Florida, guaranteed Parking Revenue Series, due in semi-annual installments through 2026; interest at 6.00% to 6.10% (Arena Project)	300,000	7,100,000	7,400,000
$2,815,000, Taxable 1995 Special Purpose Bonds, City of Tampa, Florida, Surcharge Loan Revenue Series, due in semi-annual installments through 2026; interest at 7.67% to 8.02% (Arena Project)	75,000	2,120,000	2,195,000
$114,865,000, Local Option Sales Tax Refunding Revenue Bonds, Series 2005, due in semi-annual installments through 2027; interest at 3.25% to 5.00% (Stadium Project)	4,095,000	92,735,000	96,830,000
$27,015,000, Florida Sales Tax Payments Refunding Revenue Bonds, Series 2005, due in semi-annual installments through 2027; interest at 3.38% to 5.00% (Stadium Project)	1,040,000	21,285,000	22,325,000
Total principal	6,400,000	141,790,000	148,190,000
Less, unamortized bond discount	(14,403)	(187,557)	(201,960)
Plus, unamortized bond premium	284,323	3,719,895	4,004,218
TOTAL	$ 6,669,920	$ 145,322,338	$ 151,992,258

NOTE F - LONG-TERM DEBT – Continued

Debt maturities and related interest payments at September 30, 2011 for the Sports Authority consist of the following:

Year ending September 30,	Principal	Interest	Total
2012	$ 6,400,000	$ 7,420,956	$ 13,820,956
2013	6,715,000	7,091,187	13,806,187
2014	7,065,000	6,735,709	13,800,709
2015	7,430,000	6,364,293	13,794,293
2016	7,810,000	5,982,773	13,792,773
2017 - 2021	45,430,000	23,432,362	68,862,362
2022 - 2026	57,375,000	10,321,235	67,696,235
2027	9,965,000	250,556	10,215,556
Total	$ 148,190,000	$ 67,599,071	$ 215,789,071

NOTE G - DEFEASANCE OF DEBT

In previous years, the Sports Authority defeased certain bonds by placing a portion of the proceeds of new bonds in trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Sports Authority's financial statements.

The outstanding principal balances due on bond issues defeased as of September 30, 2011 are as follows:

$27,685,000 Interlocal Agreement Bonds of 1995	$ 19,805,000
$11,190,000 Tourist Development Tax, Series 1997B	7,955,000
$30,185,000 Special Purpose Hillsborough County Refunding Bonds Series 1998	23,030,000
	$ 50,790,000

NOTE H - OPERATING LEASES

In the normal course of business, the Sports Authority acting as a management agent, enters into lease agreements on behalf of the Golf Course Operations for equipment. These lease agreements are the responsibility of the Golf Course Operations, and no liability, or assets are recorded on the books of the Sports Authority for such leases.

The Sports Authority subleases the Tampa Bay Times Forum to the Tampa Bay Arena, LTD (formerly known as the Tampa Bay Arena, LLP) under a non-cancelable operating agreement for an original term of 22.5 years. This agreement expires in June 2027, with the option for two 5-year renewal periods. Annual rent of $12,000 is due on January 1st each year of the agreement (see note A3).

NOTE I - RECEIVABLE FROM GOLF COURSE OPERATIONS

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.

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, 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.

NOTE J - PENSION PLANS AND COMPENSATED ABSENCES

Defined Benefit Pension Plan

Substantially all full-time employees of the Sports Authority and 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 Sports Authority 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.

NOTE J - PENSION PLANS AND COMPENSATED ABSENCES – Continued

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 and employee 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.

Contributions to Florida Retirement System

For the System's fiscal year commencing July 1, 2011, participating employer contributions are based upon statewide rates established by the State. These rates are applied to employee salaries as follow: regular employees at 4.91%, senior management at 6.27%, and DROP at 4.42%. As of July 1, 2011, participating employees, except DROP members are required to contribute 3% of their gross compensation towards their retirement benefit. The Sports Authority's contributions during the years ended September 30, 2011, 2010 and 2009 were $158,097, $195,230 and $208,430 respectively, equal to the required contributions for each year.

Compensated Absences

The Sports Authority provides for compensated absences through an employee benefit plan. Under the plan, employees are provided absences for sick and vacation time. Approximate amounts owed under the plan were $255,000 and $243,000 at September 30, 2011 and 2010, respectively. These amounts are recorded as accrued liabilities in the Statement of Net Assets.

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Sports Authority participates in the postemployment benefit plan administered by Hillsborough County, Florida (the "County"). Information related to the County OPEB plan follows:

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension,* the County expenses the cost of postemployment benefits over the active service lives of their employees rather than using a "pay-as-you-go" basis. Expensing the cost of a future benefit over the active work-lives of employees is a fiscally sound approach because employees actually earn the future benefits over their working careers.

OPEB Plan Description. The County provides the following health-related benefits to retirees and certain other employees: (a) The County is required by Florida Statute 112.0801 to allow retirees and certain other former employees to buy healthcare coverage at the same "group insurance rates" that current employees are charged. Although retirees pay for healthcare at group rates, they are receiving a valuable benefit because they can buy insurance at costs that are lower than the costs associated with the experience rating for their age bracket. The availability of this lower cost health insurance represents an "implicit subsidy" for retirees. (b) The County offers a monthly stipend of $5 for each year of service up to a maximum benefit of $150 per month (the Sports Authority does not offer this option). The stipend is payable to regular retired employees from ages 62 to 65 and to special risk retired employees from ages 55 to 65. The stipend is to be used to offset the cost of health insurance. Although the implicit subsidy is required by state law when healthcare is offered as an employee benefit, the stipend may be cancelled at any time. The OPEB plan does not issue a stand-alone financial report; its financial activity is included in the financial activity of the County.

Annual OPEB cost and net OPEB Obligation. The actuary's estimate of the County's *accrued OPEB liability*, also known as the *actuarial accrued liability*, which approximates the present value of all future expected postemployment medical premiums, associated administrative costs and stipend payments (which are attributable to the past service of active and retired employees) was $62.197 million at September 30, 2011. The County's annual OPEB cost, which is defined as the OPEB expenses on an accrual basis, was $5.973 million at September 30, 2011. The annual OPEB cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with GASB Statement No. 45.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost (current and future benefits earned) each year and to amortize any unfunded actuarial liabilities over a period of time not to exceed thirty years. The County's estimated ARC for fiscal year 2011 was $5.925 million. The *net OPEB obligation*, at the end of the year, is the net amount the County was obligated for at year-end and is equivalent to the annual OPEB cost for the fiscal year, plus the net OPEB obligation at the start of the fiscal year, less contributions such as retiree claims and stipends paid by the County during the fiscal year.

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – Continued

The inter-relationships between the ARC, annual OPEB cost, and net OPEB obligation are presented in the following chart:

	Fiscal Year 2011
Actuarially required contribution (ARC)	$ 5,925,000
Interest on the Net OPEB obligation for fiscal year	321,000
Less amortization of Net OPEB obligation for fiscal year	(273,000)
Annual OPEB cost for fiscal year	5,973,000
Net OPEB obligation, beginning of year	7,154,000
Less contributions (claims paid, etc.) for fiscal year	(4,207,000)
Net OPEB obligation, end of year	$ 8,920,000

The County's net OPEB obligation at September 30, 2011 was $8.920 million. The net OPEB obligation increased from the prior year primarily due to increased health care costs for retirees, as well as interest imputed on the net OPEB obligation since the County did not "fund" its OPEB liabilities (see next paragraph).

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	$5,204,000	76%	$ 6,086,000
2010	$5,544,000	81%	$ 7,154,000
2011	$5,973,000	70%	$ 8,920,000

Funding Policy, Status and Progress. "Funding" the OPEB obligations, as defined by GASB statement No. 45 requires using an irrevocable trust fund. Since that would be considered very restrictive, the County did not "fund" the net OPEB obligation, but instead chose to appropriate and set aside an amount approximating the net OPEB obligation in the Self-Insurance Internal Services Fund. Each fund was assessed its share of OPEB costs based on an allocation using the number of employees in the fund divided by the total number of County employees. Assessments were then placed to the Self-Insurance Internal Service Fund.

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – Continued

Even though money was set aside to almost offset the net OPEB obligation, the County is not considered to have funded the obligation since an irrevocable trust fund was not used. It is the County's intent for future years to continue setting aside an amount equivalent to the annual OPEB cost, however, the County has no legal or contractual obligation to do so.

The status of the plan as of September 30, 2011 was as follows:

Actuarial valuations date		September 30, 2011
Actuarial value of plan assets*	$	-
Actuarial accrued liability (AAL)	$	62,197,000
Unfunded actuarial accrued liability (UAAL)	$	62,197,000
Actuarial value of plan assets*/AAL (funded ratio)		0%
Covered payroll (active plan members)	$	50,191,000
UAAL as a percentage of covered payroll*		12.4%

*Although $14.863 million have been set aside in the Self-Insurance Internal Service fund to almost offset the County's net OPEB obligation of $8.920 million at September 30, 2011, the amount considered to be funded was zero since an irrevocable trust fund has not been established.

The calculation of these actuarial estimates is based on a number of estimates and assumptions, including interest rates on investments, the healthcare cost trend, future employment and average retirement age, life expectancy, and healthcare costs per employee, many of which factors are subject to future economic and demographic variations. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age actuarial cost method was used in the September 30, 2011 actuarial valuation. Other actuarial assumptions included a 4.5% investment rate of return a 4.5% discount rate, a 2.5% inflation rate, and an annual healthcare cost trend rate of 8.5% initially, reduced by 1% per year, to ultimate rate of 5.5% for fiscal year 2014.

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – Continued

The approximate average age of employees is 47, with 13 years of service completed and 13 years of additional service estimated. The actuarial value of the County's assets was determined using the fair value of cash and investments at September 30, 2011. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period used by the County at September 30, 2011, was 30 years.

The Sports Authority's share of the other post-employment benefits liability for the year ended September 30, 2011 is approximately $5,000.

NOTE L - REVENUE SHARING AND TICKET SURCHARGE REVENUE

Under an agreement between the Sports Authority and Buccaneers Stadium Limited Partnership (the "Buccaneers") amended on September 17, 1996, the Sports Authority and the Buccaneers have agreed to share revenues as follow:

Buccaneers events	-	100% of revenues to go to the Buccaneers
Non-Buccaneer events	-	First $2,000,000 to go to the Buccaneers; 50% of excess revenues to go to the Buccaneers; and 50% of excess revenues to the Sports Authority

The accompanying financial statements report revenues from concessions and parking after the Buccaneer split.

The Buccaneers' share of revenues from non-Buccaneer events during the year ended September 30, 2011 was $3,602,878. Per the agreement, the period used to determine the shared revenue for non-Buccaneer events is February 1 through January 31 of the following year. The Sports Authority recognized revenues of $127,418 during the year ended September 30, 2011, based on the activity from February 1, 2010 through January 31, 2011. No amounts have been accrued in the financial statements for the Sports Authority's share of revenue earned from February 1, 2010 through September 30, 2011.

Additionally, under the agreement between the Sports Authority and the Buccaneers, a ticket surcharge is to be added to all admission tickets for events held within Raymond James Stadium. The Sports Authority may use the first $1,930,000 of surcharge revenue collected each agreement period (February 1 through January 31 of the following year) to fund operations. All surcharge revenue amounts collected in excess at $1,930,000 are restricted by the agreement to either fund future years' surcharge collection shortfalls (excess surcharge fund) or capital improvements. In any agreement period, whereby actual surcharge revenue collection are below $1,930,000, the Sports Authority may draw funds from excess surcharge fund to bring total surcharge revenue to $1,930,000 for the agreement period. The Sports Authority changed its method of recognition of surcharge revenue on October 1, 2010 to reflect the intent of the agreement. As a result of this change, the excess surcharge fund was created (see also note B16). For the year ended September 30, 2011, $274,724 was released from the excess surcharge fund due to actual surcharge collection shortfalls. The balance in the excess surcharge fund was $482,217 at September 30, 2011.

NOTE M - ECONOMIC CONCENTRATIONS AND SOURCES OF CERTAIN REVENUES

The Sports Authority relies on interlocal cooperation agreements and revenues for its debt service requirements. The payment sources, among them state sales taxes, locally assessed tourist development taxes and community improvement taxes, were irrevocably pledged by the appropriate governmental entity (the State, County or City) to the Sports Authority's bonds when they were issued; all of the bond issues are limited recourse obligations payable solely from the pledged tax revenues and from no other source. These revenues represent approximately $13,004,000 of the Sports Authority's non-operating revenues.

The Sports Authority also receives an annual payment from the Buccaneers Stadium Limited Partnership of $3.5 million as a guaranteed payment, $1,930,000 guaranteed as ticket surcharges and, as applicable, 50% of the revenue in excess of $2,000,000 realized from non-Buccaneer events held at the Stadium, including license fees and revenue from concessions, parking, programs and merchandise.

NOTE N - RISK MANAGEMENT

The Sports Authority is 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 year ended September 30, 2011, insurance coverage was not reduced from coverage levels in place as of September 30, 2010. No settlements have exceeded coverage levels in place during the past three fiscal years.

NOTE O - COMMITMENTS AND CONTINGENCIES

The Sports Authority maintains an obligation at September 30, 2011 that originated from the $148,945,000 Tampa Sports Authority Local Option Sales Tax Revenue Bonds (Stadium Project), Series 1997, to fund the construction costs of a practice facility. The outstanding obligation totals $11,601,808 at September 30, 2011, and is shown as a component of restricted net assets on the Statement of Net Assets.

The Sports Authority was involved in several legal actions and disputes at September 30, 2011. No actions exist which, in management's opinion, would have a material effect on the Sports Authority's financial position.

NOTE P - DEFERRED COSTS OF ADVANCE REFUNDING

Two issues of refunding bonds were sold by the Sports Authority on October 26, 2005. The bond issues were the $114,865,000 Tampa Sports Authority Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2005 (the "LOST Bonds") and the $27,015,000 Tampa Sports Authority Florida Sales Tax Payments Refunding Revenue Bonds (Stadium Project), Series 2005 (the "FST Bonds"). The proceeds of the LOST Bonds were used to (a) advance refund the $148,945,000 Tampa Sports Authority Local Option Sales Tax Revenue Bonds (Stadium Project), Series 1997 (b) Fund the LOST Bonds Account in the Reserve Fund in the amount of the Reserve Requirement for the LOST Bonds, and (c) pay the costs of issuance of the LOST Bonds.

NOTE P - DEFERRED COSTS OF ADVANCE REFUNDING – Continued

The proceeds of the FST Bonds were used to (a) advance refund the $30,010,000 Tampa Sports Authority Florida Sales Tax Payments Revenue Bonds (Stadium Project), Series 1997, (b) fund the FST Bonds Account in the Reserve Fund in the amount of the Reserve Requirement for the FST Bonds, and (c) pay the costs of issuance of the FST Bonds. As a result of this debt refinancing, deferred costs related to the advance refunding of the Stadium Project bonds of approximately $5.8 million were recognized in October 2005.

These deferred costs are being amortized through 2027. The unamortized deferred costs at September 30, 2011 are $4,183,660 and the Sports Authority recognized approximately $273,000 of amortization expense related to these deferred costs in 2011. The present value savings of gross debt service associated with the 2005 Series bonds approximates $6.7 million over the life of the bonds.

NOTE Q - SUBSEQUENT EVENTS

The Sports Authority has evaluated events and transactions occurring subsequent to September 30, 2011 as of February 27, 2012 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Tampa Sports Authority

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the year ended September 30, 2011

State Grantor/Pass-through Grantor/Program Title	State CSFA Number	Pass-Through Entity Identifying Number	Expenditures
State Agency			
Florida Department of Revenue			
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise			
$27,015,000 Tampa Sports Authority Florida Florida Sales Tax Payments Refunding Revenue Bonds (Stadium Project), Series 2005	73.016	N/A	$ 1,995,959
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise			
$28,790,000 Tampa Sports Authority 1995 Special Purpose Bonds, State of Florida Sales Tax	73.016	N/A	1,993,650
Total expenditures of state financial assistance			$ 3,989,609

The accompanying notes are an integral part of this schedule.

Tampa Sports Authority

NOTES TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE

September 30, 2011

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance includes the state grant activity of the Sports Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B - CONTINGENCIES

These state programs are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Sports Authority's continued participation in specific programs. The amount of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Sports Authority expects such amounts, if any, to be immaterial.

NOTE C - SUBRECIPIENTS

The Sports Authority did not provide state financial assistance to subrecipients.

REGULATORY REPORTS

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*

TAMPA SPORTS AUTHORITY

September 30, 2011

RGCO

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
Richard Gordimer | Stephen G. Douglas
Herman V. Lazzara | Michael E. Helton
Marc D. Sasser

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 Tampa Sports Authority (the "Sports Authority") as of and for the year ended September 30, 2011, and have issued our report thereon, dated February 27, 2012. 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.

Internal Control Over Financial Reporting

Management of the Sports Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Sports Authority's 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 Sports Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sports Authority's 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 over financial reporting 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sports Authority's 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 state funding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Bueno, Gardner & Company, P.A.

Tampa, Florida
February 27, 2012

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

TAMPA SPORTS AUTHORITY

September 30, 2011

RGCO

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
Richard Gordimer | Stephen G. Douglas
Herman V. Lazzara | Michael E. Helton
Marc D. Sasser

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

Board of Directors
Tampa Sports Authority

Compliance

We have audited the Tampa Sports Authority (the "Sports Authority") with the types of compliance requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the Sports Authority's major state projects for the year ended September 30, 2011. The Sports Authority's major state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state projects is the responsibility of the Sports Authority's management. Our responsibility is to express an opinion on the Sports Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and Chapter 10.550, *Rules of the Auditor General*. Those standards and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Sports Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Sports Authority's compliance with those requirements.

In our opinion, the Sports Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2011.

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Internal Control Over Compliance

Management of the Sports Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state projects. In planning and performing our audit, we considered the Sports Authority's internal control over compliance with the requirements that could have a direct and material effect on a major state project to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General,* but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sports Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state project will not be prevented or detected, and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Board of Directors of the Tampa Sports Authority, and state funding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Bruno, Gordonier & Company, P.A.

Tampa, Florida
February 27, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE FINANCIAL ASSISTANCE PROJECT

TAMPA SPORTS AUTHORITY

September 30, 2011

Tampa Sports Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE FINANCIAL ASSISTANCE PROJECT

September 30, 2011

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting	
Material weakness(es) identified?	____ yes __X__ no
Significant deficiency(ies) identified?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

State Financial Assistance

Internal control over major state projects	
Material weakness(es) identified?	____ yes __X__ no
Significant deficiency(ies) identified?	____ yes __X__ none reported
Type of auditors' report issued on compliance for major state projects	Unqualified
Any audit findings disclosed that are to be reported in accordance with Chapter 10.550, *Rules of the Auditor General* ?	____ yes __X__ no

Identification of major state project:

State: CFSA Number	Name of State Project
73.016	Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise

Dollar threshold used to distinguish between type A and type B state projects	$ 300,000

Tampa Sports Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE FINANCIAL ASSISTANCE PROJECT - CONTINUED

September 30, 2011

Section II - Financial Statement Findings

No matters were reported for the year ended September 30, 2011 and there were no prior year audit findings to be reported. Accordingly, a summary of prior year audit findings is not presented.

Section III - State Financial Assistance Project Findings and Questioned Costs

No matters were reported for the year ended September 30, 2011 and there were no prior year audit findings to be reported. Accordingly, a summary of prior year audit findings is not presented.

MANAGEMENT LETTER BASED ON RULE 10.554(1)(i)
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

TAMPA SPORTS AUTHORITY

September 30, 2011

RGCO

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MANAGEMENT LETTER BASED ON RULE 10.554(1)(i) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Directors
Tampa Sports Authority

We have audited the financial statements of the Tampa Sports Authority (the "Sports Authority") as of and for the fiscal year ended September 30, 2011, and have issued our report thereon, dated February 27, 2012.

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. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on each Major State Project and on Internal Control Over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 27, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There are no findings and recommendations disclosed in the preceding audit report.

Section 10.554(1)(i)2., *Rules of the Auditor General,* requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Sports Authority complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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Section 10.554(1)(i)5., *Rules of the Auditor General*, provides that the auditor may, based on professional judgment, report on the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts or abuse (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The required information is disclosed in the Notes to Financial Statements (see notes A1 and A4).

Section 10.554(1)(i)7.a., *Rules of the Auditor General,* requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Sports Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the Sports Authority for the fiscal year ended September 30, 2011, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2011. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Section 10.554(1)(i)7.c., and 10.556(7), *Rules of the Auditor General,* we applied financial condition assessment procedures. It is management's responsibility to monitor the Sports Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the Board of Directors of the Tampa Sports Authority, the Auditor General of the State of Florida, and applicable state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Bueno, Gardner & Company, P.A.

Tampa, Florida
February 27, 2012