

PIMA COUNTY SPORTS AND TOURISM AUTHORITY

Audited Financial Statements

For the year ended June 30, 2009

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PIMA COUNTY SPORTS AND TOURISM AUTHORITY

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Pima County Sports and Tourism Authority

We have audited the accompanying statement of net assets of Pima County Sports and Tourism Authority (Authority) as of June 30, 2009, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pima County Sports and Tourism Authority as of June 30, 2009, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles accepted in the United States of America.

*Ludwig Klewer & Co. PLLC*

July 27, 2009

PIMA COUNTY SPORTS AND TOURISM AUTHORITY

STATEMENT OF NET ASSETS  
June 30, 2009

ASSETS

Current assets:		
Cash		\$ 46,786
Total assets		<u>\$ 46,786</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable		\$ 2,048
Total liabilities		2,048
Net assets:		
Unrestricted		<u>44,738</u>
Total net assets		<u>44,738</u>
Total liabilities and net assets		<u>\$ 46,786</u>

See independent auditors' report and accompanying notes.

PIMA COUNTY SPORTS AND TOURISM AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
For the year ended June 30, 2009

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Operating revenues	\$	-
Operating expenses:		
Outside services		51,418
Public affairs		25,000
Marketing		8,062
Travel		7,728
Board Meetings		514
Bank fees		32
Postage		8
Total operating expenses		92,762
Operating loss		(92,762)
Nonoperating revenues:		
Allocated funds		75,000
Excess of expenses over revenues before contributions		(17,762)
Contributions:		
Contributions		50,000
Donated services		12,500
Total contributions		62,500
Increase in net assets		44,738
Net assets, beginning of year		-
Net assets, end of year	\$	44,738

See independent auditors' report and accompanying notes.

PIMA COUNTY SPORTS AND TOURISM AUTHORITY

STATEMENT OF CASH FLOWS  
For the year ended June 30, 2009

Cash flows from operating activities:	
Payments to suppliers and contractors	\$ (90,714)
Net cash used in operating activities	(90,714)
Cash flows from noncapital financing activities:	
Contributions	62,500
Allocated funds	75,000
Net cash provided by noncapital financing activities	137,500
Cash flows from capital and related financing activities	-
Cash flows from investing activities	-
Net increase in cash	46,786
Cash, beginning of year	-
Cash, end of year	<u>\$ 46,786</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (92,762)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Accounts payable	2,048
Net cash used in operating activities	<u>\$ (90,714)</u>

See independent auditors' report and accompanying notes.

# PIMA COUNTY SPORTS AND TOURISM AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### 1. Organization

Pima County Sports and Tourism Authority (Authority) was established by Pima County, a political subdivision of the State of Arizona, on April 12, 2008. Pima County has approved funding of the Authority through June 30, 2010. The Authority is a body corporate with the powers and immunities of a municipal corporation. The Authority was established to accomplish the following goals and objectives:

- Develop strategies and take actions necessary to retain the Colorado Rockies and the Arizona Diamondbacks as Major League Baseball spring training teams operating at Hi Corbett Field and Tucson Electric Park;
- Assist Pima County in obtaining a Major League Baseball team to replace the Chicago White Sox at the two-team Tucson Electric Park Facility;
- Expand opportunities for professional baseball development in Pima County by attracting additional Major League Baseball teams for spring training and a minor league baseball team for the regular season in Pima County;
- Increase opportunities for amateur youth sports in Pima County including, without limitation, the development of practice and tournament facilities for competitive amateur youth sports, including but not limited to soccer, baseball, softball, basketball and volleyball; and
- Develop and promote amendments to Arizona law to create a sports and tourism authority for Pima County to perform functions and achieve benefits generally comparable to those afforded to Maricopa County by the Arizona Sports and Tourism Authority.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The accounting policies of the Authority conform to accounting principles generally accepted in the United States as applicable to an enterprise fund of a governmental unit. Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the cash flows.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### Cash and Cash Equivalents

The Authority considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2009. The Authority maintains its cash balance at a financial institution. Effective October 2008, the Federal Deposit Insurance Corporation (FDIC) insures interest bearing account balances up to \$250,000 per institution. Also effective October 2008, under the FDIC's Transaction Account Guarantee Program, all non-interest bearing transaction accounts are fully insured. At June 30, 2009, there were no uninsured cash balances.

#### Tax Status

The Authority is a municipal corporation and is exempt from federal and state income tax as well as property tax.

