

## NOTICE OF SALE

**\$64,765,000\***  
**Tampa Sports Authority**  
**Local Option Sales Tax Refunding Revenue Bonds,**  
**(Stadium Project),**  
**Series 2015**

ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) only, will be received by the Tampa Sports Authority (the "Issuer") for the purchase of all, but not less than all, of the Issuer's \$64,765,000\* Local Option Sales Tax Payments Refunding Revenue Bonds ("Bonds"), until 10:45 a.m., local Tampa, Florida time, on Tuesday, December 16, 2014.

### *The Bonds*

#### **Authorization and Security**

The Bonds are being issued under and pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Chapter 96-520, Laws of Florida, Acts of 1996, as amended, Section 212.055(2), Florida Statutes, as amended and other applicable provisions of law (collectively, the "Act"), Resolution No. 05-14-01 adopted by the Issuer on November 20, 2014, as amended and supplemented from time to time (the "Resolution") and the Second Amended and Restated Trust Indenture dated as of January 6, 2015 by and between the Issuer and U.S. Bank National Association, as trustee (the "Indenture"). The Bonds are subject to all the terms and conditions of the Indenture.

The Bonds are being issued to refund all of the Tampa Sports Authority Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2005, finance certain capital improvements to a community stadium and to pay certain costs and expenses relating to the issuance of the Bonds.

The Bonds and the interest hereon is payable solely from and secured by a lien upon and pledge of (i) the Local Option Infrastructure Surtax revenues directed by the County and the City pursuant to Section 2(b) of the Community Investment Interlocal Agreement and payable to the Issuer pursuant to the Interlocal Agreement for Stadium Financing (as such terms are defined are defined in the Indenture (collectively, the "Local Option Sales Tax Revenues"), and (ii) moneys on deposit in certain funds and accounts created and established by the Indenture, and certain investment earnings thereon (the "Pledged Revenues"), all in the manner and to the extent provided in the Indenture. The net proceeds of the Bonds, along with other legally available funds of the Issuer, will be deposited with U.S. Bank National Association (the "Escrow Agent"). Such deposit will be held and distributed pursuant to the terms and provisions of the Escrow Deposit Agreement between the Issuer and the Escrow Agent (the "Escrow Deposit Agreement"). The moneys and securities on deposit with the Escrow Agent will not be available for payment of the Bonds.

**The Bonds, together with interest thereon, are not general or moral obligations of the Issuer and do not constitute an obligation, either general or special, of the State, the County, the City or any political subdivision thereof, but are limited obligations payable solely and only from the Pledged Revenues. The Bonds shall in no event be payable from the general revenues of the Issuer and shall not constitute a debt, liability, general or moral obligation or a pledge of the faith or loan of credit of the County, the City, the State or any political subdivision of the State within the meaning of any constitutional or statutory provisions; the County, the City, the State nor any political subdivision thereof shall be liable thereon; nor in any event shall such Bonds or obligations be payable out of any funds or properties other than those of the Issuer, and then only to the extent provided in the Indenture. Neither the faith and credit nor the revenues or taxing power of the County, the City, the State or any political subdivision thereof, is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Issuer has no taxing power.**

#### **Book-Entry Only**

Initially, one bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder of the Bonds, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity with DTC.

So long as the Bonds are in book-entry only form, the U.S. Bank National Association will serve as Registrar and Paying Agent for the Bonds. The Issuer reserves the right to designate a successor Registrar and Paying Agent for the Bonds if the Bonds at any time cease to be in book-entry only form.

### **Description of the Bonds and Interest Payment Dates**

All Bonds shall be in fully registered form in the denomination of \$5,000 each or any integral multiple thereof, shall be dated the date of delivery (expected to be Tuesday, January 6, 2015) and shall bear interest payable on January 1 and July 1 of each year, commencing July 1, 2015, or such other date as determined by the Issuer.

### **Principal Amortization of the Bonds**

Principal of the Bonds will be paid annually (at maturity, unless designated as mandatory sinking fund payments in the manner prescribed herein) on the following dates in the following aggregate amounts:

<b><u>(Date)</u></b>	<b><u>Principal Amount*</u></b>
01/01/2016	\$0
01/01/2017	0
01/01/2018	2,755,000
01/01/2019	5,825,000
01/01/2020	6,115,000
01/01/2021	6,425,000
01/01/2022	6,745,000
01/01/2023	7,080,000
01/01/2024	7,435,000
01/01/2025	7,810,000
01/01/2026	8,200,000
01/01/2027	6,375,000

\*Preliminary, subject to adjustment as provided herein.

### **Adjustment to Principal Amounts**

The preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each annual payment on the Bonds as set forth in this Notice of Sale (the “Preliminary Aggregate Principal Amount” and the “Preliminary Principal Amount” of each annual payment, respectively; collectively, the “Preliminary Amounts”) may be revised before the receipt of electronic bids for their purchase. ANY SUCH REVISIONS made prior to the receipt of electronic bids (the “Revised Aggregate Principal Amount” and the “Revised Principal Amount” of each annual payment, respectively; collectively, the “Revised Amounts”) WILL BE PUBLISHED ON THOMSON MUNICIPAL MARKET MONITOR (“TM3”) ([www.TM3.com](http://www.TM3.com)) NOT LATER THAN 4:00 p.m. (LOCAL TAMPA, FLORIDA TIME) ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

As promptly as reasonably possible after the bids are received, the Issuer will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the Issuer of the initial reoffering prices to the public of each maturity of the Bonds (the “Initial Reoffering Prices”). Such Initial Reoffering Prices, among other things, will be used by the Issuer to calculate the final principal amount of each annual payment on the Bonds (the “Final Aggregate Principal Amount” and the “Final Principal Amount” of each annual payment, respectively; collectively, the “Final Amounts”) to accommodate the refunding objectives of the Issuer. The Final Aggregate Principal Amount of the Bonds will not be reduced or increased by more than 15% from the Revised Aggregate Principal Amount. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS. The dollar amount bid by the successful bidder will be adjusted to reflect changes in the dollar amount of the underwriter’s

discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price for the Bonds in the winning bid and the Initial reoffering Prices. The Final Amounts will be communicated to the successful bidder as soon as possible, but not later than 3:00 P.M. the day after awarding the Bonds.

### **Term Bond Option**

Bidders may designate in their proposal two or more consecutive annual principal payments as a term bond, which matures on the maturity date of the last annual principal payment of the sequence. Any term bond so designated shall be subject to mandatory sinking fund redemption in each annual period on the principal payment date and in the entire principal amount for each annual principal payment designated for inclusion in such term bond. There is no limitation on the number of term bonds.

### **Optional Redemption**

The Bonds maturing on or before January 1, 2025 are not subject to optional redemption prior to maturity. The Bonds maturing on or after January 1, 2026 are subject to redemption prior to their maturity at the option of the Issuer, in whole or in part on any date on or after January 1, 2025, and if in part, in such manner as determined by the Trustee, at the redemption price of 100% of the principal amount of the Bonds to be redeemed without redemption premium, plus accrued interest to the date set for redemption.

## *Electronic Bidding and Bidding Procedures*

### **Registration to Bid**

All prospective bidders must be contracted customers of BiDCOMP/Parity Competitive Bidding System. If you do not have a contract with BiDCOMP, call (212) 806-8304 to become a customer. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

If any provisions of this Notice of Sale shall conflict with information provided by BiDCOMP/Parity as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 806-8304.

### **Disclaimer**

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Issuer nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Issuer nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by BiDCOMP/Parity. The Issuer is using BiDCOMP/Parity as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders; and the Issuer is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone BiDCOMP/Parity and notify the Issuer by facsimile at (813) 350-6617.

### **Bidding Procedures**

Bids must be submitted electronically for the purchase of the Bonds (all or none) via BiDCOMP/Parity by 10:45 a.m., local Tampa, Florida time, on Tuesday, December 16, 2014 unless postponed as described herein (see "Change of Bid Date and Closing Date"). Prior to that time, a prospective bidder may input and save proposed terms of its bid in BiDCOMP. Once the final bid has been saved in BiDCOMP, the bidder may select the final bid button in BiDCOMP to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the Issuer, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Issuer, as described under "Award of the Bonds" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than via BiDCOMP. No bid will be received after the time for receiving such bids specified above.

### **Bid Specifications**

Each proposal for the Bonds must specify the amount bid for such Bonds and must specify in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%) the rate or rates of interest per annum which the Bonds are to bear. Each bidder must bid a single rate for each maturity of the Bonds. No interest rate for the Bonds may exceed five percent (5.00%). Bids must be for not less than 100% of the par value of the aggregate principal amount of the Bonds.

### **Good Faith Deposit**

A good faith deposit (the "Deposit") in the amount of \$647,650 (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit may be provided for by (i) a certified check, bank cashier's, treasurer's or official check drawn upon or certified by a responsible banking institution and made payable to the order of the Issuer delivered at or prior to the time of bid, (ii) a Financial Surety Bond delivered at or prior to the time of bid as set forth below under "Financial

Surety Bonds” or (iii) a Federal funds wire transfer to be submitted to the Issuer by the successful bidder not later than 4:00 p.m., local Tampa, Florida time, on the date of the sale (the “Wire Transfer Deadline”) as set forth below under “Wire Transfers.” The Deposit of the successful bidder will be collected and the proceeds thereof retained by the Issuer to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the respective bid, the proceeds thereof will be retained as and for full liquidated damages. Checks of the unsuccessful bidder will be returned promptly after the Bonds are awarded.

### **Wire Transfers**

If the successful bidder chooses to deliver its good faith deposit by Federal funds wire transfer, the Issuer will distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Wire Transfer Deadline. If the Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the Issuer in its discretion without any financial liability of the Issuer to the successful bidder or any limitation whatsoever on the Issuer’s right to sell the Bonds to a different purchaser upon such terms and conditions as the Issuer shall deem appropriate.

### **Financial Surety Bonds**

If a bidder chooses to deliver a Financial Surety Bond to satisfy the good faith deposit requirement, such Financial Surety Bond must be from an insurance company acceptable to the Issuer and licensed to issue such a bond in the State of Florida. Such Financial Surety Bond must be submitted to the Issuer no later than 5:00 p.m., local Tampa, Florida time, on the day prior to the sale and must be in the form and substance acceptable to the Issuer. In addition, the proposed form of any Financial Surety Bond, including the identity of the insurance company must be provided to the Issuer at the address indicated below not later than 5:00 p.m., local Tampa, Florida time, on the day prior to the sale. The Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond.

If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then such successful bidder is required to submit its Good Faith Deposit to the Issuer in the form of a wire transfer not later than 4:00 p.m., local Tampa, Florida time, on the date of sale. If such Good Faith Deposit is not received by that time, the Financial Surety Bond may be drawn by the Issuer to satisfy the Good Faith Deposit requirement.

### **Award of the Bonds**

The Issuer will not accept and will reject any bid for less than all of the above described Bonds. The right is reserved to reject any and all bids and to waive any irregularities in any of the bids. The judgment of the Issuer shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity with the terms of this Notice of Sale.

The award of the Bonds, if made, will be made as promptly as possible after the bids are opened to the bidder offering the lowest interest rate to the Issuer for the Bonds. The lowest interest rate shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid. For the purpose of calculating the true interest cost, the principal amount of bonds scheduled for mandatory sinking fund redemption as part of a term bond shall be treated as a serial maturity in each semiannual period. In the event two or more bidders offer to purchase the Bonds at the same lowest true interest cost to the Issuer, the bonds may be apportioned between such bidders, but if this shall not be acceptable, the Issuer shall have the right to award all of such bonds to one bidder. Upon notice of such award, the winning bidder shall advise the Issuer of the Initial Reoffering Prices to the public of each maturity of the Bonds.

### **Change of Bid Date and Closing Date**

The Issuer reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Thomson Municipal Market Monitor (“TM3”) ([www.tm3.com](http://www.tm3.com)). Prospective bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to Public Resources Advisory Group at (727) 822-3502 by 12:00 Noon, Tampa, Florida time, on the day prior to the announced date for receipt of bids. In addition, the Issuer reserves the right to make changes to this Notice of Sale. Such changes will be announced on the TM3.

A postponement of the bid date will be announced via TM3 not later than 9:30 a.m., Tampa, Florida time, on the announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 by 12:00 Noon, Tampa, Florida time, two business days prior to such alternative date for receipt of bids.

On any such alternative date and time for receipt of bids, the Issuer will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 at the time the date and time for receipt of bids are announced.

### **Undertakings of the Successful Bidder**

THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THEIR RESPECTIVE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW. THE SUCCESSFUL BIDDER MUST SELL TO THE PUBLIC 10% OR MORE IN PAR AMOUNT OF THE BONDS FROM EACH MATURITY THEREOF AT THE INITIAL REOFFERING PRICES.

The successful bidder shall within 30 minutes after being notified of the award of the Bonds, advise the Issuer in writing (via facsimile transmission) of the Initial Reoffering Prices for the Bonds. The successful bidder must, by facsimile transmission or delivery received by the Issuer within 24 hours after notification of the award, furnish the following information to the Issuer to complete the Official Statement in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields at which the successful bidder advised the Issuer that the Bonds were initially offered to the public).
- B. The identity of the underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that the Issuer determines is necessary to complete the Official Statement in final form.

After the award of the bonds, the Issuer will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the bonds as the successful bidder may reasonably request. The successful bidder will be responsible to the Issuer in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER SHALL FURNISH TO THE ISSUER A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS OF EACH MATURITY AT THE INITIAL REOFFERING PRICES, (II) AS OF THE DATE OF THE SALE OF THE BONDS, THE SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT OF THE BONDS OF EACH MATURITY TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES, AND (III) A SUBSTANTIAL AMOUNT OF THE BONDS OF EACH MATURITY WAS SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES OR SUCH OTHER FACTS REGARDING THE ACTUAL SALE OF THE BONDS AS BOND COUNSEL SHALL REQUEST, AS DESCRIBED BELOW. Bond counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par amount of the bonds of each maturity at the initial reoffering prices would be sufficient to certify as to the sale of a substantial amount of the bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the bonds.

### **Official Statement**

Not later than seven (7) business days after the award of the Bonds to the successful bidder on the day of sale, the Issuer will deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the successful bidder at or before the close of business on the date of the sale, the Issuer will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder ("Reoffering Information"), if any, as may be specified and furnished in writing by the successful bidder. If no Reoffering Information is specified and furnished by the successful

bidder, the Official Statement will include the interest rates on the bonds resulting from the bid of the successful bidder and the other statements with regard to reoffering contained in the Preliminary Official Statement. The successful bidder shall be responsible to the Issuer and its officials for the Reoffering Information, and for all decisions made by the successful bidder with respect to the use or omission of the Reoffering Information in any reoffering of the bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder for the Bonds will also be furnished, without cost, a reasonable number of copies of the Official Statement for the Bonds (and any amendment or supplement thereto).

### **Delivery of the Bonds**

It is anticipated that delivery will be on or about January 6, 2015 upon due notice and at the expense of the successful bidder, at the offices of DTC, upon payment of the amount of the successful bid (including any premium), less the deposit theretofore made. Such payment shall be made in Federal Reserve Bank Funds ("Fed Funds"). The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of any of the bonds included in this issue. It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, the respective bidder shall be furnished a certificate or certificates of the Issuer to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto except for the Reoffering Information as to which no view will be expressed) as of the date of sale and as of the date of delivery of the bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that between the date of sale and the date of delivery of the bonds there has been no material adverse change in the financial position or revenues of the Issuer, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto).

### **Legal Opinion**

The issuance of the Bonds will be subject to legal approval by Bryant Miller Olive P.A., and copies of their opinion will be delivered upon request, without charge, to the successful bidder for the Bonds. Such opinion shall be substantially in the form included in Appendix D to the Preliminary Official Statement referred to below.

The legal opinion (or reliance letter thereon) of Nabors, Giblin & Nickerson, P.A., Disclosure Counsel, with respect to certain matters concerning the Final OS will be furnished without charge to the successful bidder at the time of delivery of the Bonds.

### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print any such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the bonds in accordance with the terms of this Notice of Sale. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the Issuer. However, the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the successful bidder.

### **Continuing Disclosure**

In order to assist the successful bidder with its obligation under the SEC Rule 15c2-12(b)(5), the Issuer has covenanted to provide certain ongoing disclosure with respect to the bonds. The Issuer's continuing disclosure covenant is more fully described in the Preliminary Official Statement.

### **Truth-In-Bonding Statement**

Each bidder will be required to fill out the Truth in Bonding section set out as EXHIBIT A pursuant to Section 218.385(2), Florida Statutes prior to the award of the Bonds by the Issuer. THE ISSUER RESERVES THE RIGHT TO ASSIST THE BIDDER IN CORRECTING ANY INCONSISTENCIES OR INACCURACIES SET FORTH IN SUCH PARAGRAPHS. THE ISSUER MAY WAIVE ANY INCONSISTENCIES OR INACCURACIES RELATING TO SUCH PARAGRAPHS AND ANY SUCH WAIVED INCONSISTENCIES OR INACCURACIES SHALL NOT ADVERSELY AFFECT THE BID.

**Additional Information**

The Preliminary Official Statement of Tampa Sports Authority, in respect to the Bonds may be accessed via the internet at [www.munios.com](http://www.munios.com). Such Preliminary Official Statement is deemed final by the Issuer as of its date for purposes of SEC Rule 15c2-12 but is subject to revision, amendment and completion in the Official Statement referred to above.

Eric D. Hart  
President and CEO  
Tampa Sports Authority



**EXHIBIT A**

**2015 BONDS  
TRUTH-IN-BONDING STATEMENT  
AND DISCLOSURE**

In compliance with Section 218.385, Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to the 2015 Bonds (NOTE: For information purposes only and not a part of the bid):

The Issuer is proposing to issue \$\_\_\_\_\_ of debt or obligation for the purpose of refunding the Issuer's Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2005 and to finance certain capital improvements to a community stadium. This debt or obligation is expected to be repaid over a period of approximately \_\_ years. At a true interest cost of \_\_\_%, total interest paid over the life of the debt or obligation will be \$\_\_\_\_\_.

The source of repayment or security for this proposal is Pledged Revenues in the manner and to the extent described in the Preliminary Official Statement and Official Notice of Sale. Authorizing this debt or obligation will result in \_\_\_\_\_ of such Pledged Revenues not being available for other services or purposes of the Issuer each year for \_\_ years.

In compliance with Section 218.386, Florida Statutes, the undersigned, on behalf of itself and all other members of the underwriting group, if any, hereby certifies that neither it nor any member of the underwriting group have paid any "finder's fees" as defined in Section 218.386, Florida Statutes, any bonus, fee or gratuity in connection with the sale of the 2015 Bonds, except as provided below:

Bidder's Name: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**NEW ISSUE - FULL-BOOK ENTRY**

**(See "Ratings" herein)**

**Moody's: "Aa2"**

**Fitch: "AA+" (stable outlook)**

*In the opinion of Bond Counsel, assuming compliance by the Issuer with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the 2015 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the 2015 Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX MATTERS" herein for a description of other tax consequences to holders of the 2015 Bonds.*



**\$64,765,000\***

**TAMPA SPORTS AUTHORITY**

**Local Option Sales Tax Refunding Revenue Bonds (Stadium Project),**

**Series 2015**

**Dated:** Date of Delivery

**Due:** January 1, as shown on the inside cover

The Tampa Sports Authority (the "Issuer") is issuing its Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2015 (the "2015 Bonds") as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2015 Bonds. Individual purchases of the 2015 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Interest on the 2015 Bonds is payable on July 1, 2015 and semiannually thereafter on each January 1 and July 1. Payments of principal of, premium, if any, and interest on the 2015 Bonds are to be made to purchasers by DTC through the Participants (defined herein). Purchasers will not receive physical delivery of the 2015 Bonds. Payments of principal of and premium, if any, on the 2015 Bonds will be made upon presentation and surrender of such 2015 Bonds at the office of U.S. Bank National Association, Orlando, Florida, as Trustee under the Second Amended and Restated Trust Indenture, dated as of January 6, 2015, between the Issuer and the Trustee (the "Trust Indenture"). See "DESCRIPTION OF THE 2015 BONDS" herein.

The 2015 Bonds may be subject to optional and mandatory redemption as described herein. See "DESCRIPTION OF THE 2015 BONDS" herein.

The proceeds from the 2015 Bonds being issued pursuant to the Trust Indenture, together with the other legally available funds of the Issuer, will be used to (i) refund all of the currently outstanding Tampa Sports Authority Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2005, (ii) finance certain capital improvements to a community stadium, as described herein, and (iii) pay the costs of issuance of the 2015 Bonds.

The 2015 Bonds, together with interest thereon, are not general or moral obligations of the Issuer, Hillsborough County, Florida (the "County") or the City of Tampa, Florida (the "City"), but are limited obligations payable solely and only from the Pledged Revenues. Pledged Revenues means (i) the Local Option Sales Tax Revenues (as described herein), and (ii) moneys on deposit in the funds and accounts established under the Trust Indenture and investment earnings thereon, but excluding moneys on deposit in the Rebate Account, the Stadium Fund and the Costs of Issuance Fund, as all of such Funds and Accounts are established in the Trust Indenture. See "SECURITY FOR THE BONDS" herein.

NEITHER THE FULL FAITH AND CREDIT OF THE STATE OF FLORIDA (THE "STATE"), THE COUNTY, THE CITY, THE ISSUER NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2015 BONDS, AND THE 2015 BONDS AND ALL OTHER OBLIGATIONS OF THE ISSUER UNDER THE TRUST INDENTURE SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE STATE, THE COUNTY, THE CITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION. THE ISSUANCE OF THE 2015 BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE ANY SUCH GOVERNMENTAL ENTITY OR AGENCY TO LEVY ANY AD VALOREM TAXES WHATSOEVER OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FROM THE PLEDGED REVENUES. THE 2015 BONDS AND ALL OTHER OBLIGATIONS OF THE ISSUER UNDER THE TRUST INDENTURE AND THE TRANSACTIONS CONTEMPLATED THEREBY SHALL NOT BE A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE, THE COUNTY, THE CITY OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE. THE ISSUER DOES NOT POSSESS ANY TAXING POWER.

**This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.**

**Electronic bids only for the 2015 Bonds pursuant to the provisions of the Notice of Sale will be received by the Issuer pursuant to the Bidcomp Parity® competitive bidding system.**

*The 2015 Bonds are offered for delivery when, as and if issued by the Issuer and received by the underwriter or underwriters, subject to the approval of legality by Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the Issuer by Steven A. Anderson, P.L., Tampa, Florida, Counsel to the Issuer. Certain disclosure matters will be passed upon by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. Certain legal matters will be passed upon for the County by Samuel S. Hamilton, Esquire, Senior Assistant County Attorney. Public Resources Advisory Group Inc., St. Petersburg, Florida, is serving as Financial Advisor to the Issuer. It is expected that the 2015 Bonds in definitive book entry form will be available for delivery through DTC in New York, New York on or about January 6, 2015.*

Dated: December \_\_, 2014

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

**\$64,765,000\***  
**Tampa Sports Authority**  
**Local Option Sales Tax Refunding Revenue Bonds (Stadium Project),**  
**Series 2015**

**MATURITIES, AMOUNTS, INTEREST RATES, PRICES,**  
**YIELDS AND INITIAL CUSIP NUMBERS**

\$ \_\_\_\_\_ Series 2015 Serial Bonds

<b><u>Maturity</u></b> <b><u>(January 1)</u></b>	<b><u>Amount*</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Price</u></b>	<b><u>Yield</u></b>	<b><u>Initial CUSIP</u></b> <b><u>Numbers**</u></b>
2018	\$2,755,000				
2019	5,825,000				
2020	6,115,000				
2021	6,425,000				
2022	6,745,000				
2023	7,080,000				
2024	7,435,000				
2025	7,810,000				
2026	8,200,000				
2027	6,375,000				

\* Preliminary, subject to change. May consist of Serial Bonds and/or Term Bonds. See "Term Bonds Option" in the Notice of Sale.

\*\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data contained herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP data is provided for convenience of reference only. The Issuer takes no responsibility for the accuracy of such numbers.

## **TAMPA SPORTS AUTHORITY**

Don Defosset, Chairman  
Andrew Scaglione, Vice Chairman  
Vincent A. Marchetti, Secretary-Treasurer

Kalyn K. Brandewie, Member  
Ken Hagan, Member  
John Jaeb, Member  
Randy Larson, Member

Tony Muniz, Member  
Luciano Prida, Jr., Member  
Frank Reddick, Member  
Thomas Scott, Member

### **President/CEO**

Eric Hart

### **Vice President Finance and Administration**

Jeanette Baker

### **Senior Vice President for Stadium Operations**

Mickey Farrell

### **Counsel to Issuer**

Steven A. Anderson, P.L.  
Tampa, Florida

### **Bond Counsel**

Bryant Miller Olive P.A.  
Tampa, Florida

### **Disclosure Counsel**

Nabors, Giblin & Nickerson, P.A.  
Tampa, Florida

### **Financial Advisor**

Public Resources Advisory Group  
St. Petersburg, Florida

No dealer, broker, salesman or other person has been authorized by the Issuer or the County to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer or the County. This Official Statement neither constitutes an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2015 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the Issuer, the County, The Depository Trust Company (as to itself and the book-entry only system) and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Issuer or the County. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the affairs of the Issuer or the County since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE 2015 BONDS, THE UNDERWRITER OR UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 2015 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE TRUST INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2015 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE 2015 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2015 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they may be obtained from the Issuer as provided in the final paragraph under "INTRODUCTION" or under "MISCELLANEOUS" herein.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM SUCH WEBSITE OR WWW.EMMA.MSRB.ORG.

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## OFFICIAL STATEMENT

*relating to*

**\$64,765,000\***

**Tampa Sports Authority**

**Local Option Sales Tax Refunding Revenue Bonds (Stadium Project),**

**Series 2015**

### INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices, is to provide information concerning the proposed issuance by the Tampa Sports Authority (the "Issuer") of \$64,765,000\* aggregate principal amount of its Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2015 (the "2015 Bonds").

The 2015 Bonds are issued under the authority of and in full compliance with the Constitution and the laws of the State of Florida (the "State"), particularly Chapter 96-520, Laws of Florida, Acts of 1996, as amended, Section 212.055(2), Florida Statutes, and Ordinance No. 96-12 enacted by the County on July 10, 1996, as amended, and other applicable provisions of law (collectively, the "Act"), Resolution No. 14-01 adopted by the Issuer on November 20, 2014, as the same may be amended and supplemented from time to time, and the Second Amended and Restated Trust Indenture dated as of January 6, 2015 (the "Trust Indenture") by and between the Issuer and U.S. Bank National Association with its designated corporate trust office in Orlando, Florida (the "Trustee").

The 2015 Bonds and any Additional Bonds (as defined in the Trust Indenture) subsequently issued under the Trust Indenture shall be collectively referred to herein as the "Bonds."

Capitalized terms not otherwise defined which are used in this Official Statement shall have the same meanings as ascribed to them in the Trust Indenture. See "APPENDIX C-1 – FORM OF TRUST INDENTURE" attached hereto.

The description of the 2015 Bonds and of the documents authorizing and securing the same does not purport to be comprehensive or definitive. All references herein to such documents, agreements and reports are qualified in their entirety by reference to such documents, agreements and reports. All summaries herein of the 2015 Bonds are qualified in their entirety by reference to the aforesaid documents and agreements. Copies of documents and reports not reproduced in this Official Statement and further information with regard to the Issuer and the 2015 Bonds may be obtained from the

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\* Preliminary, subject to change.



Issuer at the following address: Tampa Sports Authority, Attention: Vice President Finance and Administration, 4201 North Dale Mabry Highway, Tampa, Florida 33607.

## **PURPOSE OF THE 2015 BONDS**

Proceeds from the 2015 Bonds, together with other legally available funds of the Issuer, will be used to (i) refund, on a current basis, all of the outstanding Tampa Sports Authority Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2005 (the "Refunded Bonds"), (ii) finance certain improvements to a community stadium (as more particularly described herein, the "Stadium"), and (iii) pay the costs of issuance of the 2015 Bonds.

### **Refunding Plan**

Concurrently with the delivery of the 2015 Bonds, the Issuer will deposit a portion of the net proceeds of the 2015 Bonds, along with other legally available funds of the Issuer with U.S. Bank National Association (the "Escrow Holder"). Such moneys will be held uninvested and will be distributed pursuant to the terms and provisions of the Escrow Deposit Agreement between the Issuer and the Escrow Holder (the "Escrow Deposit Agreement"). Upon the deposit of such moneys with the Escrow Holder, in the opinion of Bond Counsel, rendered in reliance upon certain mathematical computations performed by Public Resources Advisory Group Inc., Financial Advisor to the Issuer and verified by Integrity Public Finance Consulting LLC, Jacksonville, Florida, a wholly owned subsidiary of Bryant Miller Olive P.A. (the "Verification Agent"), the Refunded Bonds shall be deemed paid in accordance with the trust indenture under which they were issued, and such trust indenture and all rights thereby granted to the Refunded Bondholders shall have ceased, determined and become void, and the lien in favor of such Refunded Bondholders shall have been cancelled and discharged. See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

The Issuer intends to call all of the Refunded Bonds for redemption on January 9, 2015. The moneys deposited will be sufficient to make timely payments of all outstanding principal, redemption premium, and interest on the Refunded Bonds, as the same become due or are called for redemption in accordance with the Escrow Deposit Agreement. The holders of the Refunded Bonds shall be entitled to payment solely out of the moneys or securities deposited pursuant to the Escrow Deposit Agreement. The moneys on deposit with the Escrow Holder pursuant to the Escrow Deposit Agreement will not be available for payment of the 2015 Bonds.

### **Stadium Improvements**

A portion of the 2015 Bond proceeds will be applied to finance certain planned capital improvements for the Stadium (the "Stadium Improvements"). The Stadium

Improvements generally include all or a portion of the following: the replacement of the two main scoreboards that were installed when the Stadium opened in 1996, installation of new sound amplification equipment and replacement of stadium seating.

### **ESTIMATED SOURCES AND USES OF PROCEEDS**

The proceeds to be received from the sale of the 2015 Bonds, together with other legally available moneys, are estimated to be applied as follows:

#### SOURCES

2015 Bonds Principal Amount	\$
Other Legally Available Moneys <sup>(1)</sup>	
Less/Plus: Net Original Issue Discount/Premium	_____
Total Sources	\$ <u>_____</u>

#### USES

Deposit pursuant to Escrow Deposit Agreement <sup>(2)</sup>	\$ _____
Deposit to Construction Fund <sup>(3)</sup>	
Deposit to Costs of Issuance Fund <sup>(4)</sup>	_____
Total Uses	\$ <u>_____</u>

- <sup>(1)</sup> Derived from moneys on deposit in certain funds and accounts maintained under the Trust Indenture for the benefit of the Refunded Bonds.
- <sup>(2)</sup> To be applied to refund the Refunded Bonds. See "PURPOSE OF THE 2015 BONDS-Refunding Plan" herein.
- <sup>(3)</sup> To be applied to pay a portion of the costs of the Stadium Improvements. See "PURPOSE OF THE 2015 BONDS-Stadium Improvements" herein.
- <sup>(4)</sup> Includes legal, financial and administrative expenses, rating agencies' fees, underwriter's discount and any other costs associated with the issuance of the 2015 Bonds.

### **TAMPA SPORTS AUTHORITY**

The Issuer is an independent special district that was created by Chapter 65-2307, as superseded by Chapter 96-520, Laws of Florida. It is a public agency, politic and corporate. The Issuer was created for the public purpose of planning, developing, promoting and maintaining a comprehensive complex of sports and recreational facilities for the use and enjoyment of the citizens of the City of Tampa, Florida (the "City") and Hillsborough County, Florida (the "County").

The Issuer consists of eleven voting members. Four members are appointed by the Mayor of the City with the concurrence of the City Council, four by the Board of County Commissioners (the "Board") of the County, and one by the Governor of the State, each

for a term of four years. There are two ex officio members, a member of the City Council of the City and a member of the Board of the County.

The Act empowers the Issuer, among other things, (1) to acquire, construct, improve and operate any stadium or other sports and recreation facilities, (2) to make a comprehensive long range master plan for the overall orderly development of a sports complex, (3) to fix and collect charges for the use of any and all of its sports and recreational facilities, (4) to operate and contract with the State, or any instrumentality or agency thereof, any municipality, district, private corporation or association, providing for or relating to sports and recreational facilities, and (5) to borrow money and issue revenue bonds.

The Issuer has operated the Stadium since 1998, along with the adjacent properties located on a 134-acre site, approximately three and one-half miles northwest of the City's downtown business district. The Stadium is designed primarily for professional football. The Stadium has a 66,071 spectator seating capacity expandable to 75,000 for special events. A National Football League team, the 2002 World Champion Tampa Bay Buccaneers, and the University of South Florida's football team, the Bulls, use the Stadium. The Stadium is also known as Raymond James Stadium.

During October 1996, the Issuer completed the building of an arena facility currently known as the Amalie Arena (formerly known as the Tampa Bay Times Forum, the St. Pete Times Forum and the Ice Palace) in the downtown area of the City. The Amalie Arena, a multi-purpose arena with seating capacity of approximately 20,000, was developed and operated by Tampa Bay Arena, L.P. ("TBA"). The Amalie Arena is principally used as a venue for home games of the 2003 Stanley Cup winning Tampa Bay Lightning, a franchisee of the National Hockey League, and of the five-time World Champion Tampa Bay Storm, a franchisee of the Arena Football League.

In order to take advantage of the County's immunity from ad valorem property taxes, the Issuer conveyed title to approximately 98 percent of the Stadium and leased it back from the County for a term ending in 2028. Similarly, the Issuer and TBA conveyed to the County through appropriate deeds and bills of sale, title and all other interests to the Amalie Arena. Simultaneously, the County leased the Amalie Arena to the Issuer pursuant to a new lease and the Issuer subleased the Amalie Arena to TBA with terms expiring in 2027.

The Issuer also manages three City-owned golf courses pursuant to a management agreement between the Issuer and the City that has been amended several times (the "Golf Courses Agreement"). Pursuant to the Golf Courses Agreement, the City is responsible for any operating shortfalls realized by the golf courses. For the last several years, the City has been required to pay for shortfalls. In addition, under the terms of the Golf Courses Agreement, the Issuer is entitled to receive, within 45 days after its fiscal year end, one percent of the golf courses' gross revenue as a "management fee" which is

payable only from the golf courses' "surplus revenues," defined as net revenues less any debt service installments then due. These management fees have not been payable for the last several fiscal years because surplus revenues have been insufficient.

The City has also contributed in excess of \$8,300,000 for capital improvements to the golf courses pursuant to the terms of the Golf Courses Agreement. Such amounts are intended to be repaid from net revenues derived from the golf courses operations but to date such contributions have not been repaid.

None of the golf courses revenues or the management fees payable to the Issuer are pledged to the repayment of the Bonds.

See Notes A, I, and J to the Notes to Financial Statements in APPENDIX B-2 – "AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2013" for more information concerning these transactions.

## **HILLSBOROUGH COUNTY**

The County is located on the central-west coast of Florida with the City serving as the County seat. As of April 1, 2014, the County's population was estimated to be 1,276,410. The geographical boundaries of the County encompass approximately 1,266 square miles.

The County is a political subdivision of the State of Florida and is governed by the State Constitution, general laws of the State of Florida and the County's Charter. Pursuant to the Florida Constitution, counties operating under a charter, such as the County, have all powers of local self-government not inconsistent with general law, and the governing body of such a county may enact ordinances not inconsistent with general law. See "APPENDIX A - GENERAL INFORMATION REGARDING THE COUNTY" attached hereto.

## **DESCRIPTION OF THE 2015 BONDS**

### **General**

The 2015 Bonds will be initially issued in the form of a single fully registered bond for each maturity of the 2015 Bonds. Upon initial issuance, the ownership of each such 2015 Bond will be registered in the registration books kept by the Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "DESCRIPTION OF THE 2015 BONDS - Book-Entry Only System" which follows. The 2015 Bonds will be dated the date of delivery, and will bear interest at the rates and mature in the amounts and at the times set forth on the inside cover page of this Official Statement. The 2015 Bonds are to be issued as fully registered

bonds in denominations of \$5,000 or integral multiples thereof. Interest will be payable on July 1, 2015 and semiannually thereafter on January 1 and July 1 of each year. Principal of, and premium, if any, on the 2015 Bonds are payable at the designated corporate office of the Trustee, U.S. Bank National Association, Orlando, Florida, which is also acting as Registrar. Interest on the 2015 Bonds shall be payable by check or draft mailed to the registered Owners at their addresses as they appear on the registration books of the Issuer maintained by the Registrar; however, in the case of a registered Owner of \$1,000,000 or more in aggregate principal amount of 2015 Bonds, upon written request of such registered Owner to the Registrar, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer, at the expense of the registered Owner.

With respect to 2015 Bonds registered in the name of Cede & Co., as nominee of DTC, neither the Issuer nor the Trustee will have any responsibility or obligation to any DTC Participant or to any indirect DTC Participant. See "DESCRIPTION OF THE 2015 BONDS - Book-Entry Only System" for the definition of "DTC Participant." Without limiting the immediately preceding sentence, neither the Issuer, the Registrar nor the Trustee will have any responsibility or obligation with respect to: (i) the accuracy of the records of DTC or any DTC Participant with respect to any ownership interest in the 2015 Bonds; (ii) the delivery to any DTC Participant or any other person other than a registered Owner, as shown in the registration books kept by the Registrar, of any notice with respect to the 2015 Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than a registered Owner, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, premium, if any, or interest on the 2015 Bonds. The Issuer, the Registrar and the Trustee may treat and consider the person in whose name each 2015 Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee will pay all principal of, premium, if any, and interest on the 2015 Bonds only to or upon the order of the respective registered Owners, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided in the Trust Indenture, and all such payments will be valid and effectual to satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the 2015 Bonds to the extent of the sums so paid. No person other than a registered Owner, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal of, premium, if any, and interest on the 2015 Bonds pursuant to the provisions of the Trust Indenture.

## **Book-Entry Only System**

THE FOLLOWING INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM DTC AND OTHER SOURCES THAT THE ISSUER BELIEVES TO BE RELIABLE AND THE ISSUER DOES NOT TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the 2015 Bonds. The 2015 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the 2015 Bonds and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2015 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2015 BONDHOLDERS OR REGISTERED OWNERS OF THE 2015 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2015 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE 2015 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE 2015 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE 2015 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2015 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE 2015 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE ISSUER NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other

organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has Standard and Poor's highest rating: AAA. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2015 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2015 Bonds, except in the event that use of the book-entry system for the 2015 Bonds is discontinued.

To facilitate subsequent transfers, all 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of The 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the 2015 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such 2015 Bonds, as the case may be, to be redeemed. Beneficial Owners

of the 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2015 Bonds, such as redemptions, defaults, and proposed amendments to the Series 2015 documents. For example, Beneficial Owners of the 2015 Bonds may wish to ascertain that the nominee holding the 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer and/or the Trustee for the 2015 Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2015 Bonds at any time by giving reasonable notice to the Issuer. Under such circumstances, in the event that a successor securities depository is not obtained, 2015 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the book-entry transfers through DTC (or a successor securities depository). In that event and upon compliance with applicable DTC procedures, 2015 Bond certificates will be printed and delivered.



## Optional Redemption

The 2015 Bonds maturing on or before January 1, 2025 are not subject to optional redemption prior to maturity. The 2015 Bonds maturing on or after January 1, 2026 are subject to redemption prior to maturity at the option of the Issuer, in whole or in part on any date on or after January 1, 2025, and if in part, in such manner as determined by the Trustee, at the redemption price of 100% of the principal amount of the 2015 Bonds to be redeemed without redemption premium, plus accrued interest to the redemption date.

## Mandatory Redemption

The 2015 Bonds maturing on January 1, \_\_\_\_ are subject to mandatory sinking fund redemption prior to maturity, in such manner as the Trustee may deem appropriate, at a redemption price equal to 100% of the principal amount of the 2015 Bonds to be redeemed, commencing January 1, \_\_\_\_ and on each January 1 thereafter, in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>
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\_\_\_\_\_  
\*Maturity

The 2015 Bonds maturing on January 1, \_\_\_\_ are subject to mandatory sinking fund redemption prior to maturity, in such manner as the Trustee may deem appropriate, at a redemption price equal to 100% of the principal amount of the 2015 Bonds to be redeemed, commencing January 1, \_\_\_\_ and on each January 1 thereafter, in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>
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\_\_\_\_\_  
\*Maturity

## Notice of Redemption

*So long as the 2015 Bonds are registered in the name of DTC or its nominee, notices of redemption shall only be given on behalf of the Issuer to Cede & Co., or any successor securities depository. See "DESCRIPTION OF THE 2015 BONDS – Book-Entry Only System" herein.*

Notice of the call for any redemption, identifying the 2015 Bonds or portions thereof to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) (registered or certified mail, as to owners of at least \$1,000,000 in principal amount of the 2015 Bonds) not less than thirty (30) days prior to the date fixed for redemption to the registered Owner of each 2015 Bond to be redeemed in whole or in part at the address shown on the registration books maintained by the Trustee. Failure to give such notice by mailing to any 2015 Bondholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other 2015 Bonds. Any 2015 Bondholder owning at least \$1,000,000 in principal amount of such 2015 Bonds may request that a second copy of the notice of redemption be sent to a second address provided to the Trustee in writing prior to the Record Date for such redemption.

The notice of redemption shall set forth the complete title of the 2015 Bonds, CUSIP number(s), the date of the issue, 2015 Bond numbers, interest rate, maturity, the date fixed for redemption, the redemption price to be paid and, if less than all of the 2015 Bonds of any one maturity of a particular Series then Outstanding shall be called for redemption, the distinctive numbers and letters of such 2015 Bonds to be redeemed and, in the case of 2015 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and the place or places of redemption, including the name, address and phone number of a contact person.

A second notice of redemption shall be given on the sixtieth (60th) day after the redemption date in the manner required above to the registered owners of redeemed 2015 Bonds which have not been presented for payment by such sixtieth (60th) day after the redemption date.

The Issuer may provide that such a notice of redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur, the notice will be rescinded; provided notice of rescission shall be mailed in the manner described above to all affected 2015 Bondholders not later than three (3) Business Days prior to the date of redemption.

Any notice mailed as provided in the Trust Indenture shall be conclusively presumed to have been duly given upon mailing, whether or not the owner of such 2015 Bonds receives the notice.

### **Effect of Redemption**

Not later than the Business Day prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is authorized and directed by the terms and provisions of the Trust Indenture to apply such funds to the payment of the 2015 Bonds or portions thereof called, together with accrued interest thereon to the redemption date, and expenses in connection with such redemption. Upon the giving of

notice and the deposit of funds for redemption, interest on the 2015 Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption. No payment shall be made by the Trustee upon any 2005 Bond or portion thereof called for redemption until such 2005 Bond or portions thereof shall have been delivered for payment.

## **SECURITY FOR THE BONDS**

### **Limited Obligations**

THE BONDS, TOGETHER WITH INTEREST THEREON, ARE NOT GENERAL OR MORAL OBLIGATIONS OF THE ISSUER, THE STATE, THE COUNTY, THE CITY, OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE, BUT ARE LIMITED OBLIGATIONS PAYABLE SOLELY AND ONLY FROM THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE TRUST INDENTURE.

The Pledged Revenues are pledged and assigned as security for the payment of the 2015 Bonds and shall be used for no other purpose other than to pay the principal of and interest and premium, if any, on the Bonds, in the order and priority expressly authorized in the Trust Indenture. Notwithstanding the foregoing, nothing in the Trust Indenture shall be deemed to grant or create a lien on any account in the Reserve Fund created with respect to a particular Series of Bonds in favor of the owners of Bonds of any other Series, and each account in the Reserve Fund shall secure only the Series of Bonds with respect to which it was created. See "- No Reserve for 2015 Bonds" below.

### **Pledged Revenues**

Pledged Revenues means (i) the Local Option Sales Tax Revenues, and (ii) moneys on deposit in the funds and accounts established under the Trust Indenture and investment earnings thereon, but excluding moneys on deposit in the Rebate Account, the Stadium Fund and the Costs of Issuance Fund, as each such Fund and Account is established in the Trust Indenture. The Local Option Sales Tax Revenues means the local option infrastructure surtax revenues directed by the County and the City pursuant to Section 2(b) of the Interlocal Agreement dated July 17, 1996 by and among the County, the Hillsborough County School Board, the City, the City of Plant City, Florida, and the City of Temple Terrace, Florida, as may be amended from time to time (the "Community Investment Interlocal Agreement"), and payable to the order of the Issuer pursuant to the Interlocal Agreement For Stadium Financing dated June 1, 1997, as amended and restated by an Amended and Restated Interlocal Agreement for Stadium Financing dated as of December 6, 2006, and a Second Amended and Restated Interlocal Agreement for Stadium Financing dated as of January 6, 2015, each by and between the Issuer and the County (collectively, the "Interlocal Agreement For Stadium Financing").

## **Interlocal Agreement For Stadium Financing with County**

Pursuant to the Interlocal Agreement for Stadium Financing, the County has directed the Clerk of the Circuit Court of the County to pay on a monthly basis from the Local Option Sales Tax Revenues: first, to the order of the Trustee for deposit in the Revenue Fund pursuant to the Trust Indenture, on behalf of the Issuer, an amount equal to the equal monthly share of (i) the next interest payment on the Bonds, (ii) the next principal payment on the Bonds; (iii) the next fees and charges of the Trustee, the Paying Agent and Registrar, if any, accruing with respect to the Bonds, and (iv) any deficiency in the Accounts or Funds under the Trust Indenture (provided however that for the 12-month period ending January 1, 2027, the Clerk of the Circuit Court of the County, shall, on a monthly basis, pay, from the Local Option Sales Tax Revenues, all 12 months of payments over the first 9 months of the year, on a level equal monthly basis); until there are sufficient funds then on deposit in the Debt Service Fund established under the Trust Indenture equal to the sum of the next interest and/or principal payment, and the next fees and charges of the Trustee, the Paying Agent and the Registrar, if any, with respect to the Bonds, and the Reserve Requirement shall be on deposit in the appropriate accounts in the Reserve Fund under the Trust Indenture; payments required pursuant to the foregoing shall be increased or decreased each month to the extent required in the Trust Indenture; and then second, to the Issuer, one-twelfth (1/12th) of the annual amount of deposits for the current fiscal year, to the Capital Improvement Fund as shown on Schedule "A" attached to the Interlocal Agreement For Stadium Financing, for deposit into the Capital Improvement Fund established pursuant to the Stadium Agreement (hereinafter defined); and then third, to the order of the Trustee for deposit in the Revenue Fund pursuant to the Trust Indenture, on behalf of the Issuer one-twelfth (1/12th) of the annual amount of deposits for the current fiscal year as shown on Schedule "B" attached to the Interlocal Agreement For Stadium Financing; provided, however, that the total amount of Local Option Sales Tax Revenues so transferred to the Trustee and to the Issuer shall not exceed the annual amount for that year, as shown in Section 2(b) to the Community Investment Interlocal Agreement.

The payment obligations referred to above in the clauses "second" and "third" are junior and subordinate in all respects to the payment obligations referred to above in the clause "first."

The County shall not voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, in each case, having a priority to or being on a parity with the lien securing the Bonds upon the Section 2(b) Revenues, except to the extent permitted under the Trust Indenture.

The County is additionally obligated to pay, on or before the first day of each January and July of each year or any other payment schedule mutually agreed upon by the parties for so long as any Bonds are outstanding, for any operation and maintenance shortfalls of the Issuer up to one-half of two-thirds of the amount, as shown by the

Issuer's then current annual budget by which the Issuer's Gross Revenues (as defined in such Interlocal Agreement For Stadium Financing) shall be less than the payment required to be made during the 12-month period ending on the next October 1 for Current Expenses (as defined in the Interlocal Agreement For Stadium Financing) (the "Projected County Subsidy"). Pursuant to such Interlocal Agreement, the County agrees to budget and appropriate legally available moneys of the County derived from sources other than ad valorem taxation ("County Non-Ad Valorem Revenues"), and to pay such County Non-Ad Valorem Revenues to the Issuer in such amount as to satisfy such obligation. Such agreement to budget and appropriate is not a source of security for 2015 Bondholders. After such budget year is complete, if the difference between actual Current Expenses compared to actual Gross Revenues is less than the Projected County Subsidy, then the Issuer shall pay back to the County such difference. The County has had a similar obligation to fund operating deficits of the Issuer dating back at least to May 25, 1977. Notwithstanding the foregoing, the County's obligation to fund any such operation and maintenance shortfalls is expressly conditioned upon the non-occurrence of an objection by the County to the Issuer's budget.

For additional information regarding the Interlocal Agreement For Stadium Financing, see "APPENDIX C-2 - FORM OF INTERLOCAL AGREEMENT FOR STADIUM FINANCING WITH COUNTY" attached hereto.

### **Interlocal Agreement with City**

Pursuant to the Interlocal Agreement dated June 1, 1997 by and between the Issuer and the City (the "City Interlocal Agreement"), the City is obligated to pay, on or before the first day of each January and July of each year as long as any Bonds are outstanding, for any operation and maintenance shortfalls of the Issuer up to one-half of one-third of the amount, as shown by the Issuer's then current annual budget, by which the Issuer's Gross Revenues (as are defined in the City Interlocal Agreement) shall be less than the payments required to be made during the 12-month period ending on the next October 1 for Current Expenses (as defined in the City Interlocal Agreement) (the "Projected City Subsidy"). Pursuant to the City Interlocal Agreement, the City agrees to budget and appropriate legally available moneys of the City derived from sources other than ad valorem taxation ("City Non-Ad Valorem Revenues"), and to pay such City Non-Ad Valorem Revenues to the Issuer in such amount as to satisfy such obligation. Such agreement to budget and appropriate is not a source of security for 2015 Bondholders. After such budget year is complete, if the difference between actual Current Expenses compared to actual Gross Revenues is less than the Projected City Subsidy, then the Issuer shall pay back to the City such difference. The City has had a similar obligation to fund operating deficits of the Issuer dating back at least to May 25, 1977.

For additional information regarding the City Interlocal Agreement, see "APPENDIX C-3 - COPY OF INTERLOCAL AGREEMENT WITH CITY" attached hereto.

## **Creation of Funds and Accounts**

The Trust Indenture creates and establishes the Revenue Fund and the Rebate Account therein, the Construction Fund, the Costs of Issuance Fund, the Debt Service Fund, the Reserve Fund, the Stadium Fund and the accounts therein authorized. The Revenue Fund, the Debt Service Fund, the Stadium Fund, the Costs of Issuance Fund, the Construction Fund and the Reserve Fund created thereunder, and all accounts therein created, shall constitute trust funds for the purposes provided in the Trust Indenture, shall be held by the Trustee, and shall, at all times, be kept separate and distinct from all other funds of the Issuer and used only as provided in the Trust Indenture. Moneys held in the Revenue Fund, the Debt Service Fund, the Construction Fund and the Reserve Fund and the accounts therein shall be subject to a lien and charge in favor of the holders and registered owners of the Bonds; provided, however, that the Bondholders shall have no lien on or right to payment from amounts on deposit in the Rebate Account or the Stadium Fund.

## **Flow of Funds**

Commencing immediately following the issuance of the 2015 Bonds, and continuing at least so long as any Bonds shall be Outstanding under the Trust Indenture, Local Option Sales Tax Revenues transferred by the Clerk of the Circuit Court to the Trustee shall be deposited in and to the credit of the Revenue Fund.

Commencing as soon as the Local Option Sales Tax Revenues shall be received following the issuance of the 2015 Bonds and continuing monthly thereafter, the funds in the Revenue Fund shall be disposed of in the following order and priority:

(a) Subject to the last sentence of this paragraph, by deposit into the Debt Service Fund, an amount equal to the sum of (i) one-sixth (1/6th) of the interest coming due on the Bonds that bear interest payable semi-annually on the next Interest Payment Date until sufficient funds have been deposited to make the next semi-annual interest payment due on the Bonds; (ii) the amount of interest accruing in such month on Bonds that bear interest other than on a semi-annual basis (other than Bonds that bear interest payable only upon maturity or redemption); (iii) one-twelfth (1/12th) of all principal (including the Compounded Amount of Capital Appreciation Bonds, if any) maturing on the various Serial Bonds and Term Bonds, if any, that mature annually during the current Bond Year, other than Term Bonds that are otherwise subject to mandatory redemption from Amortization Installments in that Bond Year; (iv) one-sixth (1/6th) of all principal maturing (including the Compounded Amount of Capital Appreciation Bonds, if any) on the Bonds, if any, that mature semiannually on the next maturity date during the current Bond Year; (v) one-twelfth (1/12th) of the Amortization Installments and redemption premiums, if any, that shall become due and payable during the current Bond Year; and (vi) one-sixth (1/6th) of the amount sufficient to pay the next fees and charges of the Trustee, as both paying agent and registrar, if any, accruing with respect to the Bonds;

until there are sufficient funds then on deposit equal to the sum of the next interest payment on the Bonds on the next Interest Payment Date, the next principal installment on semiannual Serial Bonds, if any, the next principal installment on annual Serial and Term Bonds, if any, the Amortization Installments due in the current Bond Year, if any, and the next fees and charges of the Trustee, as the paying agent and the registrar, if any, with respect to the Bonds. Notwithstanding the foregoing, for the 12-month period ending January 1, 2027, there shall be deposited into the Debt Service Fund all 12 months of payments coming due in such 12-month period over the first 9 months of the year, on a level equal monthly basis.

Deposits required pursuant to the foregoing shall be increased each month to the extent required to pay interest next coming due and the principal of and redemption premiums, if any, on Bonds maturing or subject to mandatory redemption on the next Interest Payment Date, after making allowance for any accrued and capitalized interest, and to make up any deficiency or loss that may otherwise arise in such fund.

Deposits from the Revenue Fund into the Debt Service Fund may be decreased or funds previously deposited therein may be withdrawn and deposited in the manner hereinafter described in subparagraphs (b) or (c) below, as appropriate, to adjust for Bonds purchased, redeemed or otherwise paid as provided in the Trust Indenture.

(b) Second, by deposit into the appropriate accounts in the Reserve Fund, amounts which, after taking into account other funds on deposit therein, will be sufficient to make the funds on deposit therein equal to the Reserve Requirement for each such account. If there are not sufficient funds in the Revenue Fund available to make the amounts on deposit in each account in the Reserve Fund equal to the Reserve Requirement for the applicable Series of Bonds, there shall be deposited in each such account an amount equal to the lesser of the Reserve Requirement for such account or the total amount available to be deposited into the Reserve Fund multiplied by a fraction, the numerator of which is the principal amount of all Bonds of the applicable Series then Outstanding and the denominator of which is the total aggregate amount of the Bonds of every Series then Outstanding. See "SECURITY FOR THE BONDS - No Reserve for 2015 Bonds" herein.

(c) After making the deposits required in subparagraphs (a) and (b) above, funds remaining in the Revenue Fund equal to one-twelfth (1/12th) of the Bond Service Requirement for the then current Bond Year shall be transferred to the Debt Service Fund and applied in the next ensuing month to make deposits required in subparagraph (a) above.

(d) Next, to the extent permitted by the Community Investment Interlocal Agreement and the Interlocal Agreement For Stadium Financing, to pay any subordinate obligations or indebtedness due and owing.

(e) After making the deposits required in (a) through (d) above, funds remaining in the Revenue Fund shall be deposited in the Stadium Fund and disbursed in accordance with the Trust Indenture. Notwithstanding anything in the Trust Indenture to the contrary, the obligation hereunder to fund the Stadium Fund shall survive the payment of all principal of and interest on the Bonds.

The Issuer shall not be required to make any further payments into the Debt Service Fund, including the accounts therein, and the Reserve Fund, when the aggregate amount of funds in the Debt Service Fund, including the accounts therein, are at least equal to the aggregate principal amount of Bonds issued pursuant to the Trust Indenture and then Outstanding, plus the amount of interest then due or thereafter to become due on said Bonds then Outstanding, or if all Bonds then Outstanding have otherwise been defeased pursuant to the Trust Indenture.

For purposes of the preceding paragraph, in determining that moneys held in the Debt Service Fund and Reserve Fund are at least equal to the principal of and interest on a particular Series of Bonds, the Issuer shall take into account moneys in the Reserve Fund only to the extent that such moneys are held in an account therein related to such Series of Bonds.

### **Debt Service Fund**

Moneys on deposit in the Debt Service Fund shall be used solely for the payment of the principal of, redemption premiums, if any, and interest with respect to the Bonds and to pay the fees and charges of the Trustee, as the paying agent and registrar; provided, however, that if such principal and interest payments, or a portion thereof, have been made on behalf of the Issuer by a Reserve Product Provider or other entity insuring or guaranteeing or providing a Reserve Product for the payment of the Bonds, or any Series or maturity thereof, moneys on deposit therein and allocable to such Series or maturity shall be paid to such entity having theretofore made a corresponding payment on the Bonds.

At the maturity date of each Bond and at the due date of an Amortization Installment and installment of interest on the Bonds, the Issuer shall transfer from the Debt Service Fund to the Trustee, as paying agent, for such Bonds sufficient moneys to pay all principal of, redemption premium, if any, and interest then due and payable with respect to such Bonds. If on the Business Day prior to any payment date on which principal of, redemption premium, if any, or interest is due on the Bonds, the amount then on deposit in the Debt Service Fund shall not be at least equal to the sum of the interest, principal and redemption payments due on such payment date, the Trustee shall deposit amounts from the applicable account or accounts in the Reserve Fund in accordance with the Trust Indenture to the Debt Service Fund in an amount necessary to cure such deficiency.



If an account in the Reserve Fund is funded with a Reserve Product, the Trustee, as paying agent, shall give all notices and take all actions as shall be required by the terms of the Reserve Product, by the times required thereby, to cause proceeds of the Reserve Product to be delivered to the Trustee, as paying agent, on or before the applicable payment date with respect to the Bonds.

Moneys on deposit in the Debt Service Fund for the redemption of Bonds shall be applied to the retirement of Bonds issued under the provisions of the Trust Indenture and then Outstanding in the following manner:

(i) The Issuer may purchase Outstanding Term Bonds redeemable from Amortization Installments during such Bond Year, and pro rata (based on the principal amount of the Amortization Installments due in such Bond Year for each such Series of Term Bonds) among all such Bonds if more than one Series of such Term Bonds are Outstanding, or if no such Term Bonds are then Outstanding, the Issuer may purchase serial Bonds whether or not such Bonds shall then be subject to redemption, but only to the extent moneys are available therefor, at the most advantageous price obtainable, such price not to exceed the principal of such Bonds plus accrued interest (or with respect to Capital Appreciation Bonds, the Compounded Amount) but no such purchase shall be made by the Issuer within a period of thirty (30) days next preceding any Interest Payment Date on which such Bonds are subject to call for redemption under the provisions of the Trust Indenture;

(ii) Then, to the extent moneys remain on deposit in the Debt Service Fund that are held for the redemption of Bonds, the Issuer may call for redemption on each Interest Payment Date on which Bonds are subject to redemption, with or without redemption premium, from such moneys, such amount of Term Bonds subject to the Amortization Installments for such Bond Year that have not been purchased pursuant to subparagraph (i) above as will nearly as may be practicable exhaust the remainder of the Amortization Installment for such Bond Year;

(iii) Then, to the extent moneys remain on deposit in the Debt Service Fund that were deposited therein pursuant to the Trust Indenture for the purpose of redeeming Bonds, the Issuer may call any remaining Bonds then subject to redemption, in such order and by such selection method as the Trustee, in its discretion, may determine, from such funds as will exhaust the money then held for the redemption of such Bonds as nearly as may be possible; and

(iv) Then, to the extent moneys remain on deposit in the Debt Service Fund that were deposited therein pursuant to the Trust Indenture for the purpose of redeeming Bonds, the Issuer may, in its discretion from time to time (a) deposit such monies into the Stadium Fund, or (b) keep such moneys on deposit in the Debt Service Fund for future use pursuant to the terms of the Trust Indenture; provided, however, that such moneys shall be used for any purpose or purposes allowed pursuant to clause (a)

above only if the Issuer shall obtain an opinion of Bond Counsel to the effect that such use, in and of itself, will not cause the interest on any Bond (other than any Taxable Bond) to become included in the gross income of the Owners thereof for federal income tax purposes and will not violate the Community Investment Interlocal Agreement, the Interlocal Agreement for Stadium Financing or the Act.

If Term Bonds are purchased or redeemed pursuant to the Trust Indenture in excess of the Amortization Installments for such Bond Year, such excess principal amount of such Term Bonds so purchased or redeemed shall be credited against subsequent Amortization Installments for such Term Bonds in such Bond Year or Bond Years as the Issuer may determine and as may be reflected in the Issuer's permanent accounting records.

Notwithstanding the foregoing, to the extent that moneys are deposited into the Debt Service Fund in a given Bond Year in an amount equal to the Amortization Installment for such Bond Year and are applied to purchase or redeem Term Bonds to which such Amortization Installment applies, then all moneys thereafter deposited to the Redemption Account in such Bond Year may be applied as provided in the Trust Indenture.

#### **No Reserve For 2015 Bonds**

The 2015 Bonds shall not be secured in any manner by the Reserve Fund or any account therein.

#### **Construction Fund**

Moneys in the Construction Fund and in each account thereof shall be kept separate and apart from all other funds and accounts of the Issuer, and proceeds of the appropriate Series of Bonds on deposit in the Construction Fund, shall be disbursed by the Trustee from the Construction Fund and applied by the Issuer to pay the cost of any Project upon the delivery to the Trustee of a Requisition For Payment (no more than once per month unless such limitation is expressly waived by the Chief Financial Administrator of the County, or his or her designee and the Chief Financial Officer of the City, or his or her designee), substantially in the form attached as Exhibit A to the Trust Indenture, executed by the Financial Officer of the Issuer and, if in an amount of \$500,000 or more, approved by the Chief Financial Administrator of the County, or his or her designee, and the Chief Financial Officer of the City, or his or her designee and containing the information required to complete Schedule A to such Requisition For Payment. Any approval right of the Chief Financial Administrator of the County, or his or her designee, and the Chief Financial Officer of the City, or his or her designee, is limited to whether or not the invoice relates to a capital improvement or repair contemplated in the Community Investment Interlocal Agreement. In making any such disbursement from the Construction Fund, the Trustee may rely conclusively on such

Requisition for Payment and the Trustee shall be relieved of all liability with respect to making such disbursement in accordance with such Requisition for Payment without any investigation.

Any funds on deposit in the Construction Fund that, in the opinion of the Issuer, are not immediately necessary for expenditure, as hereinabove provided, may be invested in Investment Obligations, provided that such investments mature or are redeemable at not less than par on or before the date such funds are estimated to be needed for the purposes hereof. The Trustee may rely conclusively upon the written instructions of the Issuer or its designee as to the dates when Costs of Issuance Fund or Construction Fund moneys are needed, and shall not be liable or responsible for determining such dates in the absence of such written instructions.

Any liquidated damages or settlement payments received by the Issuer as a result of the breach by any contractor, subcontractor or supplier working or supplying goods for any Project of any representation, warranty or performance guaranty, and all insurance and condemnation proceeds received with respect to damages to or the taking of any Project during construction or any moneys received by the Issuer as contributions towards or reimbursements of Cost of any Project shall, at the discretion of the Issuer, be deposited into the appropriate account or accounts in the Construction Fund to ensure completion of such Project or shall be deposited into the Debt Service Fund for the redemption of Bonds.

Upon completion of any Project or upon abandonment thereof, or payment of all costs of issuance, as the case may be, any amounts then remaining in the Costs of Issuance Fund or the Construction Fund, as applicable, and not reserved by the Issuer for the payment of eligible costs shall be transferred to the Debt Service Fund and used to redeem Bonds in the manner described in the Trust Indenture.

The Issuer shall timely provide copies of all Requisitions provided pursuant to the Trust Indenture to the Chief Financial Administrator of the County and the Chief Financial Officer of the City.

### **Costs of Issuance Fund**

Moneys in the Costs of Issuance Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and proceeds of the Bonds on deposit in the Costs of Issuance Fund shall be disbursed by the Trustee from the Costs of Issuance Fund and applied by the Issuer to pay the costs of issuance upon the delivery of a Requisition For Payment substantially in the form attached as Exhibit "A" to the Trust Indenture, executed by the Financial Officer of the Issuer, and containing the information acquired to complete Schedule A to such Requisition For Payment.

Any funds on deposit in the Costs of Issuance Fund, that, in the opinion of the Issuer, are not immediately necessary for expenditure, may be invested in Investment Obligations (as that term is defined in the Trust Indenture), provided that such investments mature or are redeemable at not less than par on or before the date such funds are estimated to be needed for such purposes.

Upon payment of all costs of issuance, any amounts then remaining in the Costs of Issuance Fund and not reserved by the Issuer for the payment of the eligible costs shall be transferred to the Debt Service Fund and used to redeem Bonds in the manner described in the Trust Indenture.

### **Stadium Fund**

Funds shall be deposited in the Stadium Fund pursuant to the Trust Indenture and the trust indenture for the Issuer's Florida Sales Tax Payments Refunding Revenue Bonds (Stadium Project), Series 2015. All funds deposited in the Stadium Fund shall be kept separate and apart from all other funds and accounts of the Issuer. Such funds shall be disbursed by the Trustee from the Stadium Fund for the purpose of making capital improvements to the Stadium in accordance with the Community Investment Interlocal Agreement, upon the delivery to the Trustee of a Requisition for Payment (no more often than once per month unless such limitation is expressly waived by the Chief of Financial Administrator of the County, or his or her designee and the Chief Financial Officer of the City or his or her designee) substantially in the form attached as Exhibit B thereto, executed by the Financial Officer of the Issuer and approved by the Chief Financial Administrator of the County, or his or her designee, and the Chief Financial Officer of the City, or his or her designee, if in an amount of \$500,000 or more. Any approval right of the Chief Financial Administrator of the County, or his or her designee, and the Chief Financial Officer of the City, or his or her designee, is limited to whether or not the invoice relates to a capital improvement or repair contemplated in the Community Investment Interlocal Agreement. In making any such disbursement from the Stadium Fund, the Trustee may rely conclusively on such Requisition and the Trustee shall be relieved of all liability with respect to making such disbursement in accordance with such Requisition without any investigation.

### **Additional Bonds**

The Issuer may issue Additional Bonds if the Issuer complies with the conditions set forth below and, pursuant to the Interlocal Agreement For Stadium Financing, the County approves such issuance:

(a) The Financial Officer shall certify that (i) the Issuer is not in default in the performance of any of the covenants and obligations assumed by it under the Trust Indenture, and (ii) all payments required by the Trust Indenture to have been made into

the funds and accounts provided by the Trust Indenture shall have been made in full to the extent required.

(b) Legal counsel to the Issuer shall submit an opinion addressed to the Issuer to the effect that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled.

(c) (i) Each supplemental indenture authorizing the issuance of Additional Bonds issued pursuant to the Trust Indenture will contain a provision to the effect that all of the covenants contained in the Trust Indenture (except as to details expressly applicable to the 2015 Bonds) will be fully applicable to such Additional Bonds as if originally issued under the Trust Indenture.

(ii) The 2015 Bonds and all Additional Bonds issued pursuant to the Trust Indenture, regardless of time or times of their issuance, shall rank equally without preference of any 2015 Bonds or Additional Bonds over any other; provided, however, that such Series of Bonds issued under the Trust Indenture shall, with respect to the Reserve Fund, have rights only to moneys therein in the subaccount therein created with respect to such Series of Bonds. Such subaccounts, if any, in the Reserve Fund may be funded as determined by the Issuer.

(d) An opinion of Bond Counsel shall be delivered to the Issuer to the effect that the issuance of Additional Bonds will not impair the exclusion from gross income for federal income tax purposes of interest paid on any Bonds issued under the Trust Indenture and then Outstanding that are not Taxable Bonds.

(e) Additional Bonds payable on a parity from the Pledged Revenues with the 2015 Bonds, as provided in the Trust Indenture, can be issued and delivered to finance Projects or to refund Outstanding Bonds only if there shall have been obtained and filed with the Issuer a report of the Financial Officer:

(i) setting out the Maximum Annual Bond Service Requirement with respect to the Bonds proposed to be Outstanding under the Trust Indenture following the issuance of the Additional Bonds proposed to be issued for each Bond Year through the final maturity of such Bonds;

(ii) setting out seventy-five percent (75%) of the entire amount of the gross local option infrastructure surtax revenues received by the Clerk of the Circuit Court from the State under the Community Investment Interlocal Agreement for the most recent Fiscal Year (the "Gross Amount") as certified by the Clerk of the Circuit Court to the Financial Officer;

(iii) stating that the Gross Amount is equal to or in excess of 1.35 times the Maximum Annual Bond Service Requirement on all Bonds then Outstanding and the Additional Bonds proposed to be issued; and

(iv) stating that the Local Option Sales Tax Revenues which are distributable to the Issuer pursuant to Section 2(b) of the Community Investment Interlocal Agreement and the Interlocal Agreement for Stadium Financing, as applicable, have been amended so as to increase the Local Option Sales Tax Revenues distributable to the Issuer to an amount at least equal to the Maximum Annual Bond Service Requirement on all Bonds then Outstanding and the Additional Bonds proposed to be issued in each Bond Year.

(f) The proceeds of Additional Bonds shall be used to finance Projects and improvements thereto or expansion thereof or to refund Outstanding Bonds as described in the supplemental indenture authorizing such Additional Bonds.

(g) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Trust Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance, (2) unless the applicable account in the Reserve Fund is fully funded at the applicable Reserve Requirement upon the issuance of such Additional Bonds, and (3) the Issuer shall have obtained the permission of the County pursuant to the Interlocal Agreement for Stadium Financing.

### **Refunding Bonds**

Notwithstanding the proceeding subsection above regarding Additional Bonds, the Issuer may issue, at any time, and from time to time, Additional Bonds for the purpose of refunding Outstanding Bonds, or any maturity or portion of a maturity of Bonds within a Series, without having to comply with the above requirements for Additional Bonds, provided that prior to the issuance of such Additional Bonds, (A) there shall be filed with the Issuer a certificate from a Qualified Independent Consultant to the effect that (i) the net proceeds from such Additional Bonds will be sufficient to cause the lien created by the Trust Indenture with respect to the Bonds to be refunded to be defeased pursuant to the Trust Indenture, and (ii) the Bond Service Requirement with respect to such Additional Bonds in each Bond Year following the issuance thereof through the Bond Year in which the latest maturing Bond then outstanding matures, shall be equal to or less than the Bond Service Requirement for such Bond Year with respect to the Bonds which would have been Outstanding in that Bond Year had the same not been refunded pursuant to this paragraph, and (B) the Issuer shall have obtained the permission of the County pursuant to the Interlocal Agreement for Stadium Financing.

Prior to or concurrently with the issuance of such Bonds, there shall be filed with a representative of the Issuer, an opinion of Bond Counsel to the effect that (i) the net proceeds from the sale of such Additional Bonds have been set aside in irrevocable escrow for the payment of the Bonds to be refunded in the manner described in the Trust Indenture, and (ii) the issuance of such Additional Bonds and the use of the proceeds thereof as described above will not have the effect of causing the interest on any Bond then Outstanding under the Trust Indenture (other than any Taxable Bond) including the Bonds to be refunded, to become includable in gross income of the Owners for federal income tax purposes.

### **Covenants of the Issuer**

The Issuer covenants in the Trust Indenture that it will promptly pay the principal of, redemption premium, if any, and interest on every Bond issued thereunder, at the place, on the dates and in the manner and to the extent provided therein and in the Bonds according to the true intent and meaning thereof; provided, however, that the principal, redemption premium, if any, and interest are payable by the Issuer solely from funds derived from the Pledged Revenues in the manner and to the extent provided therein, and nothing in the Bonds or the Trust Indenture shall be considered as assigning or pledging any other funds or assets of the Issuer other than the Pledged Revenues as provided therein.

The Issuer covenants in the Trust Indenture that it will faithfully perform, at all times, any and all covenants, undertakings, stipulations and provisions contained therein, in any and every Bond executed, authenticated and delivered thereunder, and in all of its proceedings pertaining thereto. The Issuer covenants in the Trust Indenture that it is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Bonds authorized thereby, and to execute the Trust Indenture, the Escrow Deposit Agreement, the Interlocal Agreement for Stadium Financing and the Continuing Disclosure Certificate, if applicable, and to pledge the amounts thereby pledged in the manner and to the extent therein set forth. The Issuer further covenants in the Trust Indenture, as of the date of delivery of the Bonds, that all action on its part for the issuance of the Bonds and the execution and delivery of the Trust Indenture has been duly and effectively taken, and that the Bonds, held by the owners thereof, are and will be valid and enforceable limited obligations of the Issuer according to the terms thereof and in the Trust Indenture.

The Issuer covenants and agrees in the Trust Indenture to apply the proceeds of the Bonds and Pledged Revenues in compliance with (i) the requirements of the Act, (ii) the requirements of the Community Investment Interlocal Agreement, (iii) the requirements of the Interlocal Agreement for Stadium Financing, and (iv) the requirements for the City Interlocal Agreement. The Issuer covenants and agrees not take any action or omit to take any action that would impair its right to receive or would result in a reduction of payments of the Local Option Sales Tax Revenues.

The Issuer covenants in the Trust Indenture that, so long as any of the Bonds are outstanding, it will diligently take all actions necessary to collect, receive and deposit, or cause the Trustee to collect, receive and deposit, the Pledged Revenues in the Revenue Fund, and it will refrain from taking any action which would cause or result in not collecting, receiving, depositing, appropriating or transferring the Pledged Revenues in the Revenue Fund as provided therein.

### **Investment of Moneys**

Moneys held for the credit of the funds and accounts established under the Trust Indenture may be invested and reinvested by the Issuer in Investment Obligations (as that term is defined in the Trust Indenture). Such investments or reinvestments shall mature or become available not later than the respective dates, as estimated by the Issuer, that the moneys held for the credit of said funds and accounts will be needed for the purposes of such funds or accounts.

Obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of such fund or account, and shall at all times, for the purposes of the Trust Indenture, be valued annually on September 30 of each year at the market value thereof, exclusive of accrued interest as determined by the Issuer.

Except as otherwise expressly provided in the Trust Indenture, including specifically the obligations of the Issuer with respect to paying the Rebate Amount, all income and profits derived from the investment of moneys in the Revenue Fund and the Debt Service Fund shall be deposited to the credit of the Revenue Fund. All income and profits derived from the investment of funds in the Reserve Fund, if any, shall be retained in the applicable subaccount therein until amounts on deposit in such subaccount equal the applicable Reserve Requirement, and thereafter shall be transferred to the Stadium Fund, used to defease Bonds or to pay principal and interest on the Bonds. All income and profits derived from the investment of funds in the Construction Fund and the Stadium Fund shall be retained in the respective Fund. All income and profits derived from the investment of funds in the Costs of Issuance Fund shall be retained therein until all costs of issuance of the related Series of Bonds have been paid. All income and profits derived from the investment of funds in the Stadium Fund shall be retained therein. Notwithstanding the foregoing, income and profits derived from the investment of moneys in the funds and accounts created under the Trust Indenture may, at the option of the Issuer, be transferred to the Issuer in order to pay the Rebate Amount.

### **Amounts Remaining in Funds and Accounts**

After full payment (or provision for payment) of the Bonds and the Rebate Amount and discharge of the Trust Indenture, payment of all fees and expenses of the Trustee and the charges, expenses and attorneys' fees of the Trustee, the Issuer and any paying agent, and all other amounts required to be paid under the Trust Indenture, all



amounts thereafter remaining in any fund or account shall be transferred to the Stadium Fund.

### DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the 2015 Bonds:

Year Ending January 1	Principal	Interest	Debt Service	Annual Debt Service
2016	\$	\$	\$	\$
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
Totals	\$	\$	\$	\$

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## **THE LOCAL OPTION SALES TAX REVENUES**

Pursuant to Chapter 212, Florida Statutes, as amended, the State of Florida (the "State"), levies and collects a six percent (6%) sales tax (the "State Sales Tax") on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State. A similar tax is imposed on the cost price of tangible personal property when the property is not sold, but is used, consumed, distributed or stored for use or consumption in the State. The largest single source of tax receipts in the State is sales and use tax.

In addition to the 6% State Sales Tax described in the immediately preceding paragraph, Section 212.055(2), Florida Statutes, authorizes counties to levy a local option discretionary sales surtax of 0.5 percent (0.5%) or 1 percent (1%) on all transactions within a county which are subject to the State Sales Tax (the "Discretionary Sales Surtax"). The Discretionary Sales Surtax is levied pursuant to ordinance enacted by a majority of the members of the board of county commissioners of such county and approved by referendum of the electors of such county. The Discretionary Sales Surtax does not apply to the portion of any sales amount which exceeds \$5,000 on any item of tangible personal property.

Pursuant to Section 212.055(2)(d), Florida Statutes, the proceeds of any Discretionary Sales Surtax and any accrued interest may be expended to finance, plan and construct infrastructure and to acquire land for public recreation or conservation or protection of natural resources and to finance the closure of any county-owned or municipally-owned solid waste landfills that are already closed or are required to close by order of the Department of Environmental Protection. For purposes of the statute, "infrastructure" includes, among certain other things, any fixed capital expenditure or fixed capital outlay associated with the construction, reconstruction or improvement of public facilities which have a life expectancy of five or more years and any related land acquisition, land improvement, design, and engineering costs. Neither the proceeds of a Discretionary Sales Surtax nor any accrued interest may be used for operational expenses of any infrastructure. Counties and municipalities receiving Discretionary Sales Surtax proceeds may also pledge such proceeds for the purpose of servicing new bonded indebtedness incurred pursuant to law.

On July 10, 1996, the Board of County Commissioners of the County, by a majority vote, enacted Ordinance No. 96-12, as supplemented (the "CIT Ordinance"), which provided for the levy and imposition throughout the incorporated and unincorporated areas of the County, of a one-half percent Discretionary Sales Surtax (the "Community Investment Tax") the proceeds of which would be applied to pay the costs of acquisition and construction of various public safety, transportation, public and educational infrastructure projects, and a community stadium. On September 3, 1996, a

majority of the County's qualified electors voting in a referendum election approved the levy of the Community Investment Tax. The Community Investment Tax, effective for a period of 30 years, commenced December 1, 1996 and expires December 1, 2026. Proceeds of the Community Investment Tax that are directed by the County and the City pursuant to Section 2(b) of the Community Investment Interlocal Agreement and payable to the order of the Issuer pursuant to the Interlocal Agreement for Stadium Financing constitute Local Option Sales Tax Revenues for purposes of the Trust Indenture.

Pursuant to Chapter 212, Florida Statutes, the proceeds of a Discretionary Sales Surtax are distributed either in the manner established by interlocal agreement between the county and municipalities representing a majority of such county's municipal population and, to the extent provided in such interlocal agreement, the school district within such county, or if there is no such interlocal agreement, according to a statutorily prescribed formula. The proceeds of the Community Investment Tax are distributed pursuant to the Community Investment Interlocal Agreement. See the table entitled, "Hillsborough County, Florida Historical Community Investment Tax Collections and Distributions by Priority". See also "APPENDIX C-4 - COPY OF COMMUNITY INVESTMENT INTERLOCAL AGREEMENT" attached hereto.

The Florida Department of Revenue ("FDOR") has the responsibility to administer, collect, and enforce all Discretionary Sales Surtaxes. Vendors are required to remit sales tax receipts (including proceeds of any Discretionary Sales Surtax) by the twentieth day of the month immediately following the month of collection. The proceeds of each county's Discretionary Sales Surtax collections are transferred to the Discretionary Sales Surtax Clearing Trust Fund held by FDOR. A separate account in the trust fund is established for each county imposing such a surtax. FDOR is authorized to deduct up to 3% of the total revenue generated for all counties levying a surtax for administrative costs. There is no statutorily prescribed deadline for remitting surtax proceeds from FDOR to the local governing bodies. However, FDOR has generally remitted the sales surtax proceeds to such local governing bodies by the end of the month immediately following receipt by FDOR.

Effective October 1, 2001, the structure for the imposition of taxes on telecommunications and other communications services was dramatically changed by Chapter 202, Florida Statutes (the "CST Law"). The CST Law rescinded or modified various taxes imposed upon certain telephone and other telecommunications and communications services (including the State Sales Tax and Discretionary Sales Surtax) and replaced the revenues from such taxes with certain revenues from new state and local option taxes imposed on communications services. "Communications services" under the CST Law includes the transmission of voice, data, audio, video or any other information or signals, including cable services, by or through any medium or method currently in existence or in the future devised regardless of the protocol used for such transmission or conveyance.

Pursuant to Section 202.19(5), Florida Statutes, a local option communications services tax is levied as a replacement for the Discretionary Sales Surtax previously imposed on certain communications services (the "Replacement Local Option Communications Services Tax") at a rate of 0.3% on the sales price of communications services. The Replacement Local Option Communications Services Taxes collected under the CST Law are deposited along with all other Discretionary Sales Surtax into the Discretionary Sales Surtax Clearing Trust Fund and are then distributed by the FDOR, with no distinction made between the portion of the distribution constituting Replacement Discretionary Communications Services Tax and the portion constituting Discretionary Sales Surtax. For purposes of the Trust Indenture, proceeds of this Replacement Local Option Communications Services Tax are included in the Local Option Sales Tax Revenues which are pledged to the 2015 Bonds and any Additional Bonds issued in the future. Except for the Replacement Local Option Communications Services Tax received by the County pursuant to Section 202.19(5), Florida Statutes, no other revenues received by the County pursuant to the CST Law are pledged to the Bonds.

The Community Investment Interlocal Agreement provides for the distribution of the proceeds of the Community Investment Tax generally as follows:

1. Through the Fiscal Year ending September 30, 2026, the first 25% of the Community Investment Tax collected will be distributed to the School Board;
2. Next, disbursements of the Community Investment Tax are required to be made for payment of debt service on bonds issued by the Issuer to finance or refinance the construction of the Stadium, other required deposits in respect to such bonds, if any, and certain required annual capital improvement and/or repair payments. This distribution of the Community Investment Tax represents the Local Option Sales Tax Revenues which are pledged as security for the 2015 Bonds; and
3. Next, all revenue of the Community Investment Tax received in excess of the distributions described in 1 and 2 above are distributed to the County and the municipalities within the County pursuant to the formula set forth in Section 218.62, Florida Statutes.

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The table below shows the historical collection of the Community Investment Tax and distributions thereof in order of priority.

**Hillsborough County, Florida  
Historical Community Investment Tax Collections  
and Distributions by Priority**

Fiscal Year Ended September 30	Community Investment Tax Collected <sup>(1)</sup>	Distributions		
		Hillsborough County School Board	Tampa Sports Authority <sup>(2)</sup>	Hillsborough County and Municipalities <sup>(3)</sup>
2014	\$105,396,024	\$26,349,006	\$9,686,438	\$69,360,580
2013	99,760,584	24,940,146	9,687,000	65,133,438
2012	95,774,585	23,943,646	9,051,896	62,779,043
2011	91,559,464	22,889,866	9,381,238	59,288,360
2010	88,073,757	22,018,757	9,570,000	56,485,318
2009	89,105,847	22,276,462	9,686,119	57,143,266
2008	98,386,405	24,596,439	9,683,460	64,106,344
2007	104,914,648	26,228,662	10,314,000	68,371,986
2006	107,126,448	26,781,612	12,064,000	68,280,836
2005	99,381,752	24,845,438	9,564,000	64,972,314

<sup>(1)</sup> Includes proceeds of the Replacement Local Option Communications Services Tax. Net of FDOR administrative charges, if any. See "THE LOCAL OPTION SALES TAX REVENUES" above.

<sup>(2)</sup> Amounts shown represent the Local Option Sales Tax Revenues. These amounts are described in Section 2(b) of the Community Investment Interlocal Agreement and are generally comprised of (a) principal and interest payments related to the Refunded Bonds (and, with respect to fiscal year 2005, the Bonds refunded by the Refunded Bonds) which were deposited with the trustee therefor (and which will be deposited with the Trustee for the 2015 Bonds after the issuance thereof), and (b) amounts deposited to the Capital Improvement Fund (established pursuant to the Stadium Agreement) to be used for capital improvements and/or repairs for the Stadium.

<sup>(3)</sup> Any amounts remaining after the Section 2(b) distributions are distributed to the County and municipalities located therein pursuant to Section 2(c) of the Community Investment Interlocal Agreement.

Source: Hillsborough County Clerk of the Circuit Court.

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## **STADIUM AGREEMENT**

Pursuant to the Stadium Agreement dated August 28, 1996, as amended (the "Stadium Agreement") by and among the Buccaneers Stadium Limited Partnership ("BSLP"), the Issuer, the County, and the City, the Tampa Bay Buccaneers (the "Buccaneers") utilize the Stadium for their National Football League ("NFL") home games. The initial term of the Stadium Agreement commenced on August 28, 1996 and expires on January 31, 2028; however, BSLP has the right to extend the term for four successive periods of five years each.

Pursuant to the Stadium Agreement, BSLP is required to pay an aggregate of \$3,500,000 annually to the Issuer for use of the Stadium and other facilities and for development rights. The Issuer also has the right to collect up to \$1,930,000 annually through surcharges on admission tickets, concession and parking revenue. Under the terms of the Stadium Agreement, BSLP will receive (i) all net revenue realized from the exhibition of Buccaneers games and other Stadium events sponsored by BSLP, (ii) the first \$2,000,000 of net revenues realized annually from other events held at the Stadium, and (iii) 50 percent of net revenues in excess of \$2,000,000 annually realized from such other events. BSLP has also been granted exclusive advertising and naming rights with respect to the Stadium. See Note 12 to the Notes to Financial Statements in "APPENDIX B-2 - AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2013."

In addition to specific financial penalties and the right to terminate the Stadium Agreement under certain scenarios, remedies available to BSLP in the event of a default by the Issuer of its contractual obligations under the Stadium Agreement include, but are not limited to, the right of specific performance, damages, mandamus, or injunction.

## **CERTAIN LEGAL MATTERS**

Certain legal matters in connection with the issuance of the 2015 Bonds are subject to the approval of Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel, whose approving opinion will be available at the time of delivery of the 2015 Bonds. The proposed form of Bond Counsel opinion is attached hereto as APPENDIX "D" and reference is made to such form of opinion for the complete text thereof. Certain legal matters will be passed upon for the Issuer by Steven A. Anderson, P.L., Tampa, Florida, Counsel to the Issuer, and for the County by Samuel S. Hamilton, Esquire, Senior Assistant County Attorney. Nabors, Giblin & Nickerson, P.A. will also pass upon certain disclosure matters as Disclosure Counsel.

Bond Counsel has not been engaged to, nor has it undertaken to, review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the 2015 Bonds; provided, however, that Bond Counsel will render an

opinion to the underwriter for the 2015 Bonds relating to the accuracy of certain statements contained herein and under the heading "TAX MATTERS" and certain statements which summarize provisions of the Trust Indenture and the 2015 Bonds, or (2) the compliance with any federal or state securities law with regard to the sale or distribution of the 2015 Bonds.

### **VERIFICATION OF ARITHMETICAL COMPUTATIONS**

The accuracy of the arithmetical computations of the adequacy of the amounts deposited under the Escrow Agreement to pay when due all principal of an interest on the Refunded Bonds will be verified for the Issuer by Integrity Public Finance Consulting LLC, Jacksonville, Florida, a wholly owned subsidiary of Bryant Miller Olive P.A. Such verification will be based on certain information supplied by the Issuer's Financial Advisor, Public Resources Advisory Group Inc.

### **LITIGATION**

There is no pending or, to the knowledge of the Issuer, any threatened litigation against the Issuer or related governmental entity of any nature whatsoever which in any way questions or affects the validity of the 2015 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or questioning the validity of the pledge of the Pledged Revenues, or the adoption of the Resolution, or the execution of the Trust Indenture, the Interlocal Agreement For Stadium Financing, the Community Investment Interlocal Agreement, the City Interlocal Agreement or the Escrow Deposit Agreement. Neither the creation, organization or existence, nor the title of the present members of the Issuer or other officers or staff thereof is being contested.

The Issuer experiences routine litigation and claims incidental to the conduct of its affairs. In the opinion of Counsel to the Issuer, there are no actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the Pledged Revenues to the Issuer for the purpose of paying debt service on the 2015 Bonds.

There is no pending or, to the knowledge of the County, any threatened litigation against the County or related governmental entity of any nature whatsoever which in any way questions or affects the validity of the 2015 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the resolution adopted by the Board of the County on November 13, 2014 or any related actions of the Board of the County, or the execution of the Interlocal Agreement For Stadium Financing or Community Investment Interlocal Agreement, or the pledge of the Pledged Revenues. Neither the creation, organization or existence, nor the title of the present members of the Board or other officers or staff of the County is being contested. Except as noted below,

there is no litigation pending or, to the knowledge of the County, threatened, which, if it were decided against the County, would have a mutually adverse impact upon the financial position of the County or its ability to perform its obligations to the Bondholders.

The County experiences routine litigation and claims incidental to the conduct of its affairs. In the opinion of the County Attorney, there are no other actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the Pledged Revenues to the Issuer for the purpose of paying debt service on the 2015 Bonds.

The Issuer and the County are parties to other various legal proceedings which individually are not expected to have a material adverse effect on their operations or financial condition, but may, in the aggregate, have a material impact thereon. However, (i) in the opinion of Counsel to the Issuer, the Issuer will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences, and (ii) in the opinion of the County Attorney, the County will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences.

## **TAX MATTERS**

### **General**

The Code establishes certain requirements which must be met subsequent to the issuance of the 2015 Bonds in order that interest on the 2015 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2015 Bonds to be included in federal gross income retroactive to the date of issuance of the 2015 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the 2015 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Issuer has covenanted in the Trust Indenture with respect to the 2015 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the 2015 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2015 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the 2015 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the 2015 Bonds may be subject to the federal alternative minimum tax when any 2015 Bond is held by a corporation. The federal alternative minimum taxable income of a corporation



must be increased by seventy-five percent (75%) of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (before this adjustment and the alternative tax net operating loss deduction). "Adjusted Current Earnings" will include interest on the 2015 Bonds.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of 2015 Bonds. Prospective purchasers of 2015 Bonds should be aware that the ownership of 2015 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry 2015 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on 2015 Bonds; (iii) the inclusion of interest on 2015 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on 2015 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on 2015 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the 2015 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2015 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the 2015 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2015 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of 2015 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the 2015

Bonds and proceeds from the sale of 2015 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2015 Bonds. This withholding generally applies if the owner of 2015 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2015 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2015 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the 2015 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the 2015 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the 2015 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the 2015 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the 2015 Bonds.

Prospective purchasers of the 2015 Bonds should consult their own tax advisors as to the tax consequences of owning the 2015 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

### **Tax Treatment of Original Issue Discount**

Under the Code, the difference between the maturity amount of the 2015 Bonds maturing on January 1, \_\_\_\_ and January 1, \_\_\_\_ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue

over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

### **Tax Treatment of Bond Premium**

The difference between the principal amount of the 2015 Bonds maturing on January 1, \_\_\_\_ and January 1, \_\_\_\_ (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

### **RATINGS**

Fitch Ratings ("Fitch") and Moody's Investors Service, Inc. ("Moody's") have assigned to the 2015 Bonds municipal bond ratings of "AA+" (stable outlook) and "Aa2," respectively, to the 2015 Bonds. Such ratings reflect the views of the respective rating

agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies at the following rating agencies: Fitch Ratings, 33 Whitehall Street, New York, New York 10004; and Moody's Investors Service, Inc., 7 World Trade Center, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, if, in the judgment of the agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect upon the market price of the 2015 Bonds.

## **FINANCIAL STATEMENTS**

The basic financial statements of the County as of and for the Fiscal Year ended September 30, 2013, included in this Official Statement as "APPENDIX B-1," have been audited by Cherry, Bekaert & Holland, L.L.P., independent auditors, as stated in their report included in "APPENDIX B-1." Such financial statements, including the auditor's report, have been included in this Official Statement as public documents and the consent of the County's auditors was not requested. The auditors have not performed any services related to, and therefore are not associated with, the preparation of the Official Statement. The 2015 Bonds are payable solely from the Pledged Revenues as described in the Trust Indenture and herein, and the 2015 Bonds are not secured by, or payable from, the general revenues of the County.

The basic financial statements of the Issuer as of and for the Fiscal Year ended September 30, 2013, included in this Official Statement as "APPENDIX B-2" have been audited by Rivero, Gordimer & Company, P.A., independent auditors, as stated in their report included in "APPENDIX B-2." Such financial statements, including the auditor's report, have been included in this Official Statement as public documents and the consent of the Issuer's auditors was not requested. The auditors have not performed any services related to, and therefore are not associated with, the preparation of the Official Statement. The 2015 Bonds are payable solely from the Pledged Revenues as described in the Trust Indenture and herein and the 2015 Bonds are not secured by, or payable from, the general revenues of the Issuer.

## **FINANCIAL ADVISOR**

Public Resources Advisory Group Inc., St. Petersburg, Florida, is serving as Financial Advisor to the Issuer with respect to the sale of the 2015 Bonds. The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the 2015 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to

assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertakings by the Issuer and the County to provide continuing secondary market disclosure.

Public Resources Advisory Group is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

### **UNDERWRITING**

The 2015 Bonds are being purchased by \_\_\_\_\_ (the "Underwriter") at an aggregate purchase price of \$\_\_\_\_\_ (which includes Underwriter's discount of \$\_\_\_\_\_ and net original issue discount/premium of \$\_\_\_\_\_). The offer of the Underwriter to purchase the 2015 Bonds, as accepted by the Issuer, provides for the Underwriter to purchase all of the 2015 Bonds. The 2015 Bonds may be offered and sold to certain dealers and others at prices lower than such offering prices and such public offering prices may be changed, from time to time, by the Underwriter.

### **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the 2015 Bonds, upon an event of default under the Trust Indenture, are, in many respects, dependent upon judicial actions which are often subject to discretion and delay and equitable considerations. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Trust Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2015 Bonds will be qualified, as to enforceability, by limitations imposed by (1) bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery, and (2) principles of equity.

### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the Issuer except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the "Department"). Pursuant to the Florida Administrative Code, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the Issuer, and certain additional financial information,

unless the Issuer believes in good faith that such information would not be considered material by a reasonable investor. The Issuer is not and has not been in default on any bond issued since December 31, 1975 which it believes would be considered material by a reasonable investor of the 2015 Bonds.

## **CONTINUING DISCLOSURE**

The Issuer and the County have collectively covenanted, for the benefit of the 2015 Bondholders, in separate Continuing Disclosure Certificates (the "Continuing Disclosure Certificates") to annually provide certain financial information and operating data relating to the Issuer, the County and the 2015 Bonds, and to provide notices of the occurrence of certain enumerated material events so long as the 2015 Bonds are outstanding. The covenant shall also cease upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Issuer and the County have agreed to file annual financial information and operating data and their audited financial statements (collectively, the "Annual Report") with the Municipal Services Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA"), as described in "APPENDIX E-1 - FORM OF CONTINUING DISCLOSURE CERTIFICATE OF THE ISSUER" and "APPENDIX E-2 - FORM OF CONTINUING DISCLOSURE CERTIFICATE OF THE COUNTY." The Issuer and the County have agreed to file notices of certain enumerated material events, when and if they occur, with the MSRB through EMMA.

The specific nature of the financial information, operating data, and the type of events which trigger a disclosure obligation, and other details of the undertakings are described in "APPENDIX E-1 - FORM OF CONTINUING DISCLOSURE CERTIFICATE OF THE ISSUER" and "APPENDIX E-2 - FORM OF CONTINUING DISCLOSURE CERTIFICATE OF THE COUNTY" attached hereto. The Continuing Disclosure Certificates shall be executed by the Issuer and the County, respectively, prior to the issuance of the 2015 Bonds. These covenants have been made in order to assist the Underwriter in complying with the continuing disclosure requirements of the Rule.

With respect to the 2015 Bonds, no party other than the Issuer and the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule. The County has not failed in the past five years to comply in all material respects with any prior undertakings to provide continuing disclosure information pursuant to the Rule. The Issuer failed to update a table with respect to two prior undertakings for each of the years following the issuance of the applicable bonds. The Issuer also failed to provide the State of Florida Comprehensive Annual Financial Report with respect to a prior undertaking for each of the years following the issuance of the applicable bonds. The Issuer has cured such failures.

## **CONTINGENT FEES**

Bond Counsel, Disclosure Counsel and the Financial Advisor have been retained with respect to the authorization, sale, execution and delivery of the 2015 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriter, including the fees of their counsel, if any, are each contingent upon the issuance of the 2015 Bonds.

## **AUTHORIZATION OF OFFICIAL STATEMENT**

The delivery of this Official Statement has been duly authorized by the Issuer. At the time of delivery of the 2015 Bonds, authorized representatives of the Issuer and the County will each furnish a certificate to the effect that they have no knowledge or reason to believe that the information in this Official Statement relating to the entity such persons represent (other than information provided by DTC), as of its date and as of the date of delivery of the 2015 Bonds, makes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

## **MISCELLANEOUS**

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the 2015 Bonds, the security for, and the source for repayment for the 2015 Bonds, and the rights and obligations of the holders thereof. Copies of such documents may be obtained at the following address: Tampa Sports Authority, Attn: Vice President Finance and Administration, 4201 North Dale Mabry Highway, Tampa, Florida 33607.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the 2015 Bonds. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the County since the date hereof.

The execution and delivery of this Official Statement by its Chairman, and attested to by its Secretary, have been duly authorized by the Issuer.

**TAMPA SPORTS AUTHORITY**

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Chairman

Attest:

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Secretary



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**APPENDIX A**

**GENERAL INFORMATION REGARDING THE COUNTY**

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**GENERAL INFORMATION REGARDING HILLSBOROUGH COUNTY**

**The County**

Hillsborough County (the "County") was established on January 25, 1834. The County gained its name from Wills Hills (1718-1793), a viscount of Hillsborough, who became secretary of state for the colonies in 1768. Hillsborough County's boundaries of 1834 included the present-day counties of Pasco, Charlotte, Desoto, Hardee, Pinellas, Sarasota, Manatee and Polk.

The County is located on central Florida's western coast, nestled between Tampa Bay on the west and Polk County on the east. The County is bounded to the north by Pasco County and to the south by Manatee County. In area, it is the seventh largest county in the State of Florida. Hillsborough County covers a total area of 1,266 square miles, of which 215 square miles is water area. The County is part of a four-county Metropolitan Statistical Area (MSA) referred to as Tampa, St. Petersburg-Clearwater MSA.

Tampa, Plant City and Temple Terrace are the three incorporated cities in the County. Tampa, the largest of the three incorporated cities in the County, is the County seat and also a center of international, national, and intrastate commerce. The Tampa International Airport and the Port of Tampa connect Hillsborough County to other major cities in the nation and major markets throughout the world.

**Government**

Hillsborough County operates under a home-rule charter enacted by the voters on September 20, 1983. Under the charter, the Board of County Commissioners (the "BOCC") consists of seven Commissioners, three elected county-wide and four elected from single member districts. As a result of this charter, each voter has a chance to influence the election of a majority of board members. The BOCC is restricted to performing the legislative functions of government and developing policy for the management of Hillsborough County. The County Administrator, appointed by the BOCC, together with his staff, are responsible for implementing these policies throughout the County.

In addition to the members of the BOCC, there are five elected Constitutional Officers: the Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

The County provides a variety of services characteristic of local multi-purpose governments including law enforcement, maintenance of roads and bridges, animal services, social services programs, planning and growth management, environmental protection, fire protection and emergency rescue, consumer protection, parks and recreation programs, mosquito control, employment services, emergency disaster preparedness, traffic control, water/wastewater utilities, solid waste disposal, medical examiner services, agricultural cooperative extension services, children's services, indigent health care, public assistance programs, aging services programs, emergency medical services, and library services.

In addition to their legislative duties, members of the BOCC serve as the County's Environmental Protection Commission. Individual members of the BOCC also take turns serving on various boards, authorities and commissions such as the Children's Board, Tampa Bay Regional Planning Council, Metropolitan Planning Organization, Hillsborough County Tourist Development Council, Tampa Bay Water, Tampa Port Authority, Hillsborough County Aviation Authority, Hillsborough Area Regional Transit Authority, Hillsborough County Public Transportation Commission, Tampa-Hillsborough County Expressway Authority, Tampa Sports Authority, Arts Council of Hillsborough County, Value Adjustment Board, Hillsborough County Hospital Authority, Council of Governments and the Tampa Hillsborough Economic Development Corporation.

## Population

Hillsborough County is the fourth most populous county in the state of Florida. The County's population in 2013 was 1,276,410, an increase of 1.6 percent from 2012. Between 2010 (the most recent U.S. census year) and 2013, the County's population increased by approximately 3.8 percent. Hillsborough County's population is projected to be 1,385,150 by the year 2018.

A majority of the County's 2013 population (869,181 or 68 percent) lives in the unincorporated part of the County. Population grew about 4.2 percent between year 2010 and 2013 in unincorporated Hillsborough County; communities in southern unincorporated Hillsborough County saw the biggest increase in population growth. The median age for Hillsborough County in 2013 was 36.

	<b>Countywide Population</b>	<b>Increase (Decrease)</b>
1950(a)	249,894	-
1960(a)	397,788	59.2%
1970(a)	490,265	23.2
1980(a)	646,960	32.0
1990(a)	834,054	28.9
2000(a)	998,948	19.8
2010(a)	1,229,226	23.1
2011(b)	1,238,951	0.79
2012(b)	1,256,118	1.39
2013(b)	1,276,410	1.62

Sources: (a) U.S. Census Bureau.  
(b) Florida Office of Economic & Demographic Research Database

**Hillsborough County, State of Florida, United States Population  
2009-2013**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Hillsborough County (a)	1,196,892	1,229,226	1,238,951	1,256,118	1,276,410
State of Florida (a)	18,750,483	18,801,310	18,905,070	19,074,434	19,259,543
United States (b)	307,006,550	308,745,538	311,582,564	313,873,685	316,128,839

Sources: (a) Florida Office of Economic & Demographic Research Database  
(b) U.S. Census Bureau

**Property Taxes**

*Tax Rate Limits.* The constitutional limit on municipal, county and school district ad valorem taxes is ten mills each; and for special districts as provided by law and approved at referendum. A county providing municipal services may levy additional taxes within the limits fixed for municipal purposes (10 mills). The constitutional limit may be exceeded for periods not in excess of two years only by approval of voters in a tax referendum. The constitutional limit shall not apply to the millage rate levied for the payment of principal of and the interest on any debt service secured by the full faith and credit of a county, and such taxes shall be in addition to all other taxes authorized or limited by law. A referendum is required for a county to pledge its full faith and credit.

*Exemptions.* Property tax exemptions, applicable only to state residents who meet the requirement, may be obtained by homesteaders, senior citizens, widows and disabled persons. Every person who owns and resides on real property in Florida on January 1 and makes the property his or her permanent residence is eligible to receive a homestead of up to \$50,000. The first \$25,000 applies to all property taxes, including school district taxes. The additional exemption of up to \$25,000 applies to the property's assessed value between \$50,000 and \$75,000 and only to non-school taxes. (The additional homestead exemption was approved by voters on January 29, 2008 via special election and was effective for the 2008 tax year). At the November 3, 1998 general election, the voters approved an amendment proposed by the Constitutional Revision Commission permitting counties and municipalities to grant an additional homestead exemption not to exceed \$25,000 to persons who have attained the age of 65, who hold title to the real property, and who maintain a permanent residence thereon and whose incomes do not exceed \$20,000 (subject to adjustment). Hillsborough County enacted an ordinance to implement that exemption effective January 1, 2000. At the November 7, 2006 general election, the voters of Florida approved amendments to the Florida Constitution increasing the amount of this low-income seniors homestead exemption effective January 1, 2007 from not to exceed \$25,000 to not to exceed \$50,000 and to provide a discount from the amount of ad valorem taxes for certain permanently disabled veterans effective December 7, 2006. Hillsborough County adopted an ordinance to implement an increase in the low-income senior exemption to not to exceed \$40,000 effective January 1, 2008. At the January 29, 2008 special election, the voters of Florida approved amendments to the Florida Constitution which permit owners of homestead property to transfer up to \$500,000 of their "Save Our Homes" benefit to a new homestead property purchased (subject to some restrictions), exempts from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property

tax, and limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments and exclusive of school district taxes. The amendments went into effect with the 2008 tax year. At the November 6, 2012 general election, the voters of Florida approved amendments to the Florida Constitution which resulted in the relaxing of eligibility requirements related to the existing homestead property tax discount offered as it applies to active military personnel and disabled veterans, eligibility of certain ex-service members and surviving spouses for a \$5,000 property tax exemption that is not limited to homestead property, and availability of a total tax exemption on homestead property for certain disabled veterans and, in certain circumstances, surviving spouses of service members or first responders. The amendments went into effect with the 2013 tax year. The other property tax exemptions are fixed at \$500. There is a limit of two exemptions per household. There are also exemptions for religious, charitable and educational uses as well as government and special classifications for agricultural and certain other uses.

*Limitation on Assessment Increases.* A statewide voter-initiated petition placed an amendment on the November 3, 1992 general election ballot which was approved by the voters ("Save Our Homes"). Save Our Homes limits annual increases in ad valorem tax assessments for those properties with homestead exemptions to the lesser of three percent (3%) or the annual rate of inflation. Save Our Homes provides that such property be assessed at just value after any change in ownership and that changes, additions, reductions or improvements to such property shall be assessed as provided by general law.

*Tax Due Date and Payments.* Tax statements are normally mailed in October by the Hillsborough County Tax Collector (the "Tax Collector"). Taxes are due each November 1 and become delinquent April 1 of the following year. The Tax Collector receives all payments and distributes the revenues among the local governmental units.

*Discounts, Penalties and Fees.* Taxes levied are discounted under Florida law by 4% if paid in November, 3% if paid in December, 2% if paid in January and 1% if paid in February.

Delinquent taxes are subject to 1.5% monthly interest charge with a minimum of 3% on real property and a 1.5% monthly interest charge for tangible personal property. The property owner is also assessed advertising, court and other charges.

*Tax Certificates on Real Property.* It is the Tax Collector's duty, on or before June 1 of each year, to advertise and sell tax certificates on real property on delinquencies extending from the previous April 1. The tax certificates must be not less than the amount of the taxes plus interest from April 1 to the date of sale at 18% per annum, together with the cost of advertising and expenses of sale. Delinquent taxes may be redeemed prior to sale of the tax certificates upon payment of all costs, delinquent taxes and interest at the rate of 18% per annum, except that the minimum charge for delinquent taxes paid prior to the sale of a tax certificate is 3% of the delinquent taxes and costs.

The face value of each certificate includes taxes due, 3% interest, advertising costs (approximately \$2.00 per parcel), and a 5% commission charged by the Tax Collector. Prospective buyers are determined by the lowest interest charges bid on the certificates.

The property owner may redeem a tax certificate by paying the Tax Collector the face value of the certificate and accrued interest, plus a redemption fee of \$6.25. The redeemer must pay a minimum of 5% interest unless the certificate was bid at no interest.

The Tax Collector notifies the certificate holder of the redemption and makes the distribution of funds to certificate holders. In some instances, the County itself acquires the tax certificates as a lien against the property.

*Tax Deeds.* After two years from the date of delinquency (April 1), a private holder of any unredeemed tax certificate may apply for a tax deed to the property.

The request for a tax deed is referred to the Clerk of the Circuit Court (the "Clerk") who will hold an auction after the proposed sale of the tax deed has been advertised for four consecutive weeks in a newspaper and notice to the title holder and other interested parties as prescribed by law. The minimum acceptable bid for a tax deed must cover the face value of the certificate, and all other outstanding certificates, accrued interest, costs of a title search and all court and advertising costs, and in the case of homestead property, one-half of the assessed value of the property.

*Tangible Personal Property.* Delinquent personal property taxes must be published in a newspaper within 45 days after the taxes become delinquent. If taxes due remain unpaid, the Tax Collector petitions the Clerk for warrants to seize the tangible property. Seizure can be effected upon issuance of the warrant. To satisfy the judgment, tangible property owners must pay taxes due, 1.5% interest per month of delinquency (\$2.00 delinquency fee) and advertising, warrant and court costs.

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**Hillsborough County, Florida**  
**Taxable Assessed Value and Actual Value of Property**  
**Last Ten Years**  
**(In Millions of Dollars)**

Tax Year	Estimated Actual Value (a)			Exemptions (b)			Assessed Value (c)			Total Taxable Assessed Value	Total Direct Tax Rate (f)
	Real Property	Tangible Personal Property (d)	Centrally Assessed Property (e)	Real Property	Tangible Personal Property (d)	Centrally Assessed Property (e)	Real Property	Tangible Personal Property (d)	Centrally Assessed Property (e)		
2004	72,713	8,011	112	23,938	1,281	--	48,775	6,730	112	55,617	13.016
2005	87,322	8,645	71	30,102	1,550	--	57,220	7,095	71	64,386	12.900
2006	110,793	8,774	76	39,957	1,455	--	70,836	7,319	76	78,231	12.303
2007	120,823	8,949	77	41,029	1,432	--	79,794	7,517	77	87,388	10.815
2008	116,254	9,443	75	40,624	1,892	2	75,630	7,551	73	83,254	10.813
2009	96,404	9,469	82	31,460	1,925	4	64,944	7,544	78	72,566	10.761
2010	84,058	9,453	70	26,733	2,232	2	57,325	7,311	68	64,704	10.760
2011	79,629	9,235	97	24,865	2,148	6	54,764	7,087	91	61,942	10.758
2012	77,318	9,375	95	23,997	2,155	2	53,321	7,220	93	60,634	10.757
2013	83,902	9,048	99	27,110	2,092	2	56,792	6,956	97	63,845	10.755

- (a) Section 192.001, Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market value of an item or property." Therefore, gross assessed value is defined to be Estimated Actual Value.
- (b) Exemptions allowed include those for governmental as well as qualified agricultural, religious, or other non-profit properties. There are additional exemptions if a property owner is a widow, widower, disabled, or 65 or older.
- (c) Assessed value is the estimated actual value less exemptions.
- (d) Tangible personal property represents business property such as furniture, computers, machinery and equipment, as well as mobile homes that are not permanently affixed to land. Beginning in 2008, an exemption of \$25,000 for tangible property is included in the chart above.
- (e) Centrally assessed property is primarily railroad that is assessed by the State of Florida rather than by the Property Appraiser since the property is located in more than one county.
- (f) Total Direct Tax Rate shows Hillsborough County tax rates applicable to residents of the unincorporated areas of the County. See "Property Tax Millage Rates for Direct and Overlapping Governmental Entities" for more information.

Source: Hillsborough County Property Appraiser.

**Hillsborough County, Florida  
Property Tax Levied and Collections  
Last Ten Years (a)  
(In Millions of Dollars)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Taxes Collected	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	553,131	547,054	98.9	1,227	548,281	99.1
2005	614,133	608,746	99.1	2,232	610,978	99.5
2006	701,730	696,591	99.3	802	697,393	99.4
2007	814,609	808,864	99.3	618	809,482	99.4
2008	801,724	795,084	99.2	1,321	796,405	99.3
2009	757,541	745,239	98.4	1,483	746,722	98.6
2010	660,228	648,894	98.3	1,529	650,423	98.5
2011	588,376	576,072	97.9	3,048	579,120	98.4
2012	562,933	557,341	99.0	1,306	558,647	99.2
2013	550,006	544,073	98.9	1,983	546,056	99.3
	(b)	(c)		(d)		

- (a) Since 2013 property tax rolls were not levied and opened for collections until November 1, 2013, final data for 2013 collections are not available.
- (b) The tax levy is the entire property tax due to Hillsborough County before any tax reductions are determined by the Value Adjustment Board and before any tax amounts are determined to be uncollectible due to insolvencies. The tax levy represents only the taxes due to the Hillsborough County financial reporting entity and therefore, excludes taxes due to the School Board, the City of Tampa, and certain other governmental entities.
- (c) There is a four percent early payment discount available to taxpayers who pay their property taxes in November, with the discount declining one percentage point each month thereafter. To accurately compare taxes collected to the taxes levied, discounts taken were added into the amounts collected, making them directly comparable.
- (d) Includes all delinquent tax collections received during the year regardless of the year in which the taxes were originally levied.

Source: Hillsborough County Tax Collector.

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**Hillsborough County, Florida**  
**Property Tax Millage Rates for Direct and Overlapping Governments**  
**Last Ten Tax Years**  
**(Millage Rates Rounded to Nearest Thousandth)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Countywide (BOCC):</b>										
BOCC General Revenue	5.736	5.737	5.739	5.741	5.742	5.744	5.745	6.520	6.926	7.176
BOCC Library Service	0.558	0.558	0.558	0.558	0.558	0.558	0.608	0.692	0.692	0.642
Environmentally sensitive lands (voted)	<u>0.060</u>	<u>0.060</u>	<u>0.060</u>	<u>0.060</u>	<u>0.060</u>	<u>0.060</u>	<u>0.060</u>	<u>0.067</u>	<u>0.084</u>	<u>0.097</u>
Total millage	6.354	6.355	6.357	6.359	6.360	6.412	5.805	6.587	7.010	7.273
Maximum millage per statute (a)	10.060	10.060	10.060	10.060	10.060	10.060	10.060	10.067	10.084	10.097
<b>Unincorporated Area (BOCC):</b>										
BOCC Municipal Service Taxing Unit	4.375	4.375	4.375	4.375	4.375	4.375	4.376	4.995	5.162	5.062
Parks and Recreation (voted)	<u>0.026</u>	<u>0.026</u>	<u>0.026</u>	<u>0.026</u>	<u>0.026</u>	<u>0.026</u>	<u>0.026</u>	<u>0.029</u>	<u>0.036</u>	<u>0.040</u>
Total millage	4.401	4.401	4.401	4.401	4.401	4.401	5.010	5.716	5.890	5.744
Maximum millage per statute (a)	10.026	10.026	10.026	10.026	10.026	10.026	10.026	10.029	10.036	10.040
<b>Countywide (Other):</b>										
Tampa Port Authority	0.175	0.185	0.190	0.190	0.193	0.195	0.198	0.220	0.260	0.260
Southwest Florida Water Management District	1.0000	.0393	0.393	0.377	0.387	0.387	0.387	0.422	0.422	0.422
School Board	7.690	7.877	7.913	7.592	7.692	7.777	7.523	7.823	7.937	8.361
Children's Board	0.483	0.500	0.500	0.500	0.500	0.500	0.463	0.500	0.500	0.500
<b>Unincorporated Area (Other):</b>										
Southwest Florida Water Management District (b):										
Alafia River Basin	--	--	0.216	0.216	0.216	0.216	0.216	0.240	0.240	0.240
Hillsborough River Basin	--	--	0.230	0.230	0.242	0.255	0.255	0.285	0.285	0.285
NW Hillsborough Basin	--	--	--	--	--	0.242	0.242	0.268	0.268	0.268
Transit Authority	0.500	0.500	0.500	0.468	0.468	0.468	0.450	0.500	0.500	0.500
<b>Municipalities:</b>										
Tampa	5.733	5.733	5.733	5.733	5.733	5.733	5.733	6.408	6.539	6.539
Temple Terrace	6.430	6.430	2.248	5.950	5.283	4.569	4.569	4.910	4.910	4.910
Plant City	4.716	4.716	4.716	4.716	4.716	4.165	4.165	4.700	4.700	4.700
Total millage for unincorporated area within the Alafia River Basin excluding any special district assessments (for analysis only)	19.603	20.211	20.254	20.103	20.217	20.306	20.052	22.008	22.759	23.300

(a) Section 200.071, Florida Statutes, states that the maximum ad valorem tax millage for either the countywide or unincorporated area (municipal services taxing unit) of the BOCC is set at 10 mills plus any voter-approved levies.

(b) Dependent on its location, property within Tampa may either be in the Alafia, the Hillsborough River, or the NW Hillsborough Basin. Plant City may be in either the Alafia or the Hillsborough River Basin. During fiscal year 2009, the NW Hillsborough Basin was merged into the Hillsborough River Basin.

Source: Office of Tax Collector, Hillsborough County.

The following shows the total taxes levied against the ten largest taxpayers for tax year 2012, as compared to total levies nine years earlier in tax year 2003. Property located within the geographic boundaries of Hillsborough County is subject to tax levies by Hillsborough County as well as several other taxing authorities. The Hillsborough County Tax Collector collects taxes for all of these taxing authorities. Taxing authorities such as the City of Tampa and the School Board are not a part of the Hillsborough County financial reporting entity. Their tax levies, however, are included in the chart below in order to show the total taxes due from each of the ten largest taxpayers. The total taxes levied by all of these taxing authorities against property located within the geographic boundaries of Hillsborough County was \$1,472,896,000 for 2012 and \$1,300,244,000 for 2003.

Since 2013 property tax rolls were not opened for collections until November 1, 2013, final data for 2013 collections are not available.

**Hillsborough County, Florida**  
**Principal Taxpayers**  
**Tax Year 2012 Compared to Tax Year 2003**  
**(Amount in Thousands)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2012</u>			<u>2003</u>		
		<u>Taxes Levied in thousands</u>	<u>Rank</u>	<u>Percentage of Total Taxes Levied</u>	<u>Taxes Levied in thousands</u>	<u>Rank</u>	<u>Percentage of Total Taxes Levied</u>
Tampa Electric Company	Electric utility	\$39,075	1	2.7%	\$30,945	1	2.4%
Verizon Communications Inc.	Telecommunications	19,845	2	1.3	23,963	2	1.8
Hillsborough County Aviation Authority	Airport	9,770	3	0.7	9,350	3	0.7
Camden Operating LP	Real estate	6,260	4	0.4	5,306	5	0.4
Highwoods/Florida Holding LP	Real estate management	5,347	5	0.4	3,350	10	0.3
Post Apartment Homes LP	Real estate	4,978	6	0.3	4,575	6	0.4
Westfield	Shopping malls	4,832	7	0.3	--	--	--
Mosaic Company	Mining/fertilizer minerals	4,164	8	0.3	--	--	--
Wal-Mart	Retail stores	4,018	9	0.3	3,644	9	0.3
Liberty Property	Property management	3,535	10	0.2	--	--	--
		<u>\$101,824</u>		<u>6.9%</u>	<u>\$96,361</u>		<u>7.4%</u>

Source: Hillsborough County 2013 Comprehensive Annual Financial Report

**Hillsborough County, Florida  
General Obligation Debt  
September 30, 2013  
(Amounts in Thousands)**

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable</u>	<u>General Obligation Debt</u>
<b>Direct Debt of Hillsborough County:</b>			
General obligation bonds	\$65,900	100%	<u>\$65,900</u>
Total direct and overlapping debt			<u>\$65,900</u>

The Hillsborough County School Board, Tampa Port Authority, Children's Board, and Southwest Florida Water Management District do not have any general obligation bonds, therefore their bonds are not presented in this chart.

Source: Hillsborough County.

**Employees**

Hillsborough County employees provide a variety of services to a population of over one million residents. As of September 2013, there were approximately 9,355 employees of Hillsborough County, Florida. County organizations and their employees are as follows: Sheriff – 3,116, Tax Collector – 297, Property Appraiser – 115, Clerk of Circuit Court – 772, Supervisor of Elections – 35, Board of County Commissioners – 4,971, and discretely presented component units – 49. Several categories of employees are represented by labor unions.

Source: Hillsborough County Adopted Biennial Budget for Fiscal Year 2014 and 2015

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## Employment Indicators

Hillsborough County has a diversified economic base, including large service, manufacturing and retail trade sectors. Hillsborough County's largest industrial sectors include the Administration/Support/Waste Management and Remediation Services, Retail Trade, and the Health Care and Social Assistance sectors. The principal employers serving the county are the Hillsborough County School Board and the Hillsborough County Government. The vast majority of the county's labor force was employed in non-agricultural jobs in 2012.

<b><u>Employment By Industry</u></b>	<b><u>Employees</u></b>
Natural Resources and Mining	10,073
Construction	26,726
Manufacturing	23,817
Trade, Transportation, and Utilities	110,767
Information	16,241
Financial Activities	56,592
Professional and Business Services	107,323
Leisure and Hospitality	62,277
Education and Health Services	79,995
Other Services	16,762
Government	75,235
Other	118
Total	<u>585,926</u>

Sources: Florida Department of Economic Opportunity

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**Hillsborough County, Florida**  
**Principal Employers**  
**Latest Fiscal Year Compared to the Fiscal Year Nine Years Earlier**

<u>Employer</u>	<u>Type of Operation</u>	<u>2013</u>			<u>2004</u>		
		<u>Employees</u>	<u>%</u>	<u>Rank(a)</u>	<u>Employees</u>	<u>%</u>	<u>Rank(a)</u>
Hillsborough County School Board	Public education	25,936	3.9	1	22,650	3.8	1
MacDill Air Force Base	Military base	14,500	2.2	2	5,756	1.0	6
University of South Florida	Education services	10,837	1.6	3	7,794	1.3	3
Verizon Communications Inc.	Telecommunications	9,957(b)	1.5	4	7,000	1.2	5
Hillsborough County Government	Government	9,355	1.4	5	10,220	1.7	2
Tampa International Airport	International Airport	7,500	1.1	6	7,626	1.3	4
Publix Super Markets	Supermarkets	6,826	1.0	7	4,672	0.8	7
Tampa General Hospital	Medical facilities	6,500	1.0	8	3,432	0.6	12
Florida Hospital	Medical facilities	5,179(b)	0.8	9	2,654	0.4	17
James A. Haley - VA Hospital	Medical facilities	4,700(b)	0.7	10	2,751	0.5	14
H. Lee Moffit Cancer Center	Medical facilities	4,187(b)	0.6	11	--	--	--
City of Tampa	Government	4,000	0.6	12	4,525	0.8	8
Busch Entertainment Corporation	Tourist attractions	3,737	0.6	13	2,710	0.5	15
U.S. Postal Service	Postal Service	3,285	0.5	14	3,525	0.6	11
St. Joseph Hospital	Medical facilities	3,133	0.5	15	3,907	0.7	9
Hillsborough Community College	Education services	2,569	0.4	16	2,103	0.4	20
Tampa Electric Company	Electric utility	2,541	0.4	17	3,543	0.6	10
SweetBay Supermarkets	Supermarkets	2,532	0.4	18	2,698	0.5	16
Total		<u>117,317</u>	<u>17.5</u>		<u>87,912</u>	<u>14.6</u>	

- (a) Percentages shown represent the number of employees as a percent of total Hillsborough County employment. Total Hillsborough County employment for 2013 was 585,927. Total Hillsborough County employment for 2004 was 597,946.
- (b) Estimated using the prior year's figure because the entity contacted chose not to provide the information requested.
- Source: Hillsborough County 2013 Comprehensive Annual Financial Report

The following table shows the average civilian (non-military) labor force, the average number of individuals employed and related unemployment statistics for the County:

Calendar Year	Hillsborough County				Florida	National
	Labor Force	Number Employed	Number Unemployed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2003	549,815	521,920	27,895	5.1	5.3	6.0
2004	565,184	540,761	24,423	4.3	4.7	5.5
2005	565,617	544,731	20,886	3.7	3.8	5.1
2006	578,731	559,983	18,748	3.2	3.3	4.6
2007	597,472	573,816	23,656	4.0	4.0	4.6
2008	598,657	560,753	37,904	6.3	6.3	5.8
2009	597,220	534,961	62,259	10.4	10.4	9.3
2010	604,896	535,621	69,275	11.5	11.3	9.6
2011	620,466	557,138	63,328	10.2	10.3	8.9
2012	629,444	576,055	53,389	8.5	8.6	8.1

Sources: Florida Agency for Workforce Innovation, Labor Market Statistics; United States Department of Labor – Bureau of Labor Statistics

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## Demographics and Economics

The following table outlines some of the general demographic and economic statistics for the County.

### Hillsborough County, State of Florida and the United States Demographic and Economic Statistics 2003-2012

<u>Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Personal Income Per Capita</u>	<u>Median Age</u>	<u>Public High School Graduation Rates</u>	<u>Total Public School Enrollment</u>	<u>Unemployment Rate</u>
2003	1,079,587 (a)	34,018,321	31,573	35	75.8	191,186	5.1
2004	1,108,435 (a)	36,829,120	33,233	36	79.3	197,500	4.3
2005	1,131,546 (a)	40,073,436	35,055	36	79.5	193,669	3.7
2006	1,164,425 (a)	43,526,322	37,144	36	77.3	193,480	3.2
2007	1,192,861 (a)	45,062,439	38,037	36	79.1	193,180	4.0
2008	1,200,541 (a)	45,334,109	37,880	36	80.0	191,965	6.3
2009	1,196,892 (a)	44,215,715	36,420	36	84.6	193,239	10.4
2010	1,229,226 (b)	47,451,851	38,457	36	84.4	194,353	11.5
2011	1,238,951(a)	49,227,818	38,782	36	69.3	197,001	10.2
2012	1,256,118(a)	51,109,828 (c)	40,000 (d)	36 (a)	72.6 (e)	200,287 (f)	8.5 (g)

\*This information was not available at time of reporting.

Sources: (a) Florida Office of Economic & Demographic Research Database

(b) U.S. Census Bureau

(c) U.S. Department of Commerce, Bureau of Economic Analysis

(d) Hillsborough County Planning Commission

(e) Federal regulations require each state to calculate a four-year adjusted cohort graduation rate, which includes standard diplomas but excludes GEDs, both regular and adult, and special diplomas. The US Department of Education (USDE) adopted this calculation method in an effort to develop uniform, accurate and comparable graduation rates across all states. The USDE required states to begin calculating the new graduation rate beginning with the 2010-2011 school year.

(f) Florida Department of Education (EIAS databases).

(g) Florida Agency for Workforce Innovation, Labor Market Statistics Center, Local Area Unemployment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

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## Banking and Finance

A total of 318 commercial and savings bank offices were located in Hillsborough County as of June 30, 2013. The following table presents commercial bank and savings institutions deposit for each year since 2004:

<u>Calendar Year</u>	<u>Commercial Bank Deposits</u>	<u>Savings Bank Deposits</u>	<u>Total Deposits</u>
2004	15,090,000,000	577,000,000	15,667,000,000
2005	16,163,000,000	715,000,000	16,878,000,000
2006	17,282,000,000	843,000,000	18,125,000,000
2007	16,326,000,000	1,074,000,000	17,400,000,000
2008	19,319,000,000	885,000,000	20,204,000,000
2009	20,319,000,000	884,000,000	21,203,000,000
2010	20,346,000,000	1,093,000,000	21,439,000,000
2011	22,524,000,000	556,000,000	23,080,000,000
2012	23,079,000,000	433,000,000	23,511,000,000
2013	25,193,000,000	474,000,000	25,667,000,000

Sources: Federal Deposit Insurance Corporation (Summary of Deposits database)

## Education

Hillsborough County Public Schools is the eighth largest district in the nation and third largest in Florida. A total of 266 elementary, middle, senior high, and adult schools accommodate students, both day and evening. Total student membership from pre-kindergarten through senior high as of August 2012 was 200,287. All Hillsborough County Public Schools fully meet the standards established by the Florida Department of Education. In addition, all high schools are duly accredited by the Southern Association of Colleges and Schools (SACS). All elementary and middle schools meet or exceed SACS standards.

Hillsborough County also has several universities and colleges. The University of South Florida serves more than 48,329 students (Fall 2013 semester) and is the third largest university in the southeast. The University of South Florida is also one of the only four Florida public universities classified by the Carnegie Foundation for the Advancement of Teaching in the top tier of research universities, a distinction attained by only 2.3 percent of all universities. The University of Tampa is a private university located on approximately 100 acres of prime riverfront land in the heart of downtown Tampa. Hillsborough Community College has five primary campus locations, three satellite locations, a very active distant learning program (eCampus), and a comprehensive corporate training center. Other colleges in the area include Florida College, Stetson University of College Law, and Keller Graduate School of Management of DeVry University.

Source:	Florida College	<a href="http://www.floridacollege.edu">www.floridacollege.edu</a>
	Florida Department of Education	<a href="http://www.fldoe.org">www.fldoe.org</a>
	Hillsborough County School Board	<a href="http://www.sdhc.k12.fl.us/">www.sdhc.k12.fl.us/</a>
	Hillsborough Community College	<a href="http://www.hccfl.edu">www.hccfl.edu</a>
	Keller Graduate School of Management	<a href="http://www.keller.edu">www.keller.edu</a>
	The University of Tampa	<a href="http://www.ut.edu">www.ut.edu</a>
	University of South Florida	<a href="http://www.usf.edu">www.usf.edu</a>

## **Medical Facilities**

There are thirteen general, specialty, and military hospitals in Hillsborough County with approximately 3,699 hospital beds, 3,168 acute care beds, 531 specialty beds, and 3,831 nursing home beds. The County's medical resources include more than 3,177 physicians, with specialists in all types of medicine and surgery, and 609 dentists.

Sources: Florida Department of Health; Florida Agency for Health Care Administration

## **Communications**

Six television stations, along with twenty-five radio stations serve the County. Daily newspapers include The Tampa Tribune, Tampa Bay Times and Tampa News Daily. There are also three other weekly and two monthly newspapers. Verizon and Brighthouse Networks are the primary providers for telecommunications and cable services, respectively. There are 48 Post Offices in Hillsborough County and 14 internet access or DSL providers.

Sources: Florida Smart - News and Media Directory

## **Transportation**

Tampa International Airport (TIA) is a major airport for the west central region of Florida serving primarily Hillsborough, Pinellas (which includes the cities of St. Petersburg and Clearwater), Pasco, Manatee, Polk, and Hernando Counties.

TIA is one of four FAA-coded large hub airports in the state of Florida. TIA, a facility of approximately 3,400 acres, is used primarily as an origination-destination airport with a total of 59 gates. It is located five miles from downtown Tampa and is served by most major airlines, providing non-stop service to more than 68 national and international destinations, including London, Toronto, Halifax, Ottawa, San Juan, and Grand Cayman. Passenger enplanements at TIA for the fiscal year ended September 30, 2013 totaled 8,493,260, an increase of 0.26% from the prior fiscal year.

Three general aviation airports serve as reliever airports, primarily to accommodate light and medium weight aircraft in the general aviation category. These include Peter O. Knight Airport, a 139-acre facility located six miles southeast of TIA; Plant City Airport, a 199-acre facility located 22 miles east of TIA; and Tampa Executive Airport (formerly Vandenberg Airport), a 407-acre facility located 12 miles east of TIA. In addition, there are two full service general aviation executive terminals located at the Airport.

AMTRAK provides passenger rail service from the County to major cities throughout the United States. This rail service is provided by the Palmetto and Silver Service Trains (the Silver Meteor and the Silver Star) which offer service between Florida, Georgia, and New York City. The restored Tampa Union Station has seven northbound and seven southbound departures on AMTRAK weekly.

Freight rail service is provided to the County by CSX Transportation Systems. CSX rail units possess some of the world's most technologically advanced terminal equipment and operate

on regular schedules throughout the network. Major transports include coal, wood products, phosphate, chemicals, construction materials, semi-tractor trailers, automobiles, and automobile products.

The Hillsborough Area Regional Transit Authority (HART) is Hillsborough County's public transportation system. HART offers local and express routes for residents and visitors alike. Local service seven days a week provides access to area shopping malls, businesses, government buildings, attractions and recreational facilities. An estimated 14 million riders use the system annually.

The County is also served by numerous intrastate and interstate motor common carriers, moving goods between Tampa, other points in Florida, and markets throughout the United States. Tampa is the transportation hub of the west coast of Florida with major trucking firms maintaining terminals serving Florida and major southern cities.

Three interstates and seven other major highways serve the County. All parts of Florida and bordering states to the north and west can be reached within one day of travel by truck or automobile.

Sources: Hillsborough County Aviation Authority; Amtrak, [www.amtrak.com](http://www.amtrak.com); Tampa Bay Partnership

## **Local Industries**

Professional and business services, retail, financial services and health service sectors lead regional and county industry. Bioscience and other high-tech industries are expanding, thanks in part to research at university and college campuses throughout the area. Manufacturing in Hillsborough County is also participating in the high-tech trend as the County is home to companies in the microelectronics, medical devices, software, and defense systems industries.

*Business and Information Services.* Tampa Bay has been called "Wall Street South" for the size and scope of its financial services industry. Worldwide organizations which have a major presence in Hillsborough County include JPMorgan Chase, Citigroup, Depository Trust and Clearing Corp, MetLife, Progressive Insurance, USAA Insurance and Verizon Communications. Hillsborough County is also a major player in a new industry segment called the Shared Accounting Services industry where national and international companies such as Coca Cola Enterprises create additional value by co-locating their accounting and financial services for multiple businesses in one location.

*Biomedical/Life Sciences Technologies/Health Care.* Tampa Bay is a center for numerous hospital, research and medical related firms – and the gateway to the Florida High Tech Corridor, a 23-county area that is home to more than 3,000 high-tech companies. Biomedical and life science centers of excellence in the County include University of South Florida, H. Lee Moffitt Cancer Center and Research Institute, and Byrd Alzheimer's Institute. Hillsborough County is also home to major health care plan developers and providers such as Wellcare.

*Port/Maritime.* With three seaports, Tampa Bay is a major entry point for domestic and international shipping. The Port of Tampa comprises nearly 40% of all sea borne commerce in the state and is the state's largest seaport.

*Manufacturing (Microelectronics, Medical Devices, Software, and Defense Systems).* High tech manufacturing companies in the County include CAE (flight and military simulation systems), B&M Precision (implants and components for brain probes and liposuction), and systems software development companies CIBERsites (application development), Computer Associates (internet security) and Quadrant Software (electronic document distribution).

Sources: Hillsborough County Economic Development Department; Tampa Bay Partnership

## **Agriculture**

Hillsborough County has 2,843 farms, the second largest number of farms of any county in the State of Florida and 20th highest in the country. Diversity is one of the keys to the success of Hillsborough County agriculture. Hillsborough County ranks as the fourth largest producer of agricultural products in the State (out of 67 counties) and 59th in the United States (out of 3,076 counties). Hillsborough County is in the top 2% of agricultural counties in the country. Approximately 34% of the County's land area is in agricultural production. Urban development and rising land values influence the agricultural sector, encouraging production of high-value commodities such as strawberries, tropical fish, ornamental plants, and enterprises for niche markets. Hillsborough County produces the most tropical fish and strawberries of all counties in the state. The majority of agricultural goods produced in Hillsborough County are sold outside of the County.

Commodity sales are estimated as follows:

<u>Commodity</u>	<u>2011 Acreage</u>	<u>2011 Annual Sales</u>
Aquaculture	876	\$23,546,112
Beef Cattle/Pasture	91,904	18,934,207
Bees/Honey Production	45	598,767
Blueberries	591	5,500,000
Citrus	10,750	18,893,572
Dairy	1,500	6,433,206
Forestry	108,634	1,000,000
Goats	518	154,177
Hay	6,035	2,374,195
Ornamental Plants	3,977	139,232,407
Poultry	22	18,701,100
Sod	2,286	7,438,855
Strawberries	11,625	388,125,702
Vegetables	13,092	150,000,000
Miscellaneous	<u>3,677</u>	<u>51,478,000</u>
Total	<u>255,532</u>	<u>\$832,410,300</u>

Local agriculture generates additional local economic impact by supporting related businesses such as banking, real estate, legal services, transportation, packaging, equipment, seed, agricultural suppliers and services, and marketing firms. Each year, agriculture production and its related businesses in Hillsborough County generate an economic impact of more than \$1.4 billion and employ about 20,100 people.

Sources: Hillsborough County Cooperative Extension Service; Hillsborough County Economic Development Department.

## **Port Facilities**

The Port of Tampa is Florida's largest and most diverse seaport, handling 35 million tons of cargo and 854,260 cruise passengers during FY 2013. The Port of Tampa has an economic impact of \$15 billion and 100,000 jobs on the Tampa Bay economy. The development of a new container terminal with three gantry cranes, along with substantial room for expansion, has made the deepwater Port of Tampa well-positioned as a gateway for the growing markets of Florida and the Southeast U.S. The Port offers CSX rail service and over one million square-feet of warehouse/cold storage space. The Port also contains the largest ship repair facility in the Southeast U.S.

Seventy-five percent of Port cargo is inbound, and with its location on the west end of Florida's Interstate 4 corridor, the Port is ideally located to supply in-state demands for construction materials, commodities and consumer products.

Sources: Tampa Port Authority, [www.tampaport.com](http://www.tampaport.com)

## **Military Facilities**

MacDill Air Force Base is located eight miles south of downtown Tampa on the Southwestern tip of the Interbay Peninsula on the west coast of Florida. The host organization is the 6th Air Mobility Fueling Wing, which uses KC-135 Stratotankers and C-37As to conduct its air mobility mission. It is the headquarters for two non-aviation units: the United States Central Command and the United States Special Operations Command. It is also home to the National Oceanic and Atmospheric Administration.

Source: MacDill Air Force Base

## **Recreational Facilities**

A variety of entertainment activities may be found in Hillsborough County including numerous parks, beaches, restaurants with international flair, excellent golf courses, racquetball courts, saltwater fishing, tennis and shopping. Recreational facilities that appeal to both County residents and visitors are either located within the County or are only a short drive away. Walt Disney World (including Hollywood Studios Theme Park), Universal Studios and Sea World are all just over an hour's drive to the east. Two-thirds of the state's major attractions lie within a 100-mile radius of Tampa. Busch Gardens, located in Tampa, is a family adventure park offering an array of attractions based on exotic encounters with the African continent. It offers an appealing blend of thrilling rides, one of the country's premier zoos featuring more than 3,000

animals, live shows, restaurants, shops and games. Adventure Island, which is located next to Busch Gardens, features a beach volleyball complex and 17 water play areas situated on 30 acres.

Hillsborough County is home to the Tampa Bay Buccaneers of the National Football League (NFL), who were the Super Bowl XXXVII Champions in 2003. The Tampa Bay Buccaneers and University of South Florida Bulls football teams play their home games at Raymond James Stadium in Tampa. Raymond James Stadium is a combination of modern stadium design and its own innovations. Raymond James Stadium has a seating capacity of 65,657, expandable to 75,000, 12,000 club seats, 195 luxury suites, and 600 points of sale for food, beverages and merchandise. Raymond James Stadium has hosted special events such as Super Bowl XXXV in January 2001 and Super Bowl XLIII in February 2009.

In the heart of downtown Tampa's Channelside District, located between the Tampa Convention Center and the Florida Aquarium, lies the Amalie Arena (the "Arena"), one of the premier entertainment venues in the Southeast and home of the National Hockey League's Tampa Bay Lightning, who were the 2004 Stanley Cup Champions. The Arena also hosts the Arena Football League's Tampa Bay Storm, as well as more than 150 concerts, family shows and sporting events annually. In August 2012, the Arena also hosted the Republican National Convention. In addition, the New York Yankees Major League Baseball franchise has spring training at the County's George M. Steinbrenner Field baseball stadium. The University of South Florida Sun Dome is a multipurpose 11,400-seat arena located on the campus of the University of South Florida (USF) and is home to the National Collegiate Athletic Association's USF Men's and Women's basketball teams as well as other University events. Thoroughbred horse racing is also seasonally available in the County.

Sources:	Busch Gardens, Tampa	<a href="http://www.buschgardens.com">www.buschgardens.com</a>
	Adventure Island	<a href="http://www.adventureisland.com">www.adventureisland.com</a>
	City of Tampa	<a href="http://www.tampagov.net">www.tampagov.net</a>
	Raymond James Stadium	<a href="http://www.raymondjames.com/stadium/">www.raymondjames.com/stadium/</a>
	Tampa Bay Buccaneers	<a href="http://www.buccaneers.com">www.buccaneers.com</a>
	Tampa Sports Authority	<a href="http://www.tampasportsauthority.com">www.tampasportsauthority.com</a>
	USF Sun Dome	<a href="http://usfweb2.usf.edu/Sundome/">http://usfweb2.usf.edu/Sundome/</a>

## **Cultural Facilities**

Hillsborough County offers a variety of cultural facilities to residents and visitors. Lowry Park Zoo was ranked the number-one family-friendly zoo in the United States in 2009 by Parents magazine and in 2004 by Child magazine and recognized by the State of Florida as a center for Florida wildlife conservation and biodiversity. Natural outdoor exhibits covering 60 acres for more than 1,700 animals from Florida and similar habitats include a Native Florida Wildlife Center and manatee hospital, Asian Gardens, Primate World, Free-Flight Aviaries, Wallaroo Station children's zoo, and Safari Africa. The Zoo also features rides, shows and hands-on interactive exhibits. The Florida Environmental Education Center (Zoo School) serves more than 203,000 children annually. Programs offered are summer and holiday camps, daycare, preschool, and kindergarten. The 205,000 square-foot Florida Aquarium is among the top

aquariums in the world and has more than 20,000 aquatic plants and animals from Florida and around the world.

The Straz Center for the Performing Arts is located on a nine-acre site along the east bank of the Hillsborough River. As the largest performing arts complex south of the Kennedy Center, the 335,000 square-foot Center provides an environment for a wide variety of world-class events. It boasts one of the nation's leading Broadway series and is nationally respected for producing grand opera, as well as presenting a wide variety of concerts, performances and events. The Tampa Convention Center, located directly on the waterfront in the heart of downtown Tampa, hosts a variety of conventions, tradeshow, and other special events year-round. The 600,000 square-foot building offers 200,000 square feet of exhibit space, a 36,000 square-foot ballroom, and 36 breakout rooms which total over 42,000 square feet of additional meeting space.

Museums in the area include the Museum of Science and Industry (MOSI), a science and technology center encompassing over 400,000 square feet on a 74-acre campus of exhibits and hands-on displays. MOSI is now the largest science center in the southeast and fifth largest in the United States. Features include a hurricane simulator, a planetarium, and an IMAX Dome theater. The 60,000 square-foot Tampa Bay History Center Museum located in the Channelside district opened in January 2009. Other museums in the area are the Tampa Museum of Art, the historic H. B. Plant Museum at the University of Tampa, the Contemporary Art Museum at the University of South Florida, the Scarfone Gallery at the University of Tampa, the Veteran's Memorial Museum and Park, the Ybor City State Museum, and the Florida Museum of Photographic Arts.

Graphicstudio at the University of South Florida is one of the world's premiere experimental printmaking facilities, hosting renowned artists on a regular basis to test new theories and methods of producing art. In addition, there are over 20 other visual art galleries that showcase work from local, regional, and national artists.

Sources:	Tampa Bay Performing Arts Center	<a href="http://www.tbpac.org">www.tbpac.org</a>
	City of Tampa	<a href="http://www.tampagov.net">www.tampagov.net</a>
	Museum of Science and Industry	<a href="http://www.MOSI.org">www.MOSI.org</a>
	Arts Council of Hillsborough County	<a href="http://www.tampaarts.com">www.tampaarts.com</a>
	Lowry Park Zoo	<a href="http://www.lowryparkzoo.com">www.lowryparkzoo.com</a>
	Florida Aquarium	<a href="http://www.flaquarium.org">www.flaquarium.org</a>
	Tampa Bay History Center	<a href="http://www.tampabayhistorycenter.org">www.tampabayhistorycenter.org</a>

### **Hillsborough County Web Site**

The Hillsborough County internet web site is located at <http://hillsboroughcounty.org>. This site provides a convenient directory of government services and other useful information.



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**APPENDIX B-1**

**AUDITED FINANCIAL STATEMENTS OF COUNTY  
FOR FISCAL YEAR 2013**

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## **Report of Independent Auditor**

To the Board of County Commissioners of  
Hillsborough County, Florida:

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Hillsborough County, Florida (the "County"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Housing Finance Authority of Hillsborough County, a discretely presented component unit, which represents 95% of the assets, 99% of the net position and 25% of the revenues of the discretely presented component units. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Housing Finance Authority of Hillsborough County, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, based on our report and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison information for the General, Countywide Special Purpose, Sales Tax Revenue, and County Transportation Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Cherry Bekant LLP*

Tampa, Florida  
March 24, 2014

## Management's Discussion and Analysis

Our discussion and analysis provides an overview of the financial activities of Hillsborough County, Florida (the County) for the fiscal year ended September 30, 2013 using the reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34. The reporting model is described in the following narrative as well as in the *Notes to the Financial Statements*. We encourage reading this narrative with the *transmittal letters* starting on the first page of this document.

### Financial Highlights

- At September 30, 2013, the County's assets exceeded its liabilities by approximately \$8.784 billion (net position). Of this amount, \$7.119 billion was the net investment in capital assets, and \$513.7 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, \$1.151 billion of unrestricted net position was available at year-end to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers. This amount represents a \$29.3 million increase from the prior year's unrestricted net position of \$1.121 billion.
- During the year, the County's net position increased \$88.0 million. Of this amount, governmental activities were responsible for an increase in net position of approximately \$50.3 million, and business-type activities were responsible for an increase in net position of approximately \$37.7 million. A total of \$13.2 million of the increase in net position was reflected in an increase in net investment in capital assets.
- At September 30, 2013, the General Fund's fund balance was \$267.8 million, representing an increase of \$19.2 million or 7.7% from the previous year. The County's governmental funds in total, reported a combined fund balance at year-end of \$928.4 million, an increase of \$1.2 million or 0.1% from the previous year.
- The County's Water Enterprise Fund had an increase in net position of \$41.5 million over the previous year primarily due to: operating income of \$17.0 million, capital contributions of \$19.9 million; net interest revenues of \$3.3 million, losses on asset disposals of \$1.3 million, and nonoperating revenues of \$3.0 million, net transfers in of \$0.1 million, offset by other nonoperating expenses of \$0.5 million. The County's Solid Waste Enterprise Fund had a decrease in net position of \$3.9 million from the previous year primarily due to operating income of \$2.1 million, net interest expenses of \$6.2 million, a gain on disposal of capital assets of \$0.1 million and net nonoperating revenues of \$0.1 million.
- The County's total liabilities increased by \$15.1 million to \$1.411 billion at September 30, 2013. This change was primarily due to the following: a new bond issue for \$25.2 million, net additions to notes payable of \$10.9 million, bond principal payments of \$39.4 million and other net increases of short-term and long-term liabilities totaling \$18.4 million.

More information on these financial highlights is found in the narrative that follows.

## Overview of the Financial Statements

This comprehensive annual financial report consists of the Basic Financial Statements, which are high-level summary statements, as well as other statements and schedules with more detailed information. The tables and narratives that follow below provide an overview of the Basic Financial Statements and how they relate to other parts of this report.

<p><b>Management’s Discussion &amp; Analysis</b></p> <p><b>Basic Financial Statement</b></p> <p>a. Government-wide Financial Statements and Fund Financial Statements</p> <p>b. Notes to the Financial Statements</p> <p><b>Required Supplementary Information</b></p> <p>a. Infrastructure Condition and Maintenance Data</p> <p>b. Funding Progress for Postemployment Benefits Other Than Pensions (OPEB)</p>
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Description of Government-wide and Fund Financial Statements				
	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<b>Scope</b>	Entire County except for Fiduciary Funds	Activities that are not Proprietary or Fiduciary	Activities operated similar to private businesses	Assets held on behalf of other entities
<b>Financial Statements</b>	<ul style="list-style-type: none"> <li>▪ Statement of Net Position</li> <li>▪ Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance Sheet</li> <li>▪ Statement of Revenues, Expenditures, and Changes in Fund Balances</li> <li>▪ Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance Sheet</li> <li>▪ Statement of Net Position</li> <li>▪ Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of Fiduciary Assets and Liabilities – Agency Funds</li> </ul>
<b>Basis of Accounting</b>	Accrual accounting	Modified accrual accounting	Accrual accounting	Accrual accounting
Timing of when revenues and expenses or expenditures are recognized	<i>Revenues are recorded when earned. Expenses are recorded when the liabilities are incurred.</i>	<i>Revenues recorded when measurable and available. Expenditures recognized when incurred with certain exceptions.</i>	<i>Revenues are recorded when earned. Expenses are recorded when the liabilities are incurred.</i>	<i>Increases or decreases in assets and liabilities are recorded when incurred.</i>
<b>Measurement Focus</b>	Economic resources:	Financial resources:	Economic resources:	Not applicable
Types of resources being measured	<i>All assets and deferred outflows of resources less all liabilities and deferred inflows of resources</i>	<i>Current assets less current liabilities</i>	<i>All assets and deferred outflows of resources less all liabilities and deferred inflows of resources</i>	

**Government-wide financial statements** The government-wide financial statements provide an overview of the County's financial position using the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities and deferred inflows of the County as a whole. The difference between assets and liabilities is reported as net position. Changes in net position may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Activities presents information showing how the County's net position changed during the fiscal year. Changes in net position are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the statement of activities will have cash flows in future fiscal periods. For example, certain sales taxes are shown as revenues although cash receipts will be received in the following fiscal year. An increase in unused vacation leave is recorded as an expense even though related cash outflows will occur in the future.

The government-wide financial statements show a distinction between *governmental activities*—activities that are supported primarily by taxes and intergovernmental revenues versus *business-type activities*—activities that are supported by the recovery of all or most of their costs through user fees and charges. The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation functions. The business-type activities of the County are the Water Enterprise and Solid Waste Enterprise operations.

The government-wide financial statements include not only the County (known as the *primary government*), but also the legally separate entities for which the County is financially accountable (known as *component units*). The Housing Finance Authority of Hillsborough County, Law Library Board and Hillsborough County City-County Planning Commission are the only discretely presented component units of the County. The financial activities of these component units are reported separately from the financial information of the primary government. Separate financial statements are not prepared for the Law Library Board or Hillsborough County City-Planning Commission, but financial and other information including budget and actual comparisons may be obtained. For more information, see Note 1.A. *Financial Reporting Entity*, in the *Notes to the Financial Statements* portion of the *Basic Financial Statements*. The Hillsborough County Civil Service Board, although also legally separate, is included as a part of the primary government because it is fiscally dependent on the County and it provides services almost entirely to the primary government.

**Fund financial statements** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to demonstrate and ensure compliance with legal, legislative, contractual, and other finance-related provisions. All of the County's funds may be divided into three categories: governmental, proprietary, and fiduciary funds.

**Governmental funds** Most of the County's basic services are reported in governmental funds, which focus on how money or other spendable resources flow into and out of those funds and the level of balances remaining at year-end that are available for expenditure. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the County's general governmental operations. Governmental fund information helps determine the extent to which financial resources are available for



expenditure on County programs. Reconciliations of the differences between the government-wide and fund financial statements are provided immediately after the *Balance Sheet - Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds*, respectively, in the *Basic Financial Statements*.

Funds that are significant in terms of revenues, expenditures, assets or liabilities are identified as *major* funds in the Basic Financial Statements. Budget and actual comparison statements are also presented in the Basic Financial Statements for the General Fund and each major special revenue fund with a legally adopted annual budget. The County's nonmajor funds, and budget and actual comparison schedules for any nonmajor governmental funds with annually appropriated budgets, are presented in the *Combining and Individual Fund Statements and Schedules* section.

**Proprietary funds** The County uses *Enterprise* and *Internal Service* proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water Enterprise and Solid Waste Enterprise operations. Both of these operations are considered to be major proprietary funds of the County. Internal service funds are used to accumulate and allocate costs internally among the County's other functions. The County uses internal service funds to account for self-insurance, fleet management, and the Sheriff's risk management programs. These programs are included within governmental activities in the government-wide financial statements because they predominantly benefit governmental rather than business-type functions. The three internal service funds are combined into a single presentation in the proprietary fund financial statements. Information on individual internal service funds is provided in the Combining and Individual Fund Statements and Schedules section of this report. The proprietary fund financial statements are found in the Basic Financial Statements.

**Fiduciary funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Agency funds are the only type of fiduciary fund used by the County. The amounts in these agency funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. However, the *Statement of Fiduciary Assets and Liabilities—Agency Funds* in the *Basic Financial Statements* is provided for information on the agency funds. In addition, the individual agency funds are presented in the *Combining and Individual Fund Statements and Schedules* section.

**Notes to the financial statements** The notes provide additional information for a more complete understanding of the information in the government-wide and fund financial statements.

**Other information** In addition to the Basic Financial Statements and accompanying notes, this report also presents *Infrastructure Condition and Maintenance Data* and *Schedule of Funding Progress for Postemployment Benefits Other Than Pensions (OPEB)* located immediately after the *Notes to the Financial Statements*, and the *Statistical Section* located at the end of this report. The combining statements for the nonmajor funds, internal service funds, and agency funds, as well as individual fund budget and actual comparison schedules are found in the *Combining and Individual Fund Statements and Schedules* section of this report.

## Government-wide Financial Analysis

Over time, *net position* may serve as the most useful indicator of a government's financial position. At September 30, 2013, the County's total net position, i.e. total assets less liabilities, was \$8.784 billion. As shown on the chart on this page, the County reported positive balances at September 30, 2013, in all three categories of net position for governmental activities, business-type activities, and the County as a whole.

A significant portion of the County's net position (81%) is identified as net investment in capital assets, which is capital assets such as land, buildings, equipment, and infrastructure, less related debt outstanding that was used to acquire or construct those assets. Since the County uses capital assets to provide services to its residents, the net position identified as "net investment in capital assets" is not available for future spending. In fact the payment of maintenance and debt service costs on those capital assets will themselves require governmental resources. Another portion of the County's net position is restricted net position, which is assets less liabilities subject to external constraints such as from debt covenants, grantors, laws or regulations, or restrictions through enabling legislation. Unrestricted net position is assets and deferred outflows of resources less liabilities and deferred inflows of resources that are available to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers. Significant changes between years are described later.

<b>Hillsborough County, Florida</b>						
<b>Net Position</b>						
<i>in thousands</i>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Current assets and other assets</b>	\$ 1,419,995	1,423,213	707,455	693,858	2,127,450	2,117,071
<b>Capital assets</b>	<u>6,954,633</u>	<u>6,907,724</u>	<u>1,112,824</u>	<u>1,067,012</u>	<u>8,067,457</u>	<u>7,974,736</u>
<b>Total assets</b>	<u>8,374,628</u>	<u>8,330,937</u>	<u>1,820,279</u>	<u>1,760,870</u>	<u>10,194,907</u>	<u>10,091,807</u>
<b>Current liabilities</b>	419,090	405,944	92,907	79,999	511,997	485,943
<b>Long-term liabilities</b>	<u>539,127</u>	<u>558,873</u>	<u>359,378</u>	<u>350,593</u>	<u>898,505</u>	<u>909,466</u>
<b>Total liabilities</b>	<u>958,217</u>	<u>964,817</u>	<u>452,285</u>	<u>430,592</u>	<u>1,410,502</u>	<u>1,395,409</u>
<b>Net position:</b>						
<b>Net investment in capital assets</b>	6,314,284	6,287,766	809,151	818,656	7,123,435	7,106,422
<b>Restricted</b>	427,578	381,756	89,984	86,487	517,562	468,243
<b>Unrestricted</b>	<u>674,549</u>	<u>696,598</u>	<u>468,859</u>	<u>425,135</u>	<u>1,143,408</u>	<u>1,121,733</u>
<b>Total net position</b>	<u>\$ 7,416,411</u>	<u>7,366,120</u>	<u>1,367,994</u>	<u>1,330,278</u>	<u>8,784,405</u>	<u>8,696,398</u>

**Governmental activities** Although governmental revenues and expenses declined compared to the prior year, there was still an \$88 million increase in the County's net position. The growth in net position from governmental activities represented 57% of the County's total growth in net position of \$50.3 million. The chart on the following page describes changes in net position during the current versus the prior fiscal year. Key net position changes during fiscal year 2013 are described below. Expense variance explanations are provided on the next few pages.

## Governmental Activities

- **Charges for services** increased \$15.8 million or 9.0% primarily due to the following: Residential impact fee revenues rose \$6.2 million in the Countywide Special Purpose Fund, transportation impact fee revenues rose \$0.3 million in the County Transportation Fund, and primarily residential culture and recreation impact fees rose \$0.4 million in the Unincorporated Area Special Revenue Fund. In addition, special assessment fees rose \$1.8 million in the County Transportation Fund. Impact fee and special assessment revenues rose due to new home construction and a strengthening real estate market. Another major reason for the increase in charges for services revenues was due to a change in Florida Statutes that changed the funding of the offices of Clerk of Circuit Court throughout the state from being funded by state appropriations to being funded by their own fines and charges for services revenues. As a result, the Clerk of Circuit Court's Court Operations and Public Records Fund had higher charges for services revenues of \$8.5 million and higher fines and forfeitures revenues of \$1.8 million compared to the prior fiscal year. In the General Fund, BOCC fines revenues such as from the violations of County Ordinances fell \$0.3 million, but fines revenues of the Sheriff rose by \$0.5 million. These increases in charges for services were partly offset by decreases in charges in services for a variety of reasons including a \$1.2 million reduction in Sheriff charges for services fees in the General Fund, a \$0.9 million reduction in general government charges and fees received by the General Fund, a \$0.3 million reduction in the Sheriff's sales to inmates in the Jail Inmate Canteen Fund, and a \$0.8 million reduction in transportation fees in the County Transportation Fund due to lower reimbursements for work done for capital projects.
- **Operating grants and contributions** increased \$6.7 million or 7.5% primarily due to the following: There were numerous changes in operating grant revenues and contributions within program/function categories. The most significant change was the increase in the Economic Environment function. There were higher expenditure reimbursements from grants received from the US Department of Housing and Urban Development.
- **Capital grants and contributions** decreased \$6.8 million or 14.3% primarily due to the following: There was a \$21.2 million decrease in revenue from capital grants due to reduced capital grant reimbursements from federal and state awards. This decrease was partially offset by a \$9.2 million increase in infrastructure contributions from real estate developers and a \$5.2 million increase in capital contributions from the Constitutional Officers.

## Hillsborough County, Florida Changes in Net Position

<i>in thousands</i>	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 189,921	174,192	305,941	303,713	495,862	477,905
Operating grants and contributions	96,652	89,908	-	-	96,652	89,908
Capital grants and contributions	41,086	47,924	19,925	15,330	61,011	63,254
Restricted investment earnings	-	-	7,885	10,401	7,885	10,401
<b>General revenues:</b>						
Property taxes	530,615	546,263	-	-	530,615	546,263
Sales taxes, state shared revenues	396,975	388,433	-	-	396,975	388,433
Other taxes	47,245	48,662	-	-	47,245	48,662
Investment earnings	5,073	11,045	-	-	5,073	11,045
Gain (loss) - sales of capital assets	2,777	2,208	143	(1,759)	2,920	449
Other revenues	21,891	44,476	2,077	2,254	23,968	46,730
<b>Total revenues</b>	<b>1,332,235</b>	<b>1,353,111</b>	<b>335,971</b>	<b>329,939</b>	<b>1,668,206</b>	<b>1,683,050</b>
<b>Expenses:</b>						
General government	290,531	294,159	-	-	290,531	294,159
Public safety	517,923	522,532	-	-	517,923	522,532
Physical environment	27,134	26,221	-	-	27,134	26,221
Transportation	95,115	100,029	-	-	95,115	100,029
Economic environment	55,706	52,580	-	-	55,706	52,580
Human services	201,603	211,136	-	-	201,603	211,136
Culture and recreation	70,113	71,169	-	-	70,113	71,169
Interest on long-term debt	24,225	25,495	-	-	24,225	25,495
Water Resource Services System	-	-	193,170	192,311	193,170	192,311
Solid Waste Resource Recovery	-	-	104,679	103,234	104,679	103,234
<b>Total expenses</b>	<b>1,282,350</b>	<b>1,303,321</b>	<b>297,849</b>	<b>295,545</b>	<b>1,580,199</b>	<b>1,598,866</b>
<b>Change in net position before transfers</b>	<b>49,885</b>	<b>49,790</b>	<b>38,122</b>	<b>34,394</b>	<b>88,007</b>	<b>84,184</b>
<b>Transfers</b>	<b>406</b>	<b>(125)</b>	<b>(406)</b>	<b>125</b>	<b>--</b>	<b>-</b>
<b>Change in net position</b>	<b>50,291</b>	<b>49,665</b>	<b>37,716</b>	<b>34,519</b>	<b>88,007</b>	<b>84,184</b>
<b>Net position, beginning of year</b>	<b>7,366,120</b>	<b>7,316,455</b>	<b>1,330,278</b>	<b>1,295,759</b>	<b>8,696,398</b>	<b>8,612,214</b>
<b>Net position, end of year</b>	<b>\$ 7,416,411</b>	<b>7,366,120</b>	<b>1,367,994</b>	<b>1,330,278</b>	<b>8,784,405</b>	<b>8,696,398</b>

- **Property tax revenues** decreased \$15.6 million or 2.9% due to a \$1.59 billion or 2.9% reduction in the taxable assessed value of property in Hillsborough County for 2012. The change in assessed values of real estate in fiscal year 2012 affected property tax revenues in fiscal year 2013 because there is a lag from the time of assessment to the time taxes are due. This decline for fiscal year 2012 was the result of real property market values falling \$1.8 billion, offset by property tax exemptions falling only \$0.21 billion (since market values less exemptions equal assessed values). The assessed value of real estate in the County rose in fiscal year 2013, so higher property tax revenues are expected for fiscal year 2014.
- **Sales tax revenues and state shared revenues**, as a combined category, increased \$8.5 million or 2.2% from the prior year. Most of these revenues increased due to higher retail sales caused by improving economic conditions. The discretionary sales surtax for the healthcare of low-income residents increased by \$4.0 million. The Community Investment Tax, a discretionary sales surtax for infrastructure capital projects, increased by \$4.0 million. The local government half-cent sales tax, a state shared revenue, increased by \$4.3 million. State revenue sharing proceeds increased by \$1.7 million. State revenue sharing for the State Housing Initiatives Partnership (SHIP) program increased by \$1.6 million because funding from the state of Florida was restarted. However, other state shared revenues fell \$6.7 million because effective June 2013, the Clerk of Circuit Court will retain funds collected for court related fines, fees and service charges rather than receiving a monthly appropriation from the state of Florida's Clerk of Court Operations Corporation.
- **Other taxes** decreased \$1.4 million or 3.0% primarily due to the following: There was a \$1.6 million decrease in the Communication Services Tax revenues due to lower use of telephone services covered by this tax. Tourist Development taxes remained stable with just a \$0.2 million reduction compared to fiscal year 2012, which was \$2.2 million higher than fiscal year 2011 due to greater use of hotels during the Republican National Convention in Tampa. Local Business Tax revenues, for the licensing of businesses, professions, and occupations increased \$0.3 million or 18.1% due to business growth.
- **Investment earnings**, which is the sum of actual interest and changes in the fair value of the investment portfolio, declined \$6.0 million or 54.1% from the previous year. As short-term market interest rates declined further during the year, there was a decrease in actual interest earned from 0.58% for fiscal year 2012 to 0.46% for fiscal year 2013, but it was partly offset by an increase in the market values of securities in the County's investment portfolio, which was also the result of declining market interest rates.
- **Other revenues** decreased \$22.6 million or 50.8% primarily due to the following: The elimination of internal service fund transactions was responsible for \$23.7 million of this comparative decrease from the prior fiscal year. Prior to fiscal year 2013, internal service fund revenues for employee payroll deductions for healthcare were eliminated by adding them to miscellaneous revenues, which was a part of general revenues on the Statement of Activities. Since these revenues from employee payroll deductions for healthcare are considered program revenues rather than general revenues, for fiscal year 2013, these internal service fund revenues were included with program revenues and then eliminated as net expenses by program function. Since employee deductions for healthcare were \$21.8 million for fiscal year 2013, this resulted in a decrease in other revenues compared to the prior fiscal year. This decrease was partly offset by a \$1.3 million increase in donations and contributions

from developers and other private sources for transportation-related capital projects in the County Transportation Fund.

- **General government** expenses decreased \$3.6 million or 1.2% primarily due to the following: There was an \$18.0 million comparative decrease due to a payment of impact fee revenues to the Hillsborough County School Board for the construction of an elementary school at Shell Point in Ruskin, Florida during fiscal year 2012 that was not repeated. This comparative reduction was partly offset by \$2.7 million in additional expenses (in the Countywide Special Purpose Fund). In addition there was a \$5.5 million decrease in expenses due to the elimination of internal service fund transactions. These net decreases were partly offset by the following increases: There was a \$5.7 million increase in depreciation expenses allocated to general government expenses. There was a \$4.7 million increase due to a loss on the disposal of capital assets being added to expenses in accordance with generally accepted accounting principles. There was a \$3.9 million increase in expenses due to the Clerk of Circuit Court's Court Operations and Public Records Fund transmitting more excess revenues to the state of Florida as required by law through June 30, 2013. There was a \$2.2 million increase in expenses associated with increased distributions to the School Board, the cities of Tampa, Temple Terrace and Plant City and to the Tampa Sports Authority due to higher infrastructure-related discretionary sales surtax revenues in the Sales Tax Revenue Fund.
- **Public safety** expenses decreased \$4.6 million or 0.9% primarily due to the following: There was an \$11.0 million decrease in expenses due to the elimination of internal service fund transactions. In addition, there was a \$10.2 million decrease in depreciation expenses allocated to public safety expenses. These decreases were partially offset by increased public safety expenses in the following areas: The Sheriff had \$6.3 million in higher public safety expenses as a result of receiving higher funding from the BOCC. The Fire Rescue Department had \$8.5 million in higher public safety expenditures, especially in the personnel category, as a result of higher budget appropriations for the fiscal year.
- **Physical environment** expenses increased \$0.9 million or 3.5% primarily due to the following: During fiscal year 2012, there was a \$1.5 million reduction in the Infrastructure Surtax Trust Fund because a refund from the Florida Department of Transportation was recorded during fiscal year 2012 as a reduction in capital project costs that were originally incurred in prior years. There was a comparative increase in physical environment expenses during fiscal year 2013 due to the absence of this refund in fiscal year 2013. There was also a \$0.6 million reduction in expenses due to the elimination of internal service fund transactions.
- **Transportation** expenses decreased \$4.9 million or 4.9% due to items such as the following: There was a \$15.3 million decrease in expenses due to a reduction in infrastructure disposals compared to the prior year. In addition there was a \$2.6 million decrease in expenses because there were lower road resurfacing costs compared to the prior fiscal year. Road resurfacing costs are expensed on the Statement of Activities (under the modified approach for recording infrastructure assets). There was a \$1.2 million decrease in expenses due to the elimination of internal service fund transactions. These decreases were partly offset by a \$12.3 million increase in transportation-related capital and operating expense (from the Infrastructure Surtax and County Transportation Funds). There was a \$1.7 million increase in depreciation allocated to transportation expenses.

- **Economic environment** expenses increased \$3.1 million or 5.9% primarily due to the following: There was a \$3.5 million increase in expenses due to payments to the Tampa Sports Authority for improvements to the Tampa Bay Times Forum, which is home to the Tampa Bay Lightning ice hockey team. There was a \$1.1 million increase in economic environment expenses due to higher expenses on grants funded by the US Department of Housing and Urban Development in order to meet contractual spending deadlines. There was a \$1.3 million decrease in expenses due to a job creation program set up for fiscal year 2012 that was revised in fiscal year 2013 and then had no activity. In this program, businesses that maintained a new employee for three or more months qualified for reimbursement of 50% of the employee's hourly wages up to a maximum of \$3,900 per employee.
  
- **Human services** expenses declined \$9.5 million or 4.5% primarily due to the following: There was a \$7.1 million decrease in expenses of the Hillsborough Healthcare Plan for low income residents, partly offset by a \$1.7 million increase in family and aging-related expenses in the Countywide Special Purpose Fund. There was a \$1.3 million decrease in expense due to a \$1.3 million reduction in expenses on grants funded by the US Department of Health and Human Services (in the Intergovernmental Grants Fund). There was a \$3.9 million decrease in expenses due to the elimination of internal service fund transactions.
  
- **Culture and recreation** expenses decreased \$1.1 million or 1.5% primarily due to elimination of \$1.3 million internal service fund transactions, partly offset by numerous smaller increases and decreases.

## **Business-type activities**

The **Water Enterprise** provides potable water as well as the collection, treatment, and environmentally safe disposal of wastewater for the County's unincorporated area residents. The Water Enterprise's principal assets consist of four water and eight wastewater treatment plants. Water program revenues increased \$7.6 million or 3.4% from the previous year primarily due to a \$4.6 million increase in capital contributions from developers as well as a \$3.0 million increase in charges for services as a result of an increase in water consumption together with an increase in customers over the prior year. Water program expenses rose by \$0.9 million notably due to a \$1.3 million in a loss on asset disposals, partly offset by a \$0.2 million increase in contractual services and a \$0.2 million increase in interest costs on long-term debt.

The **Solid Waste Enterprise** primarily provides solid waste collection and disposal services to the County's unincorporated area residents and businesses. The Solid Waste System's principal assets include a waste-to-energy plant, a 1,500-acre sanitary landfill, and neighborhood refuse collection sites. The Solid Waste Enterprise's program revenues were down \$0.4 million due to a \$0.8 million decrease in charges for services primarily brought about by comparative decline in franchise and municipal customer disposal revenue combined with a decrease in recycling revenues, which was partly offset by an increase in other revenues of \$0.3 million. The Solid Waste program expenses were up \$1.4 million primarily due to a \$2.7 million increase in landfill closure and postclosure care, a \$2.1 million increase in contractual services, a \$0.3 million increase in fleet costs, a \$0.4 million increase in costs to promote the new trash collection and recycling program, a \$0.2 million increase in long-term debt interest costs related to the 2013 bonds issued for the new trash collection and recycling program, offset by \$4.2 million decrease in depreciation expenses.

## Fund Financial Analysis

The County uses fund accounting to demonstrate and ensure compliance with legal, legislative, contractual, and other finance-related provisions.

**Governmental funds** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in determining the County's financial resources. Unreserved fund balance at year-end is a good measure of a government's net resources available for expenditure.

At September 30, 2013, the County's governmental funds reported combined ending fund balances of \$928.4 million, an increase of \$1.2 million from the previous year. This increase was the result of a combination of changes in fund balances such as the following:

The fund balance of the General Fund increased \$19.2 million due to having conservatively budgeted beginning fund balance lower than the actual beginning fund balance and then spending less than budgeted. The fund balance of the Unincorporated Area Capital Projects Fund increased \$5.8 million due to receiving \$11.0 million more transfers in from the Unincorporated Area Special Revenue Fund and Sales Tax Revenue Fund compared to the prior fiscal year, which more than offset increased capital expenditures. The Sales Tax Revenue Fund in turn had received more infrastructure-related discretionary sales surtax revenues due to higher retail sales within the County. The fund balance of the Countywide Capital Projects Fund increased \$5.0 million due to receiving \$5.8 million more in transfers in compared to the prior fiscal year. The fund balance of the Countywide Special Purpose Fund rose \$4.8 million due to receiving \$4.0 million more in healthcare-related discretionary sales surtax revenues and having \$1.8 million less in expenditures for the Hillsborough Healthcare program for low-income County residents. The fund balance of the Sales Tax Revenue Fund rose \$4.3 million as increases in the infrastructure-related discretionary sales surtax revenues, and state shared revenues and tourist development taxes were greater than fund expenditures and transfers out to other funds. The fund balance of the Unincorporated Area Special Revenue Fund declined by \$13.6 million due a total of \$20.8 million in higher transfers out to the General Fund, Intergovernmental Grants Fund, and Unincorporated Area Capital Projects Fund compared to the prior fiscal year. These higher transfers out were partly offset by higher transfers in from other funds. The fund balance of the Infrastructure Surtax Trust Fund fell \$9.3 million due to the net result of capital outlay and construction-related operating expenditures, principal payments on refunded bonds and commercial paper, partly offset by higher net transfers in from other funds. The fund balance of the Library Fund fell \$7.2 million due to a \$7.2 million increase in capital outlays on library construction. The fund balance of the County Transportation Fund fell \$6.4 million because reduced net transfers in were insufficient to cover the excess of expenditures over revenues, even when capital outlays were \$31.2 million lower than the prior fiscal year.

About \$265.6 million or 28.6% of ending combined fund balances, consisted of unassigned fund balances, which are available for spending at the government's discretion. The remainder of the funding is categorized as nonspendable, restricted, or committed in accordance with the GASB Statement No. 54. See Note 13 for more information.



**Proprietary funds** The proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Water Enterprise Fund's charges for services revenues were \$205.2 million. This was a \$3.0 million or 1.5% increase from fiscal year 2012. The increase was primarily due to an increase in water consumption together with an increase in customers over the prior year. At September 30, 2013, unrestricted net position of the Water Enterprise Fund was \$404.2 million, an increase of \$42.6 million over the prior year.

The Solid Waste Enterprise Fund's charges for services revenues were \$100.7 million. This was a \$0.8 million or 0.8% decrease from fiscal year 2012. The revenue decrease was primarily due to a comparative decline in franchise and municipal customer disposal revenue combined with a decrease in recycling revenues. At September 30, 2013, unrestricted net position of the Solid Waste Enterprise Fund was \$63.4 million, an increase of \$1.1 million over the prior year. See previous section on *business-type activities* for more information.

### **General Fund Budgetary Highlights**

Budget and actual comparison statements are provided in the *Basic Financial Statements* for the General Fund and all major special revenue funds with legally adopted annually appropriated budgets. Budget and actual comparison schedules are also provided in the *Combining and Individual Fund Statements and Schedules* section for all nonmajor funds with legally adopted annually appropriated budgets. The budget and actual comparison statements and schedules show the original adopted budget, the final revised budget, and actual results.

Since the Constitutional Officers are considered a part of the Hillsborough County Primary Government, the General Fund includes the general operating funds of the Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of Circuit Court. During fiscal year 2013, total General Fund expenditures were \$56.3 million lower than the final budget shown in the budgetary basis budget and actual financial statement due to a variety of cost reduction measures put in place to compensate for lower property and other tax revenues.

After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, corrections of errors, new bond or loan proceeds, or new grant awards. During fiscal year 2013, supplemental appropriations to the Board of County Commissioners' budget, excluding component units, were approximately \$1,388 million or 44.8% of the original legally adopted budget. During fiscal year 2013, supplemental appropriations to the General Fund budget were approximately \$11.1 million on the budgetary basis. These supplemental appropriations were primarily for an increase in capital outlays, general government, and public safety expenditures.

## Capital Assets and Debt Administration

**Capital assets** At the end of fiscal year 2013, the County's governmental activities had \$6.955 billion invested in a broad range of capital assets, including land, equipment, buildings, construction work in progress, and infrastructure. Infrastructure consists of roads, streets, bridges, sidewalks, stormwater systems, and related assets. See the following table for more information.

<b>Hillsborough County, Florida</b>						
<b>Capital Assets Net of Accumulated Depreciation at Year-End</b>						
<i>in thousands</i>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Primary Government:</b>						
Land	\$ 533,030	527,012	42,204	42,199	575,234	569,211
Buildings	386,467	405,279	199,612	209,899	586,079	615,178
Building improvements	96,694	105,079	717,833	702,952	814,527	808,031
Equipment	81,147	76,430	23,632	7,604	104,779	84,034
Intangibles	11,633	8,515	7,604	8,001	19,237	16,516
Infrastructure	5,804,857	5,760,811	-	-	5,804,857	5,760,811
Construction in progress	40,805	24,598	121,939	96,357	162,744	120,955
<b>Totals</b>	<u>\$ 6,954,633</u>	<u>6,907,724</u>	<u>1,112,824</u>	<u>1,067,012</u>	<u>8,067,457</u>	<u>7,974,736</u>

Infrastructure is not depreciated since the County has an asset management system in place and has made a commitment to incur the maintenance expenses necessary to preserve (a) infrastructure assets at or above a condition of fair, on a scale from failed, poor, fair and good, to excellent, and (b) to preserve its paved roadway lane miles at or above a condition of 55 or more on the American Society for Testing and Materials (ASTM) pavement condition index from 0 to the highest level of 100. Both of these target condition levels were achieved with actual infrastructure condition at *fair or above* and paved roadway miles at 73.89. The actual fiscal year 2013 maintenance expenditures for the preservation of infrastructure were \$68.3 million versus \$87.9 million estimated. Actual fiscal year 2013 maintenance expenditures were 2.4% lower than actual fiscal year 2012 expenditures. The County continued to meet infrastructure preservation goals for infrastructure including paved roadway lane miles. See the *Infrastructure Condition and Maintenance Data* section in Required Supplementary Information after the *Notes* for more information. The \$46.9 million increase in net capital assets of governmental activities during fiscal year 2013 was attributed to the following:

- Land, rights-of-way, and infrastructure asset contributions received from real estate developers and others, as well as equipment donated to the County were responsible for \$22.8 million of the increase in capital assets.
- A total of \$111.0 million of the increase was due to capital outlay expenditures such as: infrastructure capital projects, \$27.4 million; county transportation construction projects, \$21.4 million; General Fund (Sheriff Law Enforcement) capital projects, \$16.2 million; library construction, \$11.7 million; intergovernmental grants, \$11.3 million; countywide capital projects, \$5.3 million; Unincorporated Area capital projects, \$5.3 million; other General Fund capital projects, \$3.7 million; countywide special purpose projects, \$3.2 million; unincorporated area

special revenue projects, \$2.4 million; Clerk's public records modernization projects, \$1.9 million; and remaining funds, \$1.2 million.

- Infrastructure preservation costs and library book purchases were included in the \$111.0 million of capital outlays mentioned above, but were not capitalized like other capital outlays. Infrastructure preservation costs, which totaled \$8.2 million, were not capitalized under the modified approach for infrastructure asset accounting. Library book purchases that did not meet the \$1,000 capitalization threshold, totaling \$3.0 million, were not capitalized. Both infrastructure preservation costs and library book purchases were treated as expenses in the Statement of Activities and represent offsets against capital outlays.
- Depreciation expense accounted for \$73.3 million of the reduction in capital assets. Infrastructure disposals accounted for \$19.2 million of the reduction. Non-infrastructure disposals and other write offs of capital assets during the year accounted for an additional \$1.4 million of the reduction.
- Capital asset acquisitions by the internal service fund accounted for \$10.7 million of the increase.

The \$45.8 million increase in net capital assets of business-type activities during fiscal year 2013 was primarily attributed to additions of \$112.5 million consisting of capital outlays of \$100.9 million, capitalized interest cost of \$2.8 million, and contributions of \$8.8 million; offset by depreciation/amortization expense of \$65.4 million and disposals \$1.3 million. See Note 6, *Capital Assets*, in the *Notes to the Financial Statements* for more information.

**Long-term liabilities** At September 30, 2013, the County had 21 bonded debt issues outstanding. These issues included \$68.2 million in general obligation bonds, \$463.2 million in non-ad valorem revenue bonds, and \$340.2 million in Enterprise Fund revenue bonds. The County's short-term commercial paper note program is supported by a third-party letter of credit. At September 30, 2013, all \$109.2 million of these notes payable were classified as general government notes payable. There were no notes payable in the Enterprise Funds. See the chart of long-term liabilities outstanding at year-end on the following page.

The County follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires public sector employers to expense the cost of other (i.e. non-pension) postemployment benefits (OPEB) over the active service lives of their employees rather than using a "pay-as-you-go" basis. The net OPEB obligation is the net amount for which the County would be obligated. The net OPEB obligation is equivalent to the annual OPEB cost, which is the OPEB expense for the year on the accrual basis of accounting, less estimated retiree claims paid by the County. The County's net OPEB obligation at September 30, 2013, was \$12.46 million.

**Hillsborough County, Florida**  
**Outstanding Long-Term Liabilities, at Year-End**

<i>in thousands</i>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General obligation bonds, net *	\$ 68,163	70,323	-	-	68,163	70,323
Revenue bonds*	463,198	489,904	340,180	328,548	803,378	818,452
Notes payable	109,249	98,380	-	-	109,249	98,380
Compensated absences payable	59,191	61,019	3,915	3,968	63,106	64,987
Insurance claims payable**	34,741	36,662	-	-	34,741	36,662
Net OPEB obligation	12,460	11,679	-	-	12,460	11,679
Other long-term debt	8,984	1,149	36,074	34,990	45,058	36,139
<b>Totals</b>	<b>\$ 755,986</b>	<b>769,116</b>	<b>380,169</b>	<b>367,506</b>	<b>1,136,155</b>	<b>1,136,622</b>

\* Bonds are presented net of deferred losses on bond refundings, and unamortized bond discounts and premiums.

\*\* The Hillsborough County Health Care Program for low-income residents had an "insurance claims payable, current" liability reported for claims incurred but not reported and reported but not paid, which is shown in the Statement of Net Position and Balance Sheet -- Governmental Funds. That liability of \$5,349,000 is not included in the chart above because it is not a long-term liability.

The County has been assigned the highest possible credit ratings on its general creditworthiness by the three credit rating agencies. The County's high credit ratings are a notable achievement since they generally lead to lower interest costs on debt issuances. The County's debt obligations are issued and administered in a manner that helps achieve the highest possible credit rating while sustaining the long-term financial integrity of the County.

Credit ratings assigned to the County's debt at September 30, 2013 by Moody's Investors Service (Moody's), Standard and Poor's Ratings Services (S&P), and Fitch Ratings were as follows.

## Hillsborough County, Florida, Credit Ratings at September 30, 2013

Type of Debt Issue	Moody's	S&P	Fitch Ratings
General obligation bonds (i.e. general credit ratings)	Aaa	AAA	AAA
Revenue bonds supported by the County's share of the Community Investment Tax (CIT)	A1	AA	AA
Revenue bonds supported by a covenant to budget and appropriate legally available non-ad valorem revenue	Aa2	AA	AA+
Revenue bonds supported by County's share of the Half-Cent Sales Tax from state of Florida	Aa1	AA+	AA+
Revenue bonds supported by Water and Wastewater System Enterprise System revenue	Aa1	AA+	AAA
Revenue bonds supported by Solid Waste Resource System Enterprise Fund	A1	AA	A+
Revenue bonds supported by the County's 4 <sup>th</sup> Cent Tourist Development Tax	A1	A+	AA-
Revenue bonds supported by the County's 5 <sup>th</sup> Cent Tourist Development Tax	A2	A	AA-
Revenue bonds supported by the County's Court Surcharge Revenue	A1	AA+	A+
Commercial paper notes (rating includes letter of credit enhancement)	P-1	A-1+	F1+

Long-term credit ratings from highest to lowest investment grade:  
Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1, Baa2, Baa3 (Moody's)  
AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB- (S&P and Fitch)

Short-term credit ratings from highest to lowest investment grade:  
P-1, P-2, P-3 (Moody's); A-1+, A-1, A-2, A-3 (S&P); F1+, F1, F2, F3 (Fitch)

For more information on long-term liabilities see Note 7, *Long-Term Liabilities*, in the *Notes to the Financial Statements*.

### Economic Factors

Local, national, and international economic factors influence the County's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, fuel taxes, charges for services, and state revenue sharing, as well as state and federal grants. Economic growth may be measured by a variety of indicators such as employment growth, employment diversity, the unemployment rate, new construction and assessed values, diversity of the property tax base, and Enterprise Fund revenue and net position growth.

- Ad valorem property taxes represented 40% of total revenues from governmental activities for fiscal year 2013. These revenues are based on assessed values (market value less exemptions). After reaching an all-time high of \$80.05 billion in fiscal year 2007, the assessed value of real estate in the County fell over several years to reach a low of \$53.57 billion in 2012, a decline of 33% from its peak. These declines in assessed values were due to a

combination of lower market values and higher exemptions set by state law. Assessed values then rose to \$56.79 billion in 2013, a rise of 6% from its low, due to a strengthening real estate market.

- The fact that the ten largest property taxpayers in the County represent only 6.9% of the total ad valorem property tax levy indicates that the County has a diversified tax base. Hillsborough County's diversified property tax base should continue to provide a stabilizing effect on property tax revenues in the future.
- Sales-related taxes such as fuel taxes, discretionary sales surtaxes, communications services taxes, and state shared revenues represented 33% of total revenues from governmental activities for fiscal year 2013. Sales-related taxes and state shared revenues are linked to employment within the County. Hillsborough County's annual average unemployment rate in 2012 was 8.5%, compared to 10.5% in the prior year. The County's 2012 unemployment rate was slightly lower than Florida's rate of 8.6%, but was 0.4 percentage points over the national rate of 8.1%.
- Hillsborough County also has a diversified employment base. The top 18 employers in the County employ only 17.6% of the total employees within the County. In addition, employment within the County is spread among a wide variety of categories including education, health, restaurants and entertainment, professional and business services, government, finance/insurance/real estate, construction, transportation, communications, wholesale/retail trade, and manufacturing. The County's diversified employment base provides a stabilizing effect on the County's sales-related revenues.

The economic factors described above show that the County's general, i.e. non-program, revenue of \$1.005 billion is well proportioned between property tax revenues of \$546 million and sales-related revenues of \$444 million. In addition, there is wide variety in the principal property tax taxpayers and employers in Hillsborough County both of which tend to stabilize County's revenues. More information on economic factors is provided in the *Statistical Section*.

## **To Obtain Further Information**

This financial report was designed to provide an overview of the County's finances. If you have any questions concerning the Basic Financial Statements or other accounting information in this report, please contact the finance director or assistant finance director. If you have any questions concerning budgets, long-term financial planning, future debt issuances, or the management of County operations, please contact the county administrator. Contact information is shown below:

County Finance Department  
County Center, 12<sup>th</sup> Floor  
PO Box 1110  
Tampa, Florida 33601-1110

Office of the County Administrator  
County Center, 26<sup>th</sup> Floor  
PO Box 1110  
Tampa, Florida 33601-1110

## **BASIC FINANCIAL STATEMENTS**

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Net Position**  
**September 30, 2013**  
(amounts in thousands)

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 178,573	78,595	257,168	5,351
Investments	611,445	330,665	942,110	2,306
Accounts receivable, net	739	22,071	22,810	138
Accounts receivable, long-term, current portion	--	1,032	1,032	--
Interest receivable	1,518	840	2,358	39
Delinquent ad valorem taxes receivable	1,013	--	1,013	--
Due from other governmental units	54,561	--	54,561	1,027
Internal balances--due from (to)	(671)	589	(82) *	--
Inventories	2,475	2,014	4,489	--
Prepaid charges	4,409	--	4,409	8
Other assets	--	1,054	1,054	--
Total unrestricted current assets	<u>854,062</u>	<u>436,860</u>	<u>1,290,922</u>	<u>8,869</u>
Restricted current assets:				
Cash and cash equivalents	97,670	29,264	126,934	1,293
Investments	341,512	125,184	466,696	9,832
Accounts receivable, net	9,589	3,979	13,568	--
Interest receivable	760	320	1,080	--
Delinquent property taxes receivable	75	--	75	--
Due from other governmental units	30,482	53	30,535	--
Internal balances--due from (to)	(28)	110	82 *	--
Notes and loans receivable	73,394	--	73,394	--
Inventories	4,917	--	4,917	--
Prepaid charges	1,562	--	1,562	--
Total restricted current assets	<u>559,933</u>	<u>158,910</u>	<u>718,843</u>	<u>--</u>
Total current assets	<u>1,413,995</u>	<u>595,770</u>	<u>2,009,765</u>	<u>19,994</u>
Noncurrent assets:				
Restricted noncurrent assets:				
Other assets	1,516	--	1,516	--
Total restricted noncurrent assets	<u>1,516</u>	<u>--</u>	<u>1,516</u>	<u>1,352</u>
Capital assets (net of accumulated depreciation):				
Land	533,030	42,204	575,234	--
Buildings	386,467	199,612	586,079	--
Building improvements	96,694	717,833	814,527	--
Equipment	81,147	23,632	104,779	--
Intangibles	11,633	7,604	19,237	--
Infrastructure	5,804,857	--	5,804,857	--
Construction in progress	40,805	121,939	162,744	--
Total capital assets, net	<u>6,954,633</u>	<u>1,112,824</u>	<u>8,067,457</u>	<u>--</u>
Accounts receivable, long-term	--	107,716	107,716	--
Unamortized bond issuance costs	4,484	3,969	8,453	--
Total noncurrent assets	<u>6,959,117</u>	<u>1,224,509</u>	<u>8,183,626</u>	<u>--</u>
Total assets	<u>\$ 8,374,628</u>	<u>1,820,279</u>	<u>10,194,907</u>	<u>21,346</u>

\* Although the two "internal balances--due from (to)" accounts shown above net to zero in total, each individual line does not crossfoot due to GASB Statement No. 34's requirement that internal balances be eliminated in the primary government total column.



**LIABILITIES****Current liabilities:**

Accounts and contracts payable	\$ 33,883	20,940	54,823	204
Accrued liabilities	22,092	1,007	23,099	85
Accrued interest payable	8,484	--	8,484	237
Due to other governmental units	4,306	--	4,306	--
Unearned revenues	5,956	17,750	23,706	--
Deposits held	340	--	340	--
Insurance claims payable, current	28,202	--	28,202	--
Notes payable, current	109,249	--	109,249	--
Compensated absences, current	52,323	3,187	55,510	728
Bonds payable, current	26,565	17,345	43,910	90
Other long-term debt, current	520	259	779	--
Total unrestricted current liabilities	<u>291,920</u>	<u>60,488</u>	<u>352,408</u>	<u>1,344</u>

## Current liabilities payable from restricted

Accounts and contracts payable	31,096	17,088	48,184	--
Accrued liabilities	2,250	--	2,250	--
Accrued interest payable	--	2,387	2,387	--
Deposits	--	12,874	12,874	--
Due to other governmental units	9,512	--	9,512	--
Unearned revenues	78,963	70	79,033	--
Insurance claims payable, current	5,349	--	5,349	--
Total current liabilities payable from restricted assets	<u>127,170</u>	<u>32,419</u>	<u>159,589</u>	<u>--</u>
Total current liabilities	<u>419,090</u>	<u>92,907</u>	<u>511,997</u>	<u>1,344</u>

## Noncurrent liabilities:

Insurance claims payable	6,539	--	6,539	--
Compensated absences payable	6,868	728	7,596	--
Bonds payable, net	504,796	322,835	827,631	9,166
Net OPEB obligation	12,460	--	12,460	--
Other long-term debt, net	8,464	35,815	44,279	--
Total noncurrent liabilities	<u>539,127</u>	<u>359,378</u>	<u>898,505</u>	<u>9,166</u>

## Total liabilities

	<u>958,217</u>	<u>452,285</u>	<u>1,410,502</u>	<u>10,510</u>
--	----------------	----------------	------------------	---------------

**NET POSITION**

Net investment in capital assets	6,314,284	809,151	7,123,435	--
Restricted for:				
Renewal and replacement	--	70,844	70,844	4,018
Debt service	33,278	19,140	52,418	--
Grants and similar projects	6,474	--	6,474	--
Statute/ordinance enabled projects	296,130	--	296,130	--
Capital projects	83,957	--	83,957	--
Other purposes	7,739	--	7,739	--
Unrestricted	674,549	468,859	1,143,408	6,818
Total net position	<u>\$ 7,416,411</u>	<u>1,367,994</u>	<u>8,784,405</u>	<u>10,836</u>

The accompanying notes are an integral part of these financial statements

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Activities**  
For the fiscal year ended September 30, 2013

(amounts in thousands) Functions/Programs	Program Revenues					Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants, Contributions and Restricted Interest		Primary Government			Component Units
				Grants/Contributions	Interest	Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 290,531	43,054	1,215	(2,606)	--	(248,868)	--	(248,868)	--
Public safety	517,923	90,568	9,062	14,248	--	(404,045)	--	(404,045)	--
Physical environment	27,134	3,923	3,468	2,098	--	(17,645)	--	(17,645)	--
Transportation	95,115	13,434	8,135	25,301	--	(48,245)	--	(48,245)	--
Economic environment	55,706	2,675	17,574	960	--	(34,497)	--	(34,497)	--
Human services	201,603	28,712	57,180	--	--	(115,711)	--	(115,711)	--
Culture and recreation	70,113	7,555	18	1,085	--	(61,455)	--	(61,455)	--
Interest on long-term debt	24,225	--	--	--	--	(24,225)	--	(24,225)	--
Total governmental activities	<u>1,282,350</u>	<u>189,921</u>	<u>96,652</u>	<u>41,086</u>	<u>--</u>	<u>(954,691)</u>	<u>--</u>	<u>(954,691)</u>	<u>--</u>
Business-type activities:									
Water Resource Services System	193,170	205,197	--	19,925	7,232	--	39,184	39,184	--
Solid Waste Resource Recovery	104,679	100,744	--	--	653	--	(3,282)	(3,282)	--
Total business-type activities	<u>297,849</u>	<u>305,941</u>	<u>--</u>	<u>19,925</u>	<u>7,885</u>	<u>--</u>	<u>35,902</u>	<u>35,902</u>	<u>--</u>
Total primary government	<u>\$ 1,580,199</u>	<u>495,862</u>	<u>96,652</u>	<u>61,011</u>	<u>7,885</u>	<u>(954,691)</u>	<u>35,902</u>	<u>(918,789)</u>	<u>--</u>
<b>Component units:</b>									
Housing Finance Authority	1,480	830	--	--	559	--	--	--	(91)
Law Library Board	326	428	2	--	--	--	--	--	104
Planning Commission	3,944	650	3,292	--	--	--	--	--	(2)
Total component units	<u>\$ 5,750</u>	<u>1,908</u>	<u>3,294</u>	<u>--</u>	<u>559</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>11</u>
General revenues:									
Ad valorem property taxes						530,615	--	530,615	--
Fuel taxes						30,605	--	30,605	--
Discretionary sales surtaxes						200,035	--	200,035	--
Other taxes						47,245	--	47,245	40
Intergovernmental--state shared revenues, unrestricted						166,335	--	166,335	--
Investment earnings						5,073	--	5,073	79
Gain (loss) on sales of capital assets						2,777	143	2,920	--
Miscellaneous						21,891	2,077	23,968	2
Transfers						406	(406)	--	3,294
Total general revenues						<u>1,004,982</u>	<u>1,814</u>	<u>1,006,796</u>	<u>3,415</u>
Change in net position						50,291	37,716	88,007	132
Net position - beginning of year, as previously reported						7,366,120	1,330,278	8,696,398	14,710
Restatement for neighborhood dependent districts included in the prior year but not in the current year financial statements						--	--	--	(3,731)
Restatement for implementation of GASB Statement 65 and error correction by Housing Finance Authority						--	--	--	(275)
Net position - beginning of year, as restated						<u>7,366,120</u>	<u>1,330,278</u>	<u>8,696,398</u>	<u>10,704</u>
Net position - end of year						<u>\$ 7,416,411</u>	<u>1,367,994</u>	<u>8,784,405</u>	<u>10,836</u>

The accompanying notes are an integral part of these financial statements

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## DESCRIPTIONS OF MAJOR FUNDS - GOVERNMENTAL ACTIVITIES

### BOARD OF COUNTY COMMISSIONERS:

**General Fund** – To account for all financial resources of the general government except those required to be accounted for in other funds. The General Fund is subdivided into the following categories: Countywide, Unincorporated Area, Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of Circuit Court.

**Countywide Special Purpose Revenue Fund** – To account for special purpose revenues used to provide services for residents throughout the County. Examples include state revenue sharing, the discretionary sales surtax for indigent health care, the 911 emergency telephone system, pollution settlement and recovery, and state contraband forfeitures.

**Sales Tax Revenue Fund** – To account for the local government infrastructure discretionary sales surtax known as the Community Investment Tax, the local government half-cent sales tax distributed by the state of Florida which is transferred to other funds for various program expenditures; the 5% tourist development tax designated to promote tourism in the County; and the professional sports franchise sales tax revenues.

**Intergovernmental Grants Fund** – To account for federal, state, local government, or other grants for programs including aging services, children's services, social services, transportation, public assistance, housing, public safety, physical environment, and capital projects. The Local Housing Assistance Program Fund was combined into the Intergovernmental Grants Fund starting with fiscal year 2013.

**County Transportation Fund** – To account for motor fuel taxes, state revenue sharing, and various grant funds designated to finance road and street construction, maintenance, and other transportation projects.

**Infrastructure Surtax Projects Fund** – To account for use of the County's share of the voter-approved local government infrastructure discretionary sales surtax levied per Section 212.055, Florida Statutes. This sales tax, commonly known as the Community Investment Tax, may be used to purchase or construct equipment or infrastructure related to jails, criminal justice computer systems, fire stations, roads and traffic intersections, stormwater systems, parks, and libraries. This tax is shared with the Hillsborough County School Board, the Tampa Sports Authority, and the three municipalities located in the County.

## BUSINESS-TYPE ACTIVITIES

### BOARD OF COUNTY COMMISSIONERS:

**Water Enterprise Fund** – To account for the operations of the Water Enterprise Fund, a division of the Public Utilities Department, which provides water and wastewater-related services in the unincorporated areas of the County. Water and wastewater fees are determined annually by rate studies and are set at levels to recover operating expenses, including debt service, in a manner similar to private business enterprises. Activities necessary to provide water and wastewater service are accounted for in this fund, including customer service, engineering, operations, and maintenance.

**Solid Waste Enterprise Fund** – To account for the operations of the Solid Waste Enterprise Fund, a division of the Public Utilities Department, which provides solid waste disposal services on a countywide basis. Refuse generated in the unincorporated areas of the County is collected by franchised and non-franchised collectors serving residential and commercial customers and by private companies serving their own customers. Refuse dumping fees are reviewed annually and are set at levels sufficient to recover operating and debt service expenses, and to also account for landfills owned and operated by the Solid Waste Fund as well as monitoring closed landfills.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2013**  
**(amounts in thousands)**

	<b>MAJOR FUNDS</b>			
	<b>General</b>	<b>Countywide Special Purpose</b>	<b>Sales Tax Revenue</b>	<b>Inter- Governmental Grants</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 76,543	33,944	10,183	1,290
Investments	233,854	144,862	43,557	--
Accounts receivable, net	4,898	48	--	993
Interest receivable	454	368	111	--
Delinquent ad valorem taxes receivable	982	--	--	--
Due from other funds	56,675	1,066	1,446	--
Due from other governmental units	2,405	10,151	16,575	13,907
Inventories	2,068	--	--	--
Prepaid charges	196	1,562	--	--
Notes and loans receivable	--	--	--	73,394
Other assets	--	--	--	1,516
Total assets	<u>378,075</u>	<u>192,001</u>	<u>71,872</u>	<u>91,100</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and contracts payable	21,142	15,078	1,555	2,879
Accrued liabilities	20,061	1,224	4	524
Due to other funds	59,670	179	4,709	2,934
Due to other governmental units	3,578	--	4,879	1,102
Unearned revenues	5,533	--	--	78,584
Deposits held	340	--	--	--
Insurance claims payable, current	--	5,349	--	--
Total liabilities	<u>110,324</u>	<u>21,830</u>	<u>11,147</u>	<u>86,023</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories and prepaid items	2,068	--	--	--
Restricted for:				
Debt service	--	--	--	--
Grant programs and projects	--	--	--	5,077
Federal and state law	--	50,200	12,551	--
Impact fees	--	46,336	--	--
Hillsborough Health Care	--	54,303	--	--
Other purposes	--	235	--	--
Committed to:				
BOCC ordinance/other purposes	--	--	--	--
Assigned to:				
Capital projects	--	--	--	--
Major maintenance & repair projects	--	15,735	--	--
BOCC resolutions/other purposes	--	3,362	48,174	--
Unassigned	265,683	--	--	--
Total fund balances	<u>267,751</u>	<u>170,171</u>	<u>60,725</u>	<u>5,077</u>
Total liabilities and fund balance	<u>\$ 378,075</u>	<u>192,001</u>	<u>71,872</u>	<u>91,100</u>

Residential properties/land to be redeveloped and sold using funding from the federal Neighborhood Stabilization Program grant are reported as other assets in the Intergovernmental Grants Fund.

<b>MAJOR FUNDS</b>			
<b>County Transportation</b>	<b>Infrastructure Surtax Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
22,845	7,538	62,115	214,458
97,576	32,242	198,954	751,045
2,767	--	736	9,442
249	82	500	1,764
26	--	80	1,088
109	4,741	1,192	65,229
11,250	--	2,019	56,307
4,699	--	218	6,985
--	--	--	1,758
--	--	--	73,394
--	--	--	1,516
<u>139,521</u>	<u>44,603</u>	<u>265,814</u>	<u>1,182,986</u>
6,866	7,027	5,168	59,715
507	--	1,100	23,420
2	--	501	67,995
170	--	3,361	13,090
95	--	437	84,649
--	--	--	340
--	--	--	5,349
<u>7,640</u>	<u>7,027</u>	<u>10,567</u>	<u>254,558</u>
4,699	--	218	6,985
--	6,701	33,048	39,749
--	--	209	5,286
35,213	30,875	67,492	196,331
44,751	--	14,283	105,370
--	--	--	54,303
--	--	3,884	4,119
2,065	--	43,211	45,276
45,153	--	88,564	133,717
--	--	4,362	20,097
--	--	10	51,546
--	--	(34)	265,649
<u>131,881</u>	<u>37,576</u>	<u>255,247</u>	<u>\$ 928,428</u>
<u>139,521</u>	<u>44,603</u>	<u>265,814</u>	<u>1,182,986</u>

The accompanying notes are an integral part of these financial statements.



**HILLSBOROUGH COUNTY, FLORIDA**  
**Reconciliation of the Balance Sheet--Governmental Funds**  
**to the Statement of Net Position--Governmental Activities**  
**September 30, 2013**  
**(amounts in thousands)**

Fund balances reported on the Balance Sheet--Governmental Funds \$ 928,428

Differences between the amounts reported on the Balance Sheet--Governmental Funds and the governmental activities reported on the Statement of Net Position were as follows:

o Capital assets used in governmental activities were not financial resources and, therefore, were not reported in the governmental funds:		
Total capital assets, see Note 6	6,954,633	
Less: Internal Service Fund capital assets	<u>(26,122)</u>	6,928,511
o Other assets or liabilities shown in governmental activities were not financial resources and, therefore, were not reported in the governmental funds:		
o Accounts receivable from local revenue sources including discretionary sales surtaxes, non-grant intergovernmental revenues, tourist development and fuel taxes.		28,966
o Elimination of the operating income earned by the Internal Service Funds through transactions with business-type activities.		(1,288)
o Internal service funds were used to charge self-insurance and fleet management costs to individual funds. The assets and liabilities of the internal service funds were included in the governmental activities portion of the Statement of Net Position.		245,115
o Compensated absences of the Planning Commission and Law Library component units were offset by amounts "due from other governmental units," which corresponded to amounts "due to other governmental units" on the governmental activities portion of the Statement of Net Position.		(728)
o Long-term liabilities, including bonds payable, were not due and payable in the current period and therefore were not reported in the governmental funds.		
o Unamortized bond issuance costs	4,484	
Total long-term liabilities, see Note 7	(755,986)	
Add: interest payable due to interest accruals	(8,484)	
Less: Internal Service Fund insurance claims payable	34,741	
Less: Internal Service Fund compensated absences	192	
Less: Internal Service Fund OPEB liability, see Note 9	<u>12,460</u>	
		(712,593)
Net position reported for governmental activities on the Statement of Net Position		<u>\$ 7,416,411</u>

The accompanying notes are an integral part of these financial statements.



**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

	<b>MAJOR FUNDS</b>			
	<b>General</b>	<b>Countywide Special Purpose</b>	<b>Sales Tax Revenue</b>	<b>Inter- Governmental Grants</b>
<b>Revenues:</b>				
Taxes--ad valorem property taxes	\$ 494,556	--	--	--
Taxes--fuel taxes	--	--	--	--
Taxes--discretionary sales surtaxes	--	99,760	99,761	--
Taxes--other	1,655	--	21,194	--
Licenses, permits, special assessments	637	20,879	--	--
Intergovernmental--state shared revenues	24,628	14,628	86,497	1,758
Intergovernmental--grants	5,300	58	--	85,826
Charges for services	100,158	7,851	--	912
Fines and forfeitures	4,220	1,037	--	--
Interest	1,915	552	205	30
Miscellaneous	7,521	5,934	--	3,774
<b>Total revenues</b>	<b>640,590</b>	<b>150,699</b>	<b>207,657</b>	<b>92,300</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	160,726	14,111	51,796	3,178
Public safety	452,799	11,008	--	5,456
Physical environment	19,856	1,304	--	3,662
Transportation	176	--	--	--
Economic environment	16,925	--	13,736	19,104
Human services	32,256	100,190	--	60,056
Culture and recreation	32,498	1,097	--	17
Capital outlay	19,900	4,411	--	11,349
<b>Debt service:</b>				
Principal	--	--	--	--
Interest and fiscal charges	--	--	--	--
<b>Total expenditures</b>	<b>735,136</b>	<b>132,121</b>	<b>65,532</b>	<b>102,822</b>
Excess (deficiency) of revenues over (under) expenditures	(94,546)	18,578	142,125	(10,522)
<b>Other financing sources (uses):</b>				
Transfers in	615,179	14,723	1	13,007
Transfers out	(503,424)	(28,457)	(137,790)	(892)
Face amount of long-term debt issued	--	--	--	--
Sales of capital assets	1,183	--	--	--
<b>Total other financing sources (uses)</b>	<b>112,938</b>	<b>(13,734)</b>	<b>(137,789)</b>	<b>12,115</b>
Net change in fund balances	18,392	4,844	4,336	1,593
Fund balances, beginning of year	248,600	165,327	56,389	3,484
Increase (decrease) in nonspendable fund balances	759	--	--	--
<b>Fund balances, end of year</b>	<b>\$ 267,751</b>	<b>170,171</b>	<b>60,725</b>	<b>5,077</b>

<b>MAJOR FUNDS</b>			
<u>County Transportation</u>	<u>Infrastructure Surtax Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
--	--	36,059	530,615
30,454	--	--	30,454
--	--	--	199,521
--	--	24,903	47,752
12,681	--	13,947	48,144
16,010	--	22,858	166,379
7,745	--	8,383	107,312
1,705	--	22,527	133,153
--	--	4,655	9,912
514	163	686	4,065
4,269	126	745	22,369
<u>73,378</u>	<u>289</u>	<u>134,763</u>	<u>1,299,676</u>
3,820	2	38,772	272,405
--	--	26,928	496,191
--	2	2,329	27,153
53,718	15,444	--	69,338
--	--	3,454	53,219
97	5	--	192,604
--	1	30,530	64,143
21,383	27,440	26,470	110,953
--	5,000	32,066	37,066
--	1,908	24,989	26,897
<u>79,018</u>	<u>49,802</u>	<u>185,538</u>	<u>1,349,969</u>
<u>(5,640)</u>	<u>(49,513)</u>	<u>(50,775)</u>	<u>(50,293)</u>
5,052	48,007	91,206	787,175
(5,783)	(36,278)	(55,366)	(767,990)
--	28,464	2,000	30,464
--	--	74	1,257
<u>(731)</u>	<u>40,193</u>	<u>37,914</u>	<u>50,906</u>
(6,371)	(9,320)	(12,861)	613
138,360	46,896	268,153	927,209
(108)	--	(45)	606
<u>131,881</u>	<u>37,576</u>	<u>255,247</u>	<u>928,428</u>

The accompanying notes are an integral part of these financial statements.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

Net change in fund balances reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances--Governmental Funds \$ 613

Differences between amounts reported on Statement of Revenues, Expenditures, and Changes in Fund Balances--Governmental Funds and governmental activities reported on the Statement of Activities were as follows:

Capital assets-related items	
o Capital outlay expenditures represented an increase to capital assets on the Statement of Activities.	110,953
o Depreciation expense was a reduction of net position on the Statement of Activities.	(66,298)
o Infrastructure preservation costs were not capitalized, but decreased net position under the modified approach. Library books were under the capitalization threshold, so they also decreased net position.	(11,207)
o Contributions of infrastructure assets received increased net position on the Statement of Activities.	22,836
o Contributions of capital assets received from the Constitutional Officers, Planning Commission, Law Library and others increased net position.	7,590
o Loss on sale of capital assets was not reported in the fund financial statements, but was reported in the Statement of Activities. The book value of assets disposed was a reduction of net position.	(14,091)
o Loss on disposal of infrastructure, which was reported as an expense represented a reduction of net position.	(5,502)
o Assets written off due to not meeting capitalization threshold decreased net position.	(1,055)
Long-term liability-related items	
o Proceeds from the issuance of new long-term debt were in "other financing sources" on the fund financial statements but did not increase net position on the Statement of Activities.	(30,464)
o Repayments of long-term liabilities represented expenditures on the fund financial statements, but did not decrease net position on the Statement of Activities.	37,066
o Bond issuance costs were amortized over the life of the bond issue, decreasing net position on the Statement of Activities.	(557)
o The decrease in compensated absences liabilities increased net position on the Statement of Activities.	1,792
o The reduction in interest accruals and other interest related entries increased net position on the Statement of Activities.	3,229
Eliminations of inter-organizational items	
o The operating loss incurred on transactions with business-type activities was eliminated.	(106)
Revenues and receivables-related items	
o Sales tax and state shared revenues accrued at year-end less the reversal of the prior year's revenue accruals decreased net position on the Statement of Activities.	(195)
o Net expenses of the Self-Insurance and Fleet Internal Service Funds increased net position since they were reported in the governmental activities section of the Statement of Activities.	(5,548)
Other reconciling items	
o The increase in reserves on the fund financial statements increased net position on the Statement of Activities.	606
o The reduction of the Voluntary Separation Incentive Program (VSIP) liability increased net position on the Statement of Net Position.	629
Change in net position reported on the governmental portion of the Statement of Activities	\$ 50,291

The accompanying notes are an integral part of these financial statements.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**General Fund (Budgetary Basis)**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes--ad valorem property taxes	\$ 512,482	512,482	494,556	(17,926)
Taxes--other	1,535	1,535	1,655	120
Licenses, permits, special assessments	720	720	637	(83)
Intergovernmental--state shared revenues	22,396	22,987	24,628	1,641
Intergovernmental--grants	2,823	2,092	1,246	(846)
Charges for services	99,475	99,475	97,303	(2,172)
Fines and forfeitures	3,697	3,697	4,220	523
Interest	4,324	4,325	1,916	(2,409)
Miscellaneous	6,625	6,625	7,520	895
<b>Total revenues</b>	<u>654,077</u>	<u>653,938</u>	<u>633,681</u>	<u>(20,257)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	165,641	169,736	158,708	11,028
Public safety	475,678	477,688	448,737	28,951
Physical environment	21,626	21,626	19,856	1,770
Transportation	186	186	176	10
Economic environment	21,131	21,171	16,925	4,246
Human services	37,116	36,900	32,256	4,644
Culture and recreation	35,228	35,123	32,498	2,625
Capital outlay	13,074	18,151	15,144	3,007
<b>Total expenditures</b>	<u>769,680</u>	<u>780,581</u>	<u>724,300</u>	<u>56,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(115,603)</u>	<u>(126,643)</u>	<u>(90,619)</u>	<u>36,024</u>
<b>Other financing sources (uses):</b>				
Transfers in	592,372	571,791	604,634	32,843
Transfers out	(477,315)	(472,706)	(503,719)	(31,013)
Sales of capital assets	--	--	1,138	1,138
Budgetary reserves	(185,357)	(179,990)	--	179,990
Budget allowance	--	(10,337)	--	10,337
Distribution of excess fees	(979)	(806)	(906)	(100)
<b>Total other financing sources (uses)</b>	<u>(71,279)</u>	<u>(92,048)</u>	<u>101,147</u>	<u>193,195</u>
Net change in fund balances	(186,882)	(218,691)	18,392	237,083
Fund balances, beginning of year	186,882	218,691	248,600	29,909
Increase (decrease) in nonspendable fund balances	--	--	759	759
<b>Fund balances, end of year--budgetary basis</b>	<u>\$ --</u>	<u>--</u>	<u>267,751</u>	<u>267,751</u>
<b>To convert to GAAP basis:</b>				
Reduce distribution of excess fees			1,203	
Add intergovernmental grants			6,946	
Add contract-related charges for services			3,096	
Decrease miscellaneous revenue			(491)	
Add proceeds from the sale of capital assets			491	
Increase public safety and general government expenditures			(9,876)	
Decrease capital outlay			(4,060)	
Add transfers in for Sheriff's vehicles			2,700	
Decrease transfers out for Sheriff's office			(9)	
<b>Fund balances, end of year--GAAP basis</b>			<u>\$ 267,751</u>	

The accompanying notes are an integral part of these financial statements.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**Countywide Special Purpose Fund (Budgetary Basis)**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes--discretionary sales surtaxes	\$ 99,335	99,335	99,760	425
Licenses, permits, special assessments	6,302	6,302	20,879	14,577
Intergovernmental--state shared revenues	14,545	14,545	14,365	(180)
Intergovernmental--grants	12	45	58	13
Charges for services	7,405	7,405	7,851	446
Fines and forfeitures	1,233	1,233	1,037	(196)
Interest	857	857	561	(296)
Miscellaneous	7,408	7,410	5,369	(2,041)
Total revenues	137,097	137,132	149,880	12,748
Expenditures:				
Current:				
General government	9,157	8,990	8,538	452
Public safety	14,033	14,183	10,953	3,230
Physical environment	1,165	1,310	1,152	158
Human services	122,019	122,011	100,046	21,965
Capital outlay	3,142	3,339	1,069	2,270
Debt service:				
Principal	533	533	--	533
Total expenditures	150,049	150,366	121,758	28,608
Excess (deficiency) of revenues over (under) expenditures	(12,952)	(13,234)	28,122	41,356
Other financing sources (uses):				
Transfers in	15,989	15,989	13,915	(2,074)
Transfers out	(20,478)	(20,998)	(20,860)	138
Budgetary reserves	(102,139)	(101,336)	(236)	101,100
Budget allowance	(4,985)	(6,509)	--	6,509
Total other financing sources (uses)	(111,613)	(112,854)	(7,181)	105,673
Net change in fund balances	(124,565)	(126,088)	20,941	147,029
Fund balances, beginning of year	124,565	126,088	130,046	3,958
Fund balances, end of year--budgetary basis	\$ --	--	150,987	150,987
Add end of year fund balances from non-annually appropriated projects			19,184	
Fund balances, end of year--GAAP basis			\$ 170,171	

The accompanying notes are an integral part of these financial statements.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**Sales Tax Revenue Fund**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes--discretionary sales surtaxes	\$ 99,335	105,334	99,761	(5,573)
Taxes--other	21,000	21,000	21,194	194
Intergovernmental--state shared revenues	85,151	85,151	86,497	1,346
Interest	173	174	205	31
Total revenues	205,659	211,659	207,657	(4,002)
Expenditures:				
Current:				
General government	49,382	52,075	51,796	279
Economic environment	13,762	20,152	13,736	6,416
Total expenditures	63,144	72,227	65,532	6,695
Excess (deficiency) of revenues over (under) expenditures	142,515	139,432	142,125	2,693
Other financing sources (uses):				
Transfers in	1	1	1	--
Transfers out	(134,791)	(138,142)	(137,790)	352
Budgetary reserves	(40,185)	(33,778)	--	33,778
Budget allowance	--	(10,186)	--	10,186
Total other financing sources (uses)	(174,975)	(182,105)	(137,789)	44,316
Net change in fund balances	(32,460)	(42,673)	4,336	47,009
Fund balances, beginning of year	32,460	42,673	56,389	13,716
Fund balances, end of year	\$ --	--	60,725	60,725

The accompanying notes are an integral part of these financial statements.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**County Transportation Fund (Budgetary Basis)**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes--fuel taxes	\$ 6,886	6,886	6,379	(507)
Licenses, permits, special assessments	7,839	7,839	7,835	(4)
Intergovernmental--state shared revenues	5,204	5,204	5,282	78
Charges for services	2,190	2,190	1,705	(485)
Interest	163	163	99	(64)
Miscellaneous	5	5	46	41
Total revenues	<u>22,287</u>	<u>22,287</u>	<u>21,346</u>	<u>(941)</u>
Expenditures:				
Current:				
General government	3,936	3,936	3,279	657
Transportation	55,240	55,240	52,144	3,096
Human services	--	--	97	(97)
Total expenditures	<u>59,176</u>	<u>59,176</u>	<u>55,520</u>	<u>3,656</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,889)</u>	<u>(36,889)</u>	<u>(34,174)</u>	<u>2,715</u>
Other financing sources (uses):				
Transfers in	42,639	42,639	42,618	(21)
Transfers out	(10,649)	(10,649)	(10,517)	132
Budgetary reserves	(3,899)	(3,899)	(2)	3,897
Budget allowance	--	(1,115)	--	1,115
Total other financing sources	<u>28,091</u>	<u>26,976</u>	<u>32,099</u>	<u>5,123</u>
Net change in fund balances	(8,798)	(9,913)	(2,075)	7,838
Fund balances, beginning of year	8,798	9,913	12,926	3,013
Fund balances, end of year--budgetary basis	<u>\$ --</u>	<u>--</u>	10,851	<u>10,851</u>
Add end of year fund balances from non-annually appropriated projects			<u>121,030</u>	
Fund balances, end of year--GAAP basis			<u>\$ 131,881</u>	

The accompanying notes are an integral part of these financial statements.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2013**  
**(amounts in thousands)**

	<u>Business-Type Activities--Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Solid Waste</u>	<u>Totals</u>	<u>Activities-- Internal Service Funds</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 54,942	22,365	77,307	63,073
Investments	235,011	95,654	330,665	201,912
Accounts receivable, net	18,923	3,148	22,071	656
Accounts receivable, long-term, current portion	1,032	--	1,032	--
Interest receivable	596	244	840	514
Due from other funds	12	831	843	3,825
Inventories	2,014	--	2,014	407
Prepaid charges	--	--	--	4,213
Other assets	824	230	1,054	--
Total unrestricted current assets	<u>313,354</u>	<u>122,472</u>	<u>435,826</u>	<u>274,600</u>
Restricted current assets:				
Cash and cash equivalents	20,397	8,867	29,264	--
Investments	87,248	37,936	125,184	--
Accounts receivable, net	3,979	--	3,979	--
Interest receivable	224	96	320	--
Due from other funds	110	--	110	--
Due from other governmental units	53	--	53	--
Total restricted current assets	<u>112,011</u>	<u>46,899</u>	<u>158,910</u>	<u>--</u>
Total current assets	<u>425,365</u>	<u>169,371</u>	<u>594,736</u>	<u>274,600</u>
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land	28,577	13,627	42,204	--
Buildings	166,897	32,715	199,612	--
Building improvements	567,209	150,624	717,833	94
Equipment	3,057	20,575	23,632	25,964
Intangibles	7,604	--	7,604	52
Construction in progress	110,170	11,769	121,939	12
Accounts receivable, long-term	107,716	--	107,716	--
Unamortized bond issuance costs	2,093	1,876	3,969	--
Total noncurrent assets	<u>993,323</u>	<u>231,186</u>	<u>1,224,509</u>	<u>26,122</u>
Total assets	<u>\$ 1,418,688</u>	<u>400,557</u>	<u>1,819,245</u>	<u>300,722</u>

(continued)

The accompanying notes are an integral part of these financial statements.



**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2013**  
**(amounts in thousands)**

	<b>Business-Type Activities--Enterprise Funds</b>			<b>Governmental</b>
	<b>Water</b>	<b>Solid Waste</b>	<b>Totals</b>	<b>Activities-- Internal Service Funds</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and contracts payable	\$ 12,585	8,355	20,940	5,264
Accrued liabilities	832	175	1,007	922
Due to other funds	72	182	254	1,758
Unearned revenues	2,129	15,621	17,750	270
Insurance claims payable, current	--	--	--	28,202
Compensated absences, current	2,640	547	3,187	192
Bonds payable, current	12,000	5,345	17,345	--
Other long-term debt, current	29	230	259	--
Total unrestricted current liabilities	30,287	30,455	60,742	36,608
Current liabilities payable from restricted assets:				
Accounts and contracts payable	6,199	10,889	17,088	--
Accrued interest payable	1,773	614	2,387	--
Deposits	12,530	344	12,874	--
Unearned revenues	70	--	70	--
Total current liabilities payable from restricted assets	20,572	11,847	32,419	--
Total current liabilities	50,859	42,302	93,161	36,608
Noncurrent liabilities:				
Insurance claims payable	--	--	--	6,539
Compensated absences payable	686	42	728	--
Bonds payable, net	155,359	167,476	322,835	--
Net OPEB obligation	--	--	--	12,460
Other long-term debt, net	--	35,815	35,815	--
Total noncurrent liabilities	156,045	203,333	359,378	18,999
Total liabilities	206,904	245,635	452,539	55,607
<b>NET POSITION</b>				
Net investment in capital assets	731,479	77,672	809,151	26,122
Restricted for:				
Renewal and replacement	57,790	13,054	70,844	--
Debt service	18,325	815	19,140	--
Unrestricted	404,190	63,381	467,571	218,993
Total net position	\$ 1,211,784	154,922		245,115
Adjustment to reflect the cumulative effect of the elimination of Internal Service Fund transactions related to Enterprise Funds			1,288	
Net position of business-type activities on the Statement of Net Position			\$ 1,367,994	

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

	<u>Business-type Activities--Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Solid Waste</u>	<u>Totals</u>	<u>Activities--</u> <u>Internal</u> <u>Service Funds</u>
Operating revenues:				
Charges for services	\$ 205,197	100,744	305,941	157,333
Total operating revenues	<u>205,197</u>	<u>100,744</u>	<u>305,941</u>	<u>157,333</u>
Operating expenses:				
Personnel services	39,052	8,330	47,382	4,411
Contractual services	69,678	72,351	142,029	5,102
Fleet services	2,403	2,001	4,404	--
Repairs and maintenance	8,859	439	9,298	294
Utilities	10,753	1,390	12,143	129
Rentals and leases	--	--	--	11
Supplies	354	21	375	3
Landfill closure and postclosure care	--	1,352	1,352	--
Depreciation and amortization	54,986	10,373	65,359	6,965
Costs of services provided	--	--	--	117,312
Other operating expenses	2,144	1,907	4,051	9,665
Annual OPEB expense	--	--	--	781
Total operating expenses	<u>188,229</u>	<u>98,164</u>	<u>286,393</u>	<u>144,673</u>
Operating income	<u>16,968</u>	<u>2,580</u>	<u>19,548</u>	<u>12,660</u>
Nonoperating revenues (expenses):				
State shared revenue	--	--	--	309
Interest revenue	7,232	653	7,885	1,008
Interest expense	(3,975)	(6,825)	(10,800)	--
Gain (loss) on disposal of capital assets	(1,316)	143	(1,173)	1,520
Other revenues	3,046	213	3,259	39
Other expenses	(471)	(157)	(628)	(2,305)
Total nonoperating revenues (expenses)	<u>4,516</u>	<u>(5,973)</u>	<u>(1,457)</u>	<u>571</u>
Income (loss) before contributions & transfers	21,484	(3,393)	18,091	13,231
Capital contributions	19,925	--	19,925	--
Transfers in	121	--	121	1,943
Transfers out	--	(527)	(527)	(20,722)
Change in net position	<u>41,530</u>	<u>(3,920)</u>	<u>37,610</u>	<u>(5,548)</u>
Net position, beginning of year	1,170,254	158,842		250,663
Net position, end of year	<u>\$ 1,211,784</u>	<u>154,922</u>		<u>245,115</u>
Adjustments to reflect the elimination of Internal Service Fund transactions related to Enterprise Funds:				
Reversal of prior year adjustment			(1,182)	
Reversal of prior year adjustment			1,288	
Current year adjustment			1,288	
Change in net position of business-type activities			<u>\$ 37,716</u>	

The accompanying notes are an integral part of these financial statements.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

	<u>Business-type Activities--Enterprise Funds</u>			<b>Governmental</b>
	<u>Water</u>	<u>Solid Waste</u>	<u>Totals</u>	<b>Activities-- Internal Service Funds</b>
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 204,791	102,485	307,276	157,117
Payments to suppliers	(96,076)	(66,808)	(162,884)	(94,151)
Payments to employees	(38,916)	(8,346)	(47,262)	(4,456)
Cash paid for claims	--	--	--	(37,764)
Cash from other sources	3,206	194	3,400	888
Net cash provided by operating activities	<u>73,005</u>	<u>27,525</u>	<u>100,530</u>	<u>21,634</u>
<b>Cash flows from noncapital financing activities:</b>				
State shared revenues	--	--	--	309
Transfers in from other funds	--	--	--	1,947
Transfers out to other funds	--	(527)	(527)	(23,046)
Net cash used for noncapital financing activities	<u>--</u>	<u>(527)</u>	<u>(527)</u>	<u>(20,790)</u>
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from bonds and short-term notes	--	25,160	25,160	--
Contributed capital	7,966	--	7,966	--
Acquisition and construction of capital assets	(79,779)	(21,077)	(100,856)	(10,731)
Principal paid on capital debt	(11,390)	(2,070)	(13,460)	--
Interest paid on capital debt	(6,657)	(7,137)	(13,794)	--
Proceeds from sale of capital assets	23	148	171	1,519
Net cash used for capital and related financing activities	<u>(89,837)</u>	<u>(4,976)</u>	<u>(94,813)</u>	<u>(9,212)</u>
<b>Cash flows from investing activities:</b>				
Proceeds from sales and maturities of investments	328,809	114,638	443,447	448,490
Purchase of investment securities	(322,259)	(133,590)	(455,849)	(441,959)
Interest and dividends received	6,776	673	7,449	1,154
Net cash provided by (used for) investing activities	<u>13,326</u>	<u>(18,279)</u>	<u>(4,953)</u>	<u>7,685</u>
Net change in cash and cash equivalents	(3,506)	3,743	237	(683)
Cash and cash equivalents, beginning of year	<u>78,845</u>	<u>27,489</u>	<u>106,334</u>	<u>63,756</u>
Cash and cash equivalents, end of year	<u>75,339</u>	<u>31,232</u>	<u>106,571</u>	<u>63,073</u>
Classified as:				
Current assets	54,942	22,365	77,307	63,073
Restricted assets	20,397	8,867	29,264	--
Total cash and cash equivalents, end of year	<u>\$ 75,339</u>	<u>31,232</u>	<u>106,571</u>	<u>63,073</u>

	<u>Business-type Activities--Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Solid Waste</u>	<u>Totals</u>	<u>Activities-- Internal Service Funds</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 16,968	2,580	19,548	12,660
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	54,986	10,373	65,359	6,965
Miscellaneous non-operating revenues	3,206	194	3,400	27
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	752	1,539	2,291	(180)
(Increase) decrease in due from other governments	--	44	44	--
(Increase) decrease in inventories	(233)	--	(233)	24
(Increase) decrease in other current assets	(61)	20	(41)	--
Increase (decrease) in accounts and contracts payable	(1,591)	11,554	9,963	2,405
Increase (decrease) in accrued and other liabilities	(1,710)	1,291	(419)	130
Increase (decrease) in due to other funds/governments	8	(3)	5	936
Increase (decrease) in compensated absences payable	(10)	(44)	(54)	(192)
Increase (decrease) in insurance claims payable	--	--	--	(1,922)
Increase (decrease) in net OPEB obligation	--	--	--	781
Increase (decrease) in deposits	690	(23)	667	--
Total adjustments	<u>56,037</u>	<u>24,945</u>	<u>80,982</u>	<u>8,974</u>
Net cash provided by operating activities	<u>\$ 73,005</u>	<u>27,525</u>	<u>100,530</u>	<u>21,634</u>
<b>Noncash investing, capital, and financing activities:</b>				
Special assessment contributions	\$ 7,944	--	7,944	--
Contributed capital assets	8,803	20	8,823	--
Interest expense capitalized to construction work-in-progress	2,663	175	2,838	--

The accompanying notes are an integral part of these financial statements.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Fiduciary Assets and Liabilities--Agency Funds**  
**September 30, 2013**  
**(amounts in thousands)**

	<u><b>Total Agency Funds</b></u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 79,962
Investments	9,189
Accounts receivable, net	234
Interest receivable	24
Due from other governmental units	21
Total assets	<u><u>89,430</u></u>
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts and contracts payable	3,159
Accrued liabilities	6,910
Due to other governmental units	21,958
Deposits held	57,403
Total liabilities	<u><u>\$ 89,430</u></u>

The accompanying notes are an integral part of these financial statements.

## COMPONENT UNITS

**Housing Finance Authority of Hillsborough County** – To account for the general fund of the Housing Finance Authority of Hillsborough County (Authority). The purpose of this Authority is to encourage the investment of private capital in, and the construction of, residential housing for low and moderate income families through public financing. Bonds issued by the Authority are special obligations of the Authority payable solely from revenues, receipts and resources of the Authority pledged under a related trust indenture. These bonds do not constitute a debt, liability, general or moral obligation or pledge of the faith or credit of the Authority, Hillsborough County, the state of Florida or any of its political subdivisions. Accordingly, the Authority has determined that the obligations of its bond programs should not be presented in the Authority's financial statements. To also account for the Single Family Bond Program of the Housing Finance Authority of Hillsborough County.

**Law Library Board Fund** – To account for the revenues and expenditures of the Law Library Board which maintains a legal reference library.

**Hillsborough County City-County Planning Commission Fund** – To account for the revenues and expenditures of the Hillsborough County City-County Planning Commission. The Planning Commission performs long-range comprehensive planning and makes recommendations to the County and city governments concerning the orderly growth and development of Hillsborough County.

With the implementation of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and No. 34*, for fiscal year 2013, the Neighborhood Dependent Special Districts are no longer component units of Hillsborough County. See Note 1.A. for more information.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Net Position**  
**Component Units**  
**September 30, 2013**  
(amounts in thousands)

	<b>Housing Finance Authority</b>	<b>Law Library Board</b>	<b>Planning Commission</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 5,351	--	--	5,351
Investments	2,306	--	--	2,306
Accounts receivable, net	137	--	1	138
Interest receivable	39	--	--	39
Due from other governmental units	--	214	813	1,027
Prepaid charges	8	--	--	8
Restricted current assets:				
Cash and cash equivalents	1,293	--	--	1,293
Investments	9,832	--	--	9,832
Total current assets	<u>18,966</u>	<u>214</u>	<u>814</u>	<u>19,994</u>
Noncurrent assets:				
Restricted noncurrent assets:				
Notes and loans receivable	1,352	--	--	1,352
Total restricted noncurrent assets	<u>1,352</u>	<u>--</u>	<u>--</u>	<u>1,352</u>
Total assets	<u>20,318</u>	<u>214</u>	<u>814</u>	<u>21,346</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and contracts payable	132	27	45	204
Accrued liabilities	--	6	79	85
Accrued interest payable	237	--	--	237
Compensated absences, current	--	38	690	728
Bonds payable, current	90	--	--	90
Total current liabilities	<u>459</u>	<u>71</u>	<u>814</u>	<u>1,344</u>
Noncurrent liabilities:				
Bonds payable, net	9,166	--	--	9,166
Total noncurrent liabilities	<u>9,166</u>	<u>--</u>	<u>--</u>	<u>9,166</u>
Total liabilities	<u>9,625</u>	<u>71</u>	<u>814</u>	<u>10,510</u>
<b>NET POSITION</b>				
Restricted for:				
Renewal and replacement	4,018	--	--	4,018
Unrestricted	6,675	143	--	6,818
Total net position	<u>\$ 10,693</u>	<u>143</u>	<u>--</u>	<u>10,836</u>

The accompanying notes are an integral part of these financial statements.

**HILLSBOROUGH COUNTY, FLORIDA**  
**Statement of Activities**  
**Component Units**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>				
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Restricted Interest</u>	<u>Units Excluded GASB 61*</u>	<u>Housing Finance Authority</u>	<u>Law Library Board</u>	<u>Planning Commission</u>	<u>Totals</u>
<b>Housing Finance Authority</b>									
General government	\$ 11	--	--	--	--	(11)	--	--	(11)
Economic environment	1,469	830	--	559	--	(80)	--	--	(80)
Total Housing Finance Authority	<u>1,480</u>	<u>830</u>	<u>--</u>	<u>559</u>	<u>--</u>	<u>(91)</u>	<u>--</u>	<u>--</u>	<u>(91)</u>
<b>Law Library Board</b>									
General government	326	428	2	--	--	--	104	--	104
Total Law Library Board	<u>326</u>	<u>428</u>	<u>2</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>104</u>	<u>--</u>	<u>104</u>
<b>Planning Commission</b>									
General government	3,944	650	3,292	--	--	--	--	(2)	(2)
Total Planning Commission	<u>3,944</u>	<u>650</u>	<u>3,292</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(2)</u>	<u>(2)</u>
<b>Total component units</b>	<u>\$ 5,750</u>	<u>1,908</u>	<u>3,294</u>	<u>559</u>	<u>--</u>	<u>(91)</u>	<u>104</u>	<u>(2)</u>	<u>11</u>
General revenues:									
Other taxes					--	--	40	--	40
Investment earnings					--	79	--	--	79
Miscellaneous					--	--	--	2	2
Total general revenues					<u>--</u>	<u>79</u>	<u>40</u>	<u>2</u>	<u>121</u>
Change in net position					--	(12)	144	--	132
Net position, beginning of year, previously reported					3,731	10,980	(1)	--	14,710
Restatement for entities no longer component units per implementation of GASB Statement 61					(3,731)	--	--	--	(3,731)
Restatement for implementation of GASB Statement 65 and error correction by Housing Finance Authority					--	(275)	--	--	(275)
Net position, beginning of year, as restated					<u>--</u>	<u>10,705</u>	<u>(1)</u>	<u>--</u>	<u>10,704</u>
Net position, end of year	<u>\$ -</u>				<u>--</u>	<u>10,693</u>	<u>143</u>	<u>--</u>	<u>10,836</u>

\* As a result of the implementation of GASB Statement No. 61, the Neighborhood Dependent Districts are no longer considered a component unit of Hillsborough County. See Note 1.A. for more information.

The accompanying notes are an integral part of these financial statements.





## Note 1 - Summary of Significant Accounting Policies

The financial statements of the Hillsborough County, Florida reporting entity (County) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County's more significant accounting policies are described below.

### A. Financial Reporting Entity

Hillsborough County is a political subdivision of the state of Florida. It is guided by an elected Board of County Commissioners (BOCC), which is governed by Florida Statutes and a home-rule charter enacted by the voters. In addition, there are five elected Constitutional Officers: the Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The BOCC and the Constitutional Officers together comprise the *Hillsborough County primary government*.

As required by GAAP, these financial statements cover the *Hillsborough County reporting entity*, which includes the Hillsborough County primary government as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The County implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and No. 34*, for fiscal year 2013. GASB Statement 61 provides the following criteria for determining whether an entity is a component unit of the reporting entity:

The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of the separate organization's governing body *and* either is able to impose its will on that organization or there is the potential for the organization to provide specific financial benefits to, or specific financial burdens on, the primary government. A primary government is financially accountable for governmental organizations that are fiscally dependent on it and also meet a financial benefit or a burden relationship criterion.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities of, or the level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government is entitled to the organization's resources; is legally obligated or has otherwise assumed the obligations to finance the deficits of, or provide financial support to, the organization; or is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its own budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. In addition, any entity for which the primary government is not financially accountable, but for which exclusion would cause the primary government's financial statements to be misleading, should be included as a component unit.

Based on the criteria specified above, the Hillsborough County reporting entity includes both blended and discretely presented component units.

### **Blended Component Units**

Component units that meet the criteria for blended presentation in accordance with GASB Statement Number 61 are reported in a manner similar to that of the primary government itself. Accordingly, the data of blended component units is presented as a part of the primary government throughout this report.

The financial statements of the board discussed below are included in the financial reporting entity as a blended component unit because, despite being legally separate from the primary government, it is so intertwined with the primary government that it is in substance, the same as the primary government. This entity, and the nature of its relationship with the County, is described in the following paragraph.

The Hillsborough County Civil Service Board (CSB), a blended component unit, is housed in the County's administrative offices and is accounted for as a nonmajor Special Revenue Fund of the Hillsborough County primary government. Separate financial statements are not required for it. The CSB administers a uniform classified merit employment system. CSB responsibilities include developing personnel rules, records, and reports related to employees and positions; handling recruitment functions; coordinating an employee performance management system; and conducting other programs to ensure compliance with the Civil Service Act and other statutory requirements. Although the CSB is legally separate, it is fiscally dependent on the primary government and provides services almost entirely to the primary government.

### **Discretely Presented Component Units**

Component units that meet the criteria for discrete presentation in accordance with GASB Statement Number 61 are presented in a separate component units column in the government-wide financial statements in order to clearly distinguish the balances and transactions of these component units from those of the primary government. The component units listed below are discretely presented and are identified as *component units* throughout this report. The Component Units are presented as governmental fund types.

#### **Housing Finance Authority of Hillsborough County**

The purpose of the Housing Finance Authority of Hillsborough County (HFA) is to use public financing to encourage private investment in, and construction of, residential housing for low and moderate income families. The HFA is a discretely presented component unit because the BOCC appoints the members of the HFA governing body and because the BOCC is able to impose its will on the HFA. The County Ordinance which created the HFA provides that the BOCC may remove members of the HFA's governing body without cause, and may change the structure, organization, or activities of the HFA, including terminating the HFA. The HFA does not have a financial benefit/

burden relationship with the BOCC. Bonds issued by the HFA are special obligations of the HFA payable solely from revenues, receipts and resources of the HFA pledged under related trust indentures. These bonds do not constitute a debt, liability, general or moral obligation or pledge of the faith or credit of the HFA, Hillsborough County, the state of Florida or any of its political subdivisions. Accordingly, the HFA has determined that the obligations of its bond programs should not be presented in the HFA's basic financial statements.

### **Law Library Board**

The Law Library Board (LL) maintains the James J. Lunsford Law Library for legal research conducted by attorneys, judges, and the public. The LL is legally separate. Although all members of the governing body are appointed by the primary government from members selected from the Hillsborough County Bar Association, the County cannot impose its will on the LL. The primary government cannot set fees, modify the budget or appoint or dismiss the management of the LL. The LL is a component unit of the primary government because the primary government provides a significant portion of the financial support for the LL including providing the office space occupied by the LL, and providing accounting, purchasing, and other support services. The LL is reported as a discretely presented component unit because it provides services to the general public rather than entirely or almost entirely to the County.

### **Hillsborough County City-County Planning Commission**

The Hillsborough County City-County Planning Commission (PC) performs long-range comprehensive planning and makes recommendations to the County and city governments concerning the orderly growth and development of Hillsborough County. The PC is legally separate. The primary government appoints only four of the ten members of the PC's governing body, which does not represent a voting majority. However, the PC is a component unit of the primary government because the PC is fiscally dependent on the primary government for almost all of its funding and there is a financial benefit/burden relationship with the County. The PC is reported as a discretely presented component unit because it provides services to the cities of Tampa, Temple Terrace, and Plant City, in addition to the primary government.

### **Restatement of Beginning Net Position, Discretely Presented Component Units**

Neighborhood Dependent Special Districts (NDs) were created by County Ordinances at the request of property owners to levy special assessments against property in residential subdivisions. The purpose of the assessments was to construct and maintain public improvements in these special districts. Although the NDs are legally separate, they are fiscally dependent on the primary government since the NDs must obtain BOCC approval to set or modify district budgets, or to incur debt. As a result, the NDs were discretely presented as a component unit of Hillsborough County for fiscal year 2012 and prior. There were 41 separate neighborhood districts during fiscal year 2012. Since each neighborhood district by itself was immaterial, the individual neighborhood districts were combined into one unit to facilitate presentation in fiscal year 2012. With the implementation of GASB Statement No. 61, the NDs did not have a financial benefit/burden relationship with the County. As a result, the NDs were not considered component units of Hillsborough County for fiscal year 2013.

Beginning net position on the County and Component Units Statements of Activities were restated because the Neighborhood Dependent Districts and Housing Finance Authority were discretely presented component units of the County prior to fiscal year 2013, but not component units for fiscal year 2013 in accordance with GASB Statement No. 61.

### **Additional Information on Discretely Presented Component Units**

Separate financial statements are not prepared for the LL or PC, but financial data including budget and actual comparisons may be obtained from:

County Finance Department, County Center, 12<sup>th</sup> Floor,  
P.O. Box 1110, Tampa, Florida 33601-1110

Financial statements of the discretely presented HFA, including budget and actual comparisons, may be obtained directly from that entity. For a nominal photocopying charge, the HFA financial statements may also be obtained from:

Board of County Commissioner Records, County Center, 12<sup>th</sup> Floor  
601 East Kennedy Boulevard, Tampa, Florida 33602

### **Related Organizations**

The BOCC appoints a voting majority of the governing bodies of certain entities for which the County is not financially accountable. These entities are classified as related organizations. In accordance with governmental accounting standards, related organizations are excluded from the financial reporting entity, but their relationships with the County are disclosed.

Hillsborough County Hospital Authority (HCHA) was created to operate a hospital. Although the BOCC appoints a voting majority of the HCHA's governing body, the BOCC does not have the ability to impose its will on the HCHA, nor does it have a financial/benefit burden relationship with the HCHA. The HCHA has the autonomous authority to establish its own budget, set rates for medical services, and issue its own revenue bonds. The outstanding debt of the HCHA is not an obligation of the County.

Arts Council of Hillsborough County (AC) was created for developing and promoting the performing and visual arts in Hillsborough County. The BOCC appoints a voting majority of the AC's governing body, but each appointment may be made only from a list of candidates nominated by the existing governing body of the AC. The BOCC does not have the ability to impose its will on the AC, nor does it have a financial benefit/burden relationship with the AC. The AC has the autonomous authority to set fees and issue its own debt. The outstanding debt of the AC is not an obligation of the County.

The Hillsborough County Industrial Development Authority (IDA) was created to finance or refinance industrial capital projects. The BOCC appoints the board members of the IDA. The BOCC

does not have the ability to impose its will on the IDA, nor does it have a financial/benefit burden relationship with the IDA. The IDA is neither financially accountable to, nor fiscally dependent on, the BOCC.

Hillsborough County Educational Facilities Authority (EFA) was created to address a shortage of educational facilities at institutions of higher education in the County. The BOCC appoints the board members of the EFA. The BOCC does not have the ability to impose its will on the EFA, nor does it have a financial/benefit burden relationship with the EFA. The EFA is neither financially accountable to, nor fiscally dependent on, the BOCC. In February 2013, the BOCC issued a resolution effectively dissolving the EFA.

### **Tampa Bay Water Joint Venture**

On May 1, 1998, the member governments of the West Coast Regional Water Supply Authority (WCRWSA) reorganized the WCRWSA in accordance with Section 30, Chapter 97-160, Laws of Florida, and Chapter 373, Florida Statutes. The purpose of the reorganization was to meet the region's current and future water supply requirements. The reorganization also resulted in a new forty-year master regional water supply contract and interlocal governance agreement. The WCRWSA was dissolved and a new organization named Tampa Bay Water (TBW) was created. The new regional water supply agreement became effective on September 29, 1998 to coincide with TBW's issuance of Series 1998A and 1998B Utility System Revenue Bonds.

A joint venture is a legal entity resulting from a contractual arrangement that is governed by two or more participants in which the participants retain either an ongoing financial interest or an ongoing financial responsibility. The County is one of six participants governing Tampa Bay Water and has an ongoing contractual responsibility to purchase water solely from TBW.

TBW sets water rates to produce sufficient revenue from the participants to meet its operating costs and debt service requirements. TBW's audited financial statements for the fiscal year ended September 30, 2013 may be obtained from:

Finance Director  
Tampa Bay Water  
2575 Enterprise Road  
Clearwater, Florida 33763-1102

### **B. Basic Financial Statements**

The County's Basic Financial Statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

**Government-wide financial statements** The government-wide financial statements provide an overview of the County's financial position using the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. The government-wide financial statements include not only the County itself (the primary government), but also its component units, the legally separate entities for which the County is financially accountable. The Statement of Net Position presents information on all of the assets and liabilities of the County as a whole. The difference between assets and liabilities is reported as net position. Changes in net position may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Activities presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the statement of activities will have cash flows in future fiscal periods. For example, uncollected taxes are shown as revenues although cash receipts will occur in the future. Unused vacation leave is recorded as an expense even though related cash outflows will occur in the future.

The government-wide financial statements show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (governmental activities) and activities that are intended to recover all or most of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation functions. The business-type activities of the County include the Water Enterprise and Solid Waste Enterprise operations.

Program revenues include charges for services, operating grants and contributions, capital grants and contributions, and restricted interest earnings. The charges for services category encompasses revenues from licenses and permits, fines and forfeitures, and special assessments, as well as charges for services transactions. Restricted interest is interest related to specific programs within business-type activities.

To minimize the "grossing up" effect on revenues and expenses in the government-wide financial statements, transactions between the internal service funds and other funds were eliminated. Therefore, risk management, employee healthcare, and fleet management assessments were eliminated as well as the corresponding charges for services revenues received by the internal services activities. As a result, the government-wide financial statements are presented as if the internal service activities took place in the benefiting funds rather than in the internal service funds. Any revenues and expenditures remaining after eliminations, as well as any assets and liabilities, are presented in the governmental activities columns of the government-wide financial statements.

Administrative overhead charges are allocated in BOCC accounting records using a "cost allocation plan." For example, the costs of Business and Support Services (procurement and budget), Facilities Management, Human Resources, Administrative Services, County Attorney, and other "indirect" activities are allocated to benefiting functions. Such administrative overhead charges are included with other direct expenses categorized by function on the Statement of Activities.

**Fund financial statements** A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund

accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions. All of the County's funds may be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** Most of the County's basic services are reported in governmental funds, which focus on how money or other spendable financial resources flow into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. The measurement focus is based upon determination of changes in financial position. Governmental fund information helps determine whether financial resources that can be spent in the near future to finance the County's programs have increased or decreased. The Balance Sheet – Governmental Funds is followed by a reconciliation to the Statement of Net Position and the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds is followed by a reconciliation to the Statement of Activities. The following is a description of the County's major governmental funds:

The **General Fund** is the County's primary operating fund. It is used to account for all financial resources of the general government except those required to be accounted for in other funds. The General Fund is subdivided into the following categories: Countywide, Unincorporated Area, Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of Circuit Court.

The **Countywide Special Purpose Revenue Fund** is used to account for special purpose revenues used to provide services for residents throughout the County, including expenditures of a discretionary sales surtax for a healthcare program for low-income residents.

The **Sales Tax Revenue Fund** is used to account for the 5% tourist development tax designated for the promotion of tourism in the County, the local government half-cent sales tax, the discretionary sales surtax for infrastructure (Community Investment Tax), and state shared revenues, which are transferred to other funds for various program expenditures.

The **Intergovernmental Grants Fund** is used to account for federal, state, local governmental or non-governmental grants and state shared revenues for programs including aging services, children's services, social services, public assistance, housing, and capital projects. The Local Housing Assistance Program Fund was combined into the Intergovernmental Grants Fund starting with fiscal year 2013.

The **County Transportation Fund** is used to account for motor fuel taxes, state revenue sharing, and various grant funds designated to finance road and street construction, maintenance, and other transportation projects.

The **Infrastructure Surtax Projects Fund** is used to account for the County's share of the voter-approved local government infrastructure discretionary sales surtax levied per Section 212.055, Florida Statutes. This sales tax, which is commonly known as the Community Investment Tax, is authorized to purchase equipment, or purchase or construct infrastructure related to jails, criminal



justice computer systems, fire stations, roads and traffic intersections, stormwater systems, parks, and libraries. This tax is shared with the Hillsborough County School Board, the Tampa Sports Authority, and the three municipalities located in Hillsborough County.

“Other Governmental Funds” is a summarization of all nonmajor governmental funds, which are shown separately in the “Combining and Individual Fund Statements and Schedules” Section.

The County maintains two different types of **Proprietary Funds**. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water Enterprise Fund and Solid Waste Enterprise Fund operations. Both of these operations are considered to be major proprietary funds of the County. *Internal service funds* are used to accumulate and allocate costs internally among the County’s other functions. The County uses internal service funds to account for Self-Insurance, Fleet Management, and Risk Management programs. These programs are included within governmental activities in the government-wide financial statements because they predominantly benefit governmental rather than business-type functions. The three internal service funds are combined into a single column on the proprietary fund financial statements. In proprietary funds, operating revenues and expenses are distinguished from nonoperating revenues and expenses. Operating revenues and expenses are those transactions related to a proprietary fund’s principal ongoing operations. Operating revenues consist of charges for services. Operating expenses include such items as personnel and contractual services, costs of services provided, and depreciation on capital assets. Nonoperating revenues and expenses are those transactions that are not directly related to a proprietary fund’s principal activities. Nonoperating revenues and expenses include operating grants, investment earnings, and interest expense. The County’s two major proprietary funds are described below:

The **Water Enterprise Fund** is used to account for the operations of the water and wastewater system in the unincorporated areas of the County. Water and wastewater fees are determined annually by rate studies and are set at levels to recover the expenses of operations, including debt service, in a manner similar to private business enterprises. Activities necessary to provide water and wastewater service are accounted for in this fund, including customer service, engineering, operations, and maintenance.

The **Solid Waste Enterprise Fund** is used to account for countywide solid waste management operations. Refuse generated in the unincorporated areas of the County is collected by franchised and non-franchised collectors serving residential and commercial customers and by private companies serving their own customers. Refuse tipping fees are reviewed annually and are set at levels sufficient to recover operating and debt service expenses. The Solid Waste Fund also owns and operates landfills and monitors closed landfills.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the primary government. Fiduciary funds are specifically used for purposes such as: holding bond proceeds and related bonds payable liabilities of the reclaimed water improvement units and capacity assessment units which are not obligations of Hillsborough County; payroll deductions payable, performance bonds, the Clerk of Circuit Court’s tax accounts; forfeited bond accounts, fines and forfeiture accounts; and various other agency accounts. Agency funds are fiduciary funds used to account for

assets that the County holds on behalf of others as their agent. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support County programs.

## **Reconciling Government-wide Financial Statements to Fund Financial Statements**

The differences between the government-wide financial statements and the fund financial statements are identified in the following sections of the Basic Financial Statements: Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position – Governmental Activities; Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities; the reconciliation at the bottom of the Balance Sheet, Proprietary Funds; and the reconciliation at the bottom of the Statement of Revenues, Expenses, and Changes in Fund Net Position, Proprietary Funds.

### **C. Measurement Focus and Basis of Accounting**

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the types of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets less all liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. For example, under the accrual basis of accounting, transactions are recognized when the transactions take place, whereas on the cash basis of accounting, transactions are recognized when cash is received or paid.

The proprietary fund financial statements and the government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. The agency fund financial statements are presented using the accrual basis of accounting. Since agency funds do not show revenues or expenditures, a measurement focus is not applicable for agency funds.

With the economic resources measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. With the accrual method of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Government-wide financial statements and proprietary fund financial statements show increases (revenues) and decreases (expenses) in net position.

Governmental fund financial statements are presented using the current financial resources and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds show increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when they become both measurable and available to pay liabilities of the current period. Revenues not considered available are recorded as unearned

revenues. Expenditures are recorded when a liability is incurred except for (a) unmatured interest on general long-term debt, which is recorded when due, and (b) the noncurrent portion of accrued compensated absences, which is recorded in long-term debt on the government-wide financial statements.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, money must be expended for specific purposes or projects before any intergovernmental revenues will be received by the County; therefore, revenues are recognized based on the timing of expenditures incurred. In the other, intergovernmental revenues are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The availability period used for revenue recognition under the modified accrual basis of accounting is as follows: Property taxes are recognized as revenue in the fiscal year for which taxes are levied, provided they are collected within thirty days after fiscal year-end. Special assessments are recorded as revenue in the year the payments are due. Investment earnings such as interest revenues are recorded as earned. Fire Rescue billings are recognized as revenue if expected to be collected within 120 days. Intergovernmental grant revenues are recognized when eligibility requirements are met and related amounts are available from grantors. Certain other revenues such as sales taxes and state shared revenues are recognized as revenues if expected to be received within 60 days. Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received.

#### **D. Cash, Cash Equivalents, and Investments**

Cash consists of checking and savings accounts, collectively designated as cash deposits. Cash deposits are carried at cost. For purposes of financial statement presentation, cash equivalents are highly liquid investments with maturities of three months or less from date of purchase.

The County deposits cash in qualified public depositories. The deposits are fully insured by the Federal Deposit Insurance Corporation and/or 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.

County Ordinance 08-6 and Section 218.415, Florida Statutes, authorize the County to invest in obligations of the US government, its agencies and instrumentalities, and certain other investments. Investments are stated at fair value. More information is provided in Note 3, *Deposits and Investments*.

## **E. Unbilled Utility Service Receivables**

Billings to water and wastewater customers are generally based on metered consumption, which is determined at various dates each month. At fiscal year-end, unbilled receivables are recorded and revenue is recognized in the Water Enterprise Fund based on estimated water consumption since the last billing cycle.

## **F. Inventories and Prepaid Charges**

Inventories are valued at the lower of cost (using the first-in, first-out or average cost methods), or market value. The cost of inventory or prepaid charges in proprietary funds is recorded as an expense at the time individual inventory or prepaid charges are consumed (consumption method). In governmental funds, the cost of inventory or prepaid charges is recorded as an expenditure at the time it is acquired (purchase method). The Countywide Special Purpose Fund, however, uses the consumption method for prepaid charges. Inventories on hand in governmental funds at fiscal year-end are reported as assets on the balance sheet. The amount held in inventory, and prepaid charges if applicable, is shown as nonspendable fund balance in the fund financial statements because the amount held in inventory may not be spendable during the current period.

## **G. Capital Assets**

Property, plant, and equipment, and infrastructure assets (such as roads, sidewalks, bridges, and drainage systems), are reported in the applicable governmental or business-type activities columns of the government-wide Statement of Net Position. Except for intangible assets described later in this note, capital assets are defined as those assets with an initial, individual cost of over \$1,000. Capital contributions are recorded at their estimated fair value after the receipt of the asset and formal acceptance by the BOCC. Depreciation is calculated using the straight-line method over estimated useful lives ranging from 5 to 50 years for buildings, 10 to 35 years for building improvements, and 2 to 10 years for equipment. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Infrastructure assets are not depreciated since the County has an asset management system in place and has made a commitment to preserve infrastructure assets at or above the condition levels set by the BOCC. See Infrastructure Condition and Maintenance Data section (required supplementary information after the Notes to the Financial Statements) for more information.

All capital assets, including buildings and building improvements, associated with Solid Waste and Water Funds are recorded and depreciated within these two enterprise funds. However, only equipment is recorded and depreciated within the Self-Insurance and Fleet Internal Service Funds. Therefore, the internal service funds are set up to recover the costs of operations, except for costs associated with the depreciation of buildings and building improvements.

The County follows GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Intangible assets are assets that lack physical substance, are non-financial in nature, and have initial useful lives of over one year. Intangible assets under GASB Statement No. 51 include

easements and internally or externally generated software, but exclude investments, capital leases, or goodwill. Intangible assets are capitalized and treated like capital assets for accounting purposes, but are amortized rather than depreciated. The County uses a capitalization threshold of \$5,000 for intangible assets.

There are three stages involved in internally generated software. (a) The *preliminary project* stage includes conceptual formulation, surveying the existence of needed technology, evaluation of alternatives, and final selection of alternatives for the development of the software. (b) The *application development* stage includes designing the software, including configuration and interfaces, coding, installation to hardware, and testing, including the parallel processing phase. (c) The *post-implementation/operation* stage includes training and software maintenance. Only application development stage costs are capitalized as intangible assets. Preliminary project stage costs and post-implementation stage costs are expensed. Data conversion is considered a part of the application development stage only to the extent it is necessary to make the software operational, that is, in condition for use. Otherwise, data conversion is considered a post-implementation/operation stage activity. Purchased software is handled like internally generated software.

GASB Statement No. 51 was implemented prospectively, so only intangible assets acquired or generated on or after October 1, 2009 are capitalized. During fiscal year 2013, the County capitalized \$10,215,000 of software and no easements.

In the governmental fund financial statements, the costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures. Capital assets are not shown on the governmental fund balance sheets. In the proprietary fund financial statements, the costs associated with the acquisition or construction of capital assets are recorded as increases in capital assets. See Note 6, *Capital Assets*, for more information.

## **H. Deferred Outflows of Resources and Deferred Inflows of Resources**

During fiscal year 2013, the County implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The implementation of this statement had no financial impact on the County's Statement of Net Position for the fiscal year ended September 30, 2013.

In addition to assets, the statement of position may include a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (i.e. expense/expenditures) until then. For fiscal year 2013, no item qualified as a deferred outflow of resources.

In addition to liabilities, the statement of position may include a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (i.e. revenues) until that time. For fiscal year 2013, no item qualified as a deferred inflow of resources.

## **I. Compensated Absences**

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the County accrues a liability for compensated absences, as well as certain other salary-related costs associated with the payment of compensated absences. The County's compensated absences liability at September 30, 2013 consisted of accruals for both vacation and sick leave. Vacation leave is accrued as a liability as the benefits are earned by employees. Sick leave is also accrued as a liability as the benefits are earned by employees, but only to the extent that it is probable that the County will compensate employees for the benefits through cash payments at retirement or other termination.

Hillsborough County Civil Service Rules state that sick leave termination payments are to be made under two conditions. Compensation for employees in "Plan A" includes a sick leave payment at termination for all hours of sick time accrued up to 480 hours and half of the sick time accrued over 960 hours. A liability is recorded for each employee in Plan A based on the employee's hourly pay rate. Compensation for employees in "Plan B" includes a sick leave payment at termination for only the employee's unused sick leave hours accrued at February 2, 1997, with payment only for each hour of sick time accrued up to 480 hours and half of the sick time accrued over 960 hours. A liability is recorded for each employee who has a termination payment under Plan B. Employees in Plan B hired after February 2, 1997, will not receive a sick leave payment at termination, so no sick leave liability is recorded for these employees.

The compensated absences liability also includes other salary-related costs incrementally associated with the payment of compensated absences such as the County's share of Social Security and Medicare taxes as well as the County's required pension contributions to the Florida Retirement System. The entire compensated absences liability, both short-term and long-term portions, is recorded in the government-wide financial statements and the separate proprietary fund financial statements.

## **J. Conduit Debt Obligations**

The County's conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the specific purpose of providing capital financing for a specific third party that is not a part of the County's financial reporting entity. Although conduit debt obligations bear the name of a non-County related organization, neither the County nor the related organization has an obligation for such debt. See Note 7.I., *Non-Commitment Conduit Debt Obligations*, for more information.

## **K. Landfill Closure and Postclosure Care Costs**

In accordance with governmental accounting standards, the County, as a municipal solid waste landfill owner, records a current expense and the related long-term liability for certain future landfill closure and postclosure care costs for landfills accepting solid waste. The portion of these future costs currently recognized is based on the amount of landfill capacity consumed as of each balance sheet date. The County also records the current estimated liability for remediation and monitoring

costs for landfills that closed on or before October 9, 1991. More information on these expenses and related long-term liabilities is shown in Note 15, *Accounting for Municipal Solid Waste Landfill Costs*.

#### L. Bond Issuance Costs, Deferred Losses on Debt Refundings, and Original Issue Discounts and Premiums

In the government-wide financial statements and proprietary fund financial statements, there are several situations where amounts are amortized to interest expense. Bond issuance costs are deferred and reported as assets on the government-wide and proprietary funds' Statements of Net Position. The County records bond refunding loss transactions as follows: When losses are incurred from issuing new debt to refund outstanding debt, they are deducted from the principal balance of the new long-term bonds payable. Original issue discounts are reported as deductions from the principal balance of long-term bonds. Conversely, original issue premiums are reported as additions to the principal balance of long-term bonds.

Deferred refunding losses, original issue premiums and discounts are amortized using the effective interest method and reported as a component of interest expense on the governmentwide and proprietary fund Statements of Activities. The amortization period is the remaining life of either the old debt or the new debt, whichever is shorter. In addition during fiscal year 2013, bond issuance costs, deferred refunding losses, and original issue discounts and premiums amortized were, in total, a reduction of \$2,374,000 for governmental activities and a decrease of \$273,000 for business-type activities as shown in the following chart.

<i>(Amounts in Thousands)</i>	<b>Deferred Refunding Loss</b>	<b>Original Issue Discount</b>	<b>Original Issue Premium</b>	<b>Total Amortized to Interest</b>	<b>Bond Issuance Costs</b>
Governmental activities	\$ 871	1	(3,803)	(2,931)	557
Business-type activities	326	35	(429)	(68)	341
Totals	<u>\$ 1,197</u>	<u>36</u>	<u>(4,232)</u>	<u>(2,999)</u>	<u>898</u>

#### M. Self-Insurance

The County has self-insurance internal service funds maintained by the BOCC and Sheriff. These self-insurance funds include both *risk management* and *employee group health insurance* activities.

Risk management deals with risks related to workers' compensation, and general and automotive liability. The County is substantially self-insured for workers' compensation claims as permitted by Florida law. The BOCC is self-insured for workers' compensation claims up to a maximum of \$500,000 per occurrence with unlimited excess coverage above the self-insurance cap. The Sheriff is self-insured for workers' compensation claims up to a maximum of \$500,000 per occurrence with unlimited excess coverage above the self-insurance cap. The County is also self-insured against

general liability and automotive claims with limited liability per Section 768.28, Florida Statutes, of \$200,000 per person and \$300,000 per occurrence. Negligence claims in excess of the statutory limits can only be recovered through federal lawsuits or acts of the Florida Legislature.

The County also provides a group health insurance plan for its employees and their eligible dependents. The County has an employee group health self-insurance plan in order to account for and finance its uninsured risks of loss. Under this plan, the County is self-insured for up to \$500,000 per person annually. Stop-loss insurance was purchased to cover an unlimited lifetime amount per person above the \$500,000 per person deductible.

Based on actuarial estimates, liabilities have been established in the self-insurance fund for claims reported but not paid, and incurred but not reported. In addition, premiums charged to customer departments are recorded as revenues in the self-insurance fund and as insurance assessment expenditures in the customer departments. See Note 14 for more information on the Self-Insurance Fund and the actuarially determined claims liabilities.

#### **N. Financial Reporting for Business-type Activities and Enterprise Funds**

Effective October 1, 2012, the County implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement had no financial impact on the County.

#### **O. Pension Disclosure**

The County follows GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, for the measurement, recognition, and display of pension expenditures or expenses. See Note 8, *Defined Benefit and Defined Contribution Pension Plan*, for more information.

#### **P. Use of Restricted Versus Unrestricted Net Position**

When both restricted and unrestricted net position are available, it is the County's policy that restricted resources are used first if appropriate.

#### **Q. Interfund Transfers In and Out**

In the Statement of Activities, interfund activity, such as transfers in and out as well as transfers within the Internal Service Funds and within the Governmental Activities category, is eliminated. Interfund activity between Governmental and Business-type activities is not eliminated. Interfund services provided and used between functions are not eliminated because removing interfund services used would distort the functional expenses presented in the Statement of Activities. Except for intrafund activity between the BOCC and Constitutional Officers within the General Fund, intrafund activity in the fund financial statements was eliminated. Intrafund activity between the



Constitutional Officers and the BOCC was significant and necessary for effective presentation. See Note 11, *Interfund Transfers In and Out*, for details.

## **R. Goodwill**

The County's Water Enterprise Fund initially recorded goodwill of \$10,155,000 during fiscal year 2004. This amount represents the excess paid to purchase four independent water and wastewater franchise providers over the fair value of the tangible capital assets acquired. Through these transactions, the Water Enterprise Fund added over 4,700 customers. The goodwill was scheduled for straight-line amortization over thirty years. For fiscal year 2013, goodwill of \$330,000 was amortized to operating expense and included in "depreciation and amortization" in the proprietary fund financial statements. GASB Statement 51, *Accounting and Financial Reporting for Intangible Assets*, does not have an impact on goodwill accounting in the government-wide financial statements. Goodwill and accumulated depreciation for goodwill are presented as a part of capital assets rather than as a part of other long-term assets on the Proprietary Funds Statement of Net Position as well as in Note 6, *Capital Assets*.

## **S. Sales and Pledges of Receivables**

The County follows GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. Governments sometimes exchange an interest in their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments—generally in a lump sum. This statement sets criteria to determine whether the proceeds received should be reported as revenue or as a collateralized borrowing resulting in a liability. If a government retains control or continues to be involved with the receivables or future revenues, then the transaction is more likely to be considered a collateralized borrowing. If transactions involving receivables are to be recognized as a sale, a gain or loss is reported in the period of the sale. If transactions involving future revenues are to be recognized as a sale, the revenue should be deferred and amortized in most cases. The County has certain revenues pledged for debt service. See Note 7, *Long-Term Liabilities*, for more information.

## **T. Pollution Remediation Obligations**

The County follows GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This GASB standard requires the recognition of a liability when any of the following events occur: (a) The government is compelled to take remediation action because of imminent danger to public health, welfare, or the environment. (b) The government is in violation of a pollution-prevention-related permit or license under state or federal law. (c) The government is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party for remediation. (d) The government is named, or evidence indicates that it will be named, in a lawsuit to compel the government to participate in remediation, or (e) The government commences, or legally obligates itself to commence, cleanup activities or monitoring or operation

and maintenance of the remediation effort. During fiscal year 2013, the County had no pollution remediation obligations.

#### **U. Derivative Instruments**

The County is committed to following GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 64, *Derivative Terminations*, if derivative contracts are used by the County in the future. During fiscal year 2013, the County had no derivatives requiring recognition, measurement, or disclosure.

#### **V. Fund Balance Reporting and Governmental Fund-Type Definitions**

The County follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which clarifies governmental fund balance classifications and fund-type definitions. Fund balances are reported in classifications based on whether the amounts are nonspendable or spendable. Spendable amounts are further classified based on the extent to which there are external and/or internal constraints in how fund balance amounts may be spent. See Note 13, *Governmental Fund Balances*, for more information.

#### **W. Voluntary Separation Incentive Program for BOCC Employees**

In May 2011 the BOCC approved the “Voluntary Separation Incentive Program” (VSIP) for BOCC employees who were eligible for normal retirement under the Florida Retirement System (FRS) at June 30, 2011 or current FRS Deferred Retirement Option Plan (DROP) participants who were scheduled to terminate January 1, 2012 or later. A total of 165 employees took this separation incentive, from a total of approximately 660 eligible employees. The incentive program offered (a) three consecutive years of single employee premium payments for the Coverage First Group Health Plan or a one-time cash payment of \$10,000 and (b) twelve weeks of salary up to a maximum of \$25,000. To participate in the VSIP, eligible employees had to terminate no later than June 30, 2011. Ninety-five employees chose to receive three consecutive years of single employee health insurance coverage. The other seventy employees chose the \$10,000 one-time cash payment in lieu of the health coverage. The VSIP liability is based on a 10% escalation rate for health care costs in both fiscal years 2013 and 2014. Future estimated payments considered in determining the VSIP liability were not discounted because the effect of discounting would have been immaterial. The County had a remaining VSIP liability of \$561,000 at September 30, 2013.

#### **X. Deficit Fund Balance**

There was a deficit fund balance of \$34,000 in the 2012 Community Investment Tax Refunding Revenue Bonds Fund, a nonmajor debt service fund at September 30, 2013. The deficit was caused by borrowing County cash to cover planned debt service payments and was eliminated by a transfer into

the fund during fiscal year 2014. There was a deficit fund balance of \$42,000 in the Emergency Operations Center Projects Fund, a nonmajor capital projects fund at September 30, 2013. The deficit was caused by borrowing County cash to cover planned expenditures and will be eliminated when long-term financing is arranged.

## **Y. Subsequent Events**

In accordance with GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, the County has, while preparing this annual financial report, evaluated events occurring after the balance sheet date through March 24, 2014, which is the date this report was available to be issued. See Note 18, *Subsequent Events: Debt Issued for Governmental Activities*, for more information.

## **Note 2 - Budgetary Accounting**

Chapter 129, Florida Statutes, requires each county to prepare, approve, adopt, and execute an annual budget, for such funds as required by law, sound financial practice, or GAAP. The budget controls the levy of taxes and the expenditures of money for County purposes. Most County funds have annually appropriated budgets, meaning that their budgets are established annually. Certain funds have project-length budgets rather than annually appropriated budgets. Project-length budgets are budgets established at the start of capital projects or grants since they generally involve more than one fiscal year. Project-length budgets allow for more effective control over expenditures since costs may be controlled from the inception-to-date perspective rather than each year being controlled separately. The Intergovernmental Grants Fund, Infrastructure Surtax Projects Fund, Supervisor Grants Fund, and all capital projects funds have project-length budgets. Certain funds have a mixture of annually appropriated and project-length budgets. The Countywide Special Purpose Fund, Unincorporated Area Special Purpose Fund, County Transportation Fund, and Library Fund have a mixture of annually appropriated and project-length budgets. The Sheriff's Child Protection Investigations, Jail Inmate Canteen Fund, Communications 911, and Drug Enforcement Task Force Special Revenue Funds, are completely unbudgeted. With the exceptions noted above, the rest of Hillsborough County's governmental and proprietary funds have annually appropriated budgets.

Chapter 129, Florida Statutes, requires that budgetary controls be established at the fund level, and provides that it is unlawful to expend more than is budgeted in a fund, and in no instance may expenditures exceed total appropriations. The Constitutional Officers and component units exercise budgetary control at a legal level of control, which is at the fund level. The legal level of control is that level of detail at which the governing body must approve expenditures or transfers which exceed appropriated amounts. The BOCC exercises budgetary control at a legal level of control, which is at the fund, department, and character level. A character is a category such as personnel services, operating expenditures, capital outlay, debt service, or grants and aids. A separate *Supplemental Budget Versus Actual Expenditures Report for the Fiscal Year Ended September 30, 2013* has been prepared to present the data of the BOCC at its legal level of control for funds with annually appropriated budgets as well as the annually appropriated portions of funds with a mixture of annually appropriated and project-length budgets.

During a fiscal year the BOCC may amend its adopted budget. These amendments provide supplemental appropriations in a fund and department to meet operational requirements resulting from: unanticipated circumstances; error corrections; or the need to expend new funds received from grant awards, contributions, insurance recoveries or bond/loan proceeds. During fiscal year 2013, supplemental appropriations to the BOCC budget, excluding Component Units, were approximately \$1,388,100,000 or 44.8% of the originally adopted budget, compared to 9% during the prior year. Some of these supplemental appropriations were due to a variety of reasons including the adjustment of estimated fund balances to actual fund balances where advisable and grant awards received after October 1, 2012. Most of these supplemental transactions were, however, from the process of converting funds with project-length budgets into the County's new enterprise resource planning (ERP) system. Funds with project-length budgets before conversion, continued to have project-length budgets after conversion.

At the end of the fiscal year, the appropriations of annually adopted budgets lapse, but the appropriations of project-length budgets continue until the end of the capital project or grant. Budget amendments may be used to reduce appropriations in cases where actual revenues are anticipated to fall short of original estimates. The intent of the County is to establish a revised budget that provides for the use of available funds where permitted by law.

The County uses encumbrance accounting in governmental funds. Encumbrances represent commitments for future expenditures, based on purchase orders or contracts issued, where the goods or services have been ordered but have not been received. Encumbrances are used to help ensure that the sum of actual expenditures and commitments for future expenditures do not exceed the total level of appropriations authorized. Encumbrances do not constitute expenditures or liabilities because no resources are expended until the goods or services are received.

County budgets are prepared on a basis of accounting consistent with GAAP except for the budgets of the General Fund, Countywide Special Purpose Fund, and County Transportation Fund, which are prepared on a basis of accounting that differs from GAAP. With the Sheriff portion of the General Fund, there are differences between the budgetary basis of accounting and GAAP in the treatment of grants and contract revenues and related expenditures. On a budgetary basis, cost-reimbursement type grant revenues, contract-related charges for services, and associated expenditures are netted. On a GAAP basis, revenues and expenditures from these grants and contracts are presented at gross amounts in the financial statements.

Florida Statutes require entities that receive property appraisal and tax collection services to pay commissions to the Property Appraiser and Tax Collector, respectively. In addition, Florida Statutes require any unused money to be returned at year-end to the entities that paid these commissions. On the budgetary basis, distributions of excess fees paid to governmental entities outside of the County's reporting entity are shown as other financing uses and caused a negative variance on the budgetary basis in the General Fund for fiscal year 2013 because distributions exceeded appropriations. The negative variance was not unfavorable because it represented the return of savings from Property Appraiser and Tax Collector operations.

With the Property Appraiser and Tax Collector portions of the General Fund, there are differences between the budgetary basis of accounting and GAAP in the treatment of excess fee distributions to governmental entities outside of the County's reporting entity. On a budgetary basis, distributions of excess fees through these two funds are reported as other financing uses. On a GAAP basis, these distributions are reported as expenditures because there is a reduction in the net financial resources of the County.

The actual results of operations of the Sheriff, Property Appraiser, and Tax Collector portions of the General Fund are presented on a GAAP basis in the Statement or Schedules of Revenues, Expenditures and Changes in Fund Balances. These funds, however, are presented on a budgetary basis on the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual. The Sheriff's Child Protection Investigations Fund, Jail Inmate Canteen Fund, Communication 911 Fund, Drug Enforcement Task Force, and Supervisor's Grant Fund did not have legally adopted budgets. Therefore, these funds are not included in the Nonmajor Special Revenue Funds or Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

In addition, on the budgetary basis, only the financial activity of funds with annually appropriated budgets are included in the Statements or Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual. On the GAAP basis, all financial activity is presented on the Statements or Schedules of Revenues, Expenditures and Changes in Fund Balances, whether budgeted annually or in project-length budgets. Reconciliations of the fund balance as reported on the budgetary basis to the fund balance reported on the GAAP basis are presented on the face of the applicable statements or schedules on the budgetary basis.

### **Note 3 - Deposits and Investments**

#### **A. Deposits**

At September 30, 2013, the total of the carrying amounts of the County's deposits (unrestricted and restricted) was \$151,285,000 and the total of the bank balances was \$173,074,000. The County's deposits consisted of demand deposits, and money market accounts. The bank balances are fully insured by federal deposit insurance and/or secured by the multiple financial institution collateral pool established under the "Florida Security for Public Deposits Act," Chapter 280, Florida Statutes. Cash in excess of the operating requirements of each fund are pooled and invested by the County in a variety of deposits and investments with the objectives of optimizing safety, liquidity, and yield, in that order. Earnings from pooled investments are allocated to each of the funds based on the average daily cash equity balance of each fund or as prescribed by BOCC resolution. Amounts that may not be commingled in accordance with certain bond resolutions or other agreements are invested outside the investment pool. For the component units which are in the County reporting entity figures shown above, the carrying amounts and bank balances were both \$3,797,000.

## B. Investments

In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are carried and reported at fair value, except for investments in 2a-7-like pools, which are reported at amortized cost as described later in this note. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. If quoted market prices are available, they are used to determine fair value. For investments in open-end mutual funds, fair value is determined by the fund's current share price. Investments made by the County (unrestricted and restricted) are summarized in the following table. The investments are classified by investment category and show fair value, modified duration in years, and credit rating. All investment income, including changes in the fair value of investments, is reported as a part of interest revenue in the financial statements.

### Investments

(Amounts in Thousands)	Fair Value		Modified Duration in Years	Credit Rating
	Primary Government	Component Units		
U.S. treasury securities	\$ 539,804	195	0.9, 8.9 <sup>(b)</sup>	AA+/A-1+ <sup>(a)</sup>
U.S. government agency (GNMA)		5,677	- , 18.6 <sup>(b)</sup>	AA+/A-1+ <sup>(a)</sup>
U.S. government sponsored agency securities	689,028	3,810	1.3, 18 <sup>(c)</sup>	AA+/A-1+ <sup>(a)</sup>
Commercial paper notes	83,706	-	0.2	A-1, A-1+
Corporate notes	81,189	-	2.2	AA
Municipal bonds	41,473	-	1.2	AA
Subtotal	1,435,200	9,682		
State Board of Administration (SBA):				
Florida PRIME (formerly known as the Local Government Investment Pool)	247,205	107	0.1 <sup>(d)</sup>	AAAm
Fund B Surplus Funds Trust Fund	8,830	43	4.0	unrated
Open-end money market mutual funds	43,336	5,153	0.1, <1.0 <sup>(b)</sup>	AAA, unrated <sup>(b)</sup>
Total investments	\$ 1,734,571	14,985	1.0	

<sup>(a)</sup> Credit rating is AA+ if security's maturity exceeds a year; and is A-1+ if security's maturity is a year or less.

<sup>(b)</sup> First figure is for the primary government; second figure is for the Housing Finance Authority component unit.

<sup>(c)</sup> The range of maturities in years was averaged to substitute for modified duration, i.e.  $(11+25)/2 = 18$ .

<sup>(d)</sup> Weighted average maturity of  $(44 \text{ days})/(365 \text{ days}) = 0.1$  was used to approximate modified duration.

Modified duration is a measure of interest rate risk. It measures the sensitivity of an investment's price to interest rate changes. For example, if an investment security has a modified duration of two years, then a one-percentage point increase in the market interest rate will cause the value of the security to decline by two percent. Conversely, a one-percentage point decline in the market interest rate will cause the value of the security with a modified duration of two years to increase in value by two percent. The modified duration of the investment portfolio of the primary government, as a

whole at year-end, was approximately 1.0 years. The duration of callable securities was calculated using the call date as the maturity date.

A credit rating is a measure of credit risk, the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk, a subset of credit risk, is the risk that counterparties fail to fulfill their obligations. All of the investments of the County are insured or registered, or held by the County or its agent in the County's name. Excluding the investment pools managed by the State Board of Administration (SBA), securities issued by the US government, its agencies or instrumentalities, and mutual funds investing in such securities, no one issuer represents 5% or more of the total investments of the County.

### **C. SBA's Florida PRIME and Fund B Surplus Funds Trust Fund**

The SBA manages Florida PRIME, a 2a-7-like pool, carried at amortized cost. A 2a-7-like pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which regulates money market funds. Therefore, Florida PRIME operates essentially as a money market fund and the County's position in Florida PRIME is considered to be equivalent to its fair value.

Regulatory oversight of the SBA is provided by three state of Florida elected officials designated as trustees: the Governor serves as Chairman of the SBA; the Chief Financial Officer serves as Treasurer of the SBA; and the Attorney General serves as Secretary of the SBA. External oversight of the State Board of Administration is provided by the Investment Advisory Council, which reviews investment performance, strategy and decision-making, and provides insight, advice and counsel on these and other matters when appropriate. A six-member participant Local Government Advisory Council was created to review the administration of the fund and make recommendations to the trustees. Audit oversight is also provided by the state of Florida Auditor General.

Due to financial market turmoil and concerns about the Florida Local Government Investment Pool's credit quality, the SBA split the Investment Pool into two funds in December 2007: 86% was allocated to Florida PRIME designated to hold high-quality money-market appropriate securities and 14% was allocated to the Fund B Surplus Funds Trust Fund (Fund B), a fluctuating net asset value (NAV) pool, designated to hold higher-risk securities such as those in default, having payment extensions or having significant changes in credit risk. Of the Hillsborough County Primary Government's \$130.8 million originally placed in Fund B, 93% was collected and moved to Florida PRIME by September 30, 2013. As a result, the County's Fund B balance at year-end at "amortized cost" was \$7.80 million compared to the net asset value (fair value) at year-end of \$8.83 million, which is recorded in the financial statements. The difference between these two amounts was the County's unrealized gain in Fund B at year-end of \$1.03 million. Interest income shown in the financial statements is presented net of all fair value changes through year-end. As a result, any change in the unrealized gain or loss associated with Fund B during the fiscal year is already included as a part of interest income reported in the financial statements.

The SBA has taken a variety of actions to stabilize and strengthen Florida PRIME. Since 2007, Florida PRIME has received Standard & Poor's AAAM rating each year, which is the highest rating for an investment pool.

#### **D. Investment Policy**

The County's investment policy manages interest rate risk, credit risk, and concentration of credit risk by following Section 218.415, Florida Statutes, and County Ordinance No. 08-6. Section 218.415, Florida Statutes, authorizes the County to invest surplus funds in the following:

- a. The state of Florida's Local Government Investment Pool.
- b. Direct obligations of the US government.
- c. Obligations of US government agencies such as the Government National Mortgage Association.
- d. Obligations of US government sponsored agencies (instrumentalities) such as the Federal Farm Credit System Banks, Freddie Mac (Federal Home Loan Mortgage Corporation), the Federal Home Loan Banks, or Fannie Mae (Federal National Mortgage Association).
- e. Interest-bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.
- f. US Securities and Exchange Commission registered money market funds with the highest credit quality ratings from a nationally recognized rating agency.
- g. Securities of, or other interests in, any open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940 as amended, provided the portfolio is limited to obligations of the US government or its agencies and instrumentalities, and to repurchase agreements fully collateralized by such investments, provided the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian.
- h. Other investments authorized for the County by law, county ordinance, or resolution.

In addition to the above, County Ordinance 08-6 restricts the County's investments as follows:

- a. The entire portfolio may be invested in US Treasury securities with a maximum maturity length of 10 years, but investments in Treasury strips are limited to 25% of the portfolio.
- b. A maximum of 50% of the portfolio may be invested in the state of Florida's Local Government Investment Pool, which was later split into Florida PRIME and Fund B Surplus Funds Trust Fund.
- c. A maximum of 50% of the portfolio may be invested in US government agency securities, with no more than 10% of the portfolio in any individual US government agency.
- d. A maximum of 60% of the portfolio may be invested in obligations of US government instrumentalities



with a maturity length of 10 years, provided that no more than 30% of the portfolio is invested in any one issuer and no more than 25% of the portfolio is invested in callable securities.

- e. A maximum of 20% of the portfolio may be invested in repurchase agreements excluding one-business day agreements and overnight sweep agreements, with no more than 10% of the portfolio in the repurchase agreements of a single institution.
- f. A maximum of 20% of the portfolio may be invested in nonnegotiable interest-bearing time certificates of deposit of an institution with deposits secured by the Florida Security for Public Deposits Act, provided that the maximum maturity on any certificate is no greater than one year and no more than 10% of the portfolio is deposited with any one issuer.
- g. A maximum of 20% of the portfolio may be invested in prime commercial paper (i.e. rated Prime-1 by Moody's, A-1 by Standard & Poor's, or AA by two nationally recognized rating agencies if backed by a letter of credit), with no more than 5% of the portfolio in the commercial paper of a single issuer. The maximum length to maturity shall be 270 days from the date of purchase.
- h. A maximum of 50% of the portfolio may be invested in money market funds offered by registered investment companies and operated in accordance with 17 CFR 270.2a-7, provided that the money market funds are rated AAAM or AAAM-G or better by Standard & Poor's or the equivalent by another nationally recognized rating agency. No more than 25% of the portfolio may be invested in any one money market fund.
- i. A maximum of 15% of the portfolio may be invested in high quality corporate notes (rated Aa by Moody's and AA by Standard & Poor's), with no more than 5% of the portfolio in the notes of a single issuer.
- j. A maximum of 20% of the portfolio may be invested in intergovernmental investment pools, provided that the total investment does not exceed 25% of the intergovernmental pool.
- k. A maximum of 25% of the total portfolio may be invested in state or local government taxable and/or tax exempt general obligation and/or revenue bonds (rated at least Aa by Moody's and AA by Standard and Poor's) or short-term debt (rated at least MIG-2 by Moody's and SP-2 by Standard & Poor's).
- l. A maximum of 20% of the total portfolio may be invested in bankers' acceptances issued by a domestic bank or federally chartered domestic office of a foreign bank (rated at least P-1 by Moody's Investors Service and A-1 by Standard & Poor's), with a maximum of 5% of available funds with any one issuer. The maximum length to maturity shall be 180 days from purchase.
- m. Reverse repurchase agreements and securities lending transactions are not permitted.
- n. The maximum maturities shown above may be exceeded if investments are purchased to fulfill long-term debt service reserve requirements, in which case investments are permitted to have maturity dates up through the life of the debt service reserves.

## **E. Other**

At year-end, the County had \$89,093,000, in callable securities of US government sponsored agencies. These securities were purchased because the advantage gained from their higher interest rates more

than offset the reinvestment risk—the risk that securities could be called and the proceeds reinvested at lower interest rates.

For the Hillsborough County reporting entity, deposits of \$151,285,000 plus investments of \$1,749,556,000 shown in the notes to the financial statements equal: the total of restricted and unrestricted cash and cash equivalents and investments of \$1,811,690,000 presented on the Statement of Net Position; plus the cash and cash equivalents and investments of \$89,151,000 shown on the Statement of Fiduciary Assets and Liabilities - Agency Funds; since the cash and cash equivalents and investments of Fiduciary Funds are included in the notes to the financial statements, but not in the Statement of Net Position.

#### **Note 4 - Property Taxes**

Property taxes based on assessed values at January 1 are payable on November 1 of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent on April 1 of the following year and tax certificates for the full amount of any unpaid taxes and assessments are auctioned beginning June 1 of that year. Property tax revenue is recorded when it becomes available. Available means when due and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. No accrual for the property tax levy becoming due in November of 2013 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period. Section 200.071, Florida Statutes, limits aggregate ad valorem tax millage against property of the County to 10 mills each for countywide and unincorporated area services unless increased by voter referendum.

#### **Note 5 - Accounts Receivable, Amounts Due From Other Governments, and Mortgages Receivable**

Accounts receivable at September 30, 2013, for the County's individual major funds and nonmajor funds in total, including applicable allowances for doubtful accounts, were as follows:

<i>(Amounts in Thousands)</i>	<b>Accounts Receivable, Gross</b>	<b>Allowance for Doubtful Accounts</b>	<b>Accounts Receivable, Net</b>
General Fund	\$ 19,565	(14,667)	4,898
Countywide Special Purpose Fund	48	--	48
Intergovernmental Grants Fund	993	--	993
County Transportation Fund	2,767	--	2,767
Nonmajor governmental funds	6,034	(5,298)	736
Internal service funds	656	--	656
Water Resource Services Enterprise Fund	132,231	(581)	131,650
Solid Waste Resource Recovery Enterprise Fund	3,417	(269)	3,148
Amounts reported only under accrual basis of accounting (i.e. not reported in funds)	230	--	230
Total for primary government	165,941	(20,815)	145,126
Component units	138	--	138
Total for Hillsborough County reporting entity	<u>\$ 166,079</u>	<u>(20,815)</u>	<u>145,264</u>

On the following chart of amounts due from other governments at September 30, 2013, “due from grantors” refers to amounts receivable from federal, state, or other grantors. “Due from state of Florida” refers to amounts receivable such as sales taxes, state shared revenues or other non-grant receivables from the state of Florida. Most accounts receivable, net, and amounts due from other governments are expected to be collected within one year.

<i>(Amounts in Thousands)</i>	<b>Due From Other Governments</b>			
	<b>State/Federal Grants</b>	<b>State of Florida</b>	<b>Other</b>	<b>Totals</b>
General Fund	\$ --	390	2,015	2,405
Countywide Special Purpose Fund	--	10,151	--	10,151
Sales Tax Revenue Fund	--	16,575	--	16,575
Intergovernmental Grants Fund	13,907	--	--	13,907
County Transportation Fund	7,151	4,099	--	11,250
Nonmajor governmental funds	--	2,019	--	2,019
Water Enterprise Fund	53	--	--	53
Amounts reported only under accrual basis of accounting (i.e. not reported in funds)	--	27,245	1,491	28,736
Total for primary government	21,111	60,479	3,506	85,096
Component units	--	--	1,027	1,027
Total for Hillsborough County reporting entity	<u>\$ 21,111</u>	<u>60,479</u>	<u>4,533</u>	<u>86,123</u>

The County has a multi-family, single-family, construction and rehabilitation loan program to allow real estate developers with approved construction or rehabilitation projects to receive low interest mortgage loans where interest may be deferred until the end of the loan period under certain conditions. Most of the funding for this affordable housing program comes from the state of Florida’s State Housing Initiative Partnership (SHIP) program and the federal government’s HOME Investment Partnerships and Community Development Block Grant (CDBG) programs.

The County has two other programs to help provide affordable housing to County residents. (a) The First Time Home Buyers Down Payment Assistance program provides qualified first-time home buyers with a mortgage loan for down payment assistance which is payable upon sale of the house, but will be forgiven if the borrower remains in the house for an agreed upon period of up to 30 years. (b) The owner-occupied rehabilitation loan program allows qualified residents to apply for a mortgage loan for rehabilitation purposes. In certain cases a third-party administrator manages loan repayments. Both of these programs are funded by SHIP, CDBG, and HOME Investment Partnership grant programs.

The County also receives grant funding from the federal government’s Neighborhood Stabilization Program (NSP). Under this program, the County uses NSP funding primarily to provide mortgages to nonprofit organizations to buy foreclosed and abandoned residential properties, renovate them, and sell them to members of the public to repeat the process.

Liens have been recorded in official records for the properties acquired for each of the loan programs described above. Mortgages receivable for these programs at September 30, 2013, for the County’s individual major funds in total, including applicable allowances for doubtful accounts, were as follows:

<i>(Amounts in Thousands)</i>	<b>Mortgages Receivable, Gross</b>	<b>Allowance for Doubtful Accounts</b>	<b>Mortgages Receivable, Net</b>
Intergovernmental Grants Fund	\$ 102,292	(28,898)	73,394
Total for primary government and Hillsborough County reporting entity	<u>\$ 102,292</u>	<u>(28,898)</u>	<u>73,394</u>

In addition, there are code enforcement fines assessed by the Code Enforcement Board and Special Magistrate. Code enforcement fines are generally reduced or cancelled if the property is brought into compliance within specified time limits. The majority of code enforcement fines due the County are comprised of non-compliant properties on which the County has placed liens or locks on the contractors licensed. Code enforcement fines are recorded as they are collected because the length of time for the majority of fines paid is generally beyond the 60-day current status specified for revenue recognition. As a result there are no code enforcement receivables recorded in the fund financial statements for September 30, 2013.

## Note 6 - Capital Assets

Changes in capital assets of governmental and business-type activities for the year ended September 30, 2013 are as follows:

<b>Governmental Activities:</b>	<b>Beginning</b>			<b>Ending</b>
<i>Amounts in Thousands</i>	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>
Land, including rights-of-way	\$ 527,012	6,018	--	533,030
Infrastructure	5,760,811	63,254	19,208	5,804,857
Construction in progress	24,598	20,613	4,406	40,805
Total non-depreciable assets	<u>6,312,421</u>	<u>89,885</u>	<u>23,614</u>	<u>6,378,692</u>
Buildings	751,389	1,742	6	753,125
Building improvements	207,456	3,918	--	211,374
Equipment	344,629	40,596	20,985	364,240
Intangibles*	11,465	12,166	3,828	19,803
Total depreciable assets	<u>1,314,939</u>	<u>58,422</u>	<u>24,819</u>	<u>1,348,542</u>
Less accumulated depreciation for:				
Buildings	(346,110)	(20,554)	(6)	(366,658)
Building improvements	(102,377)	(12,303)	--	(114,680)
Equipment	(268,199)	(35,186)	(20,292)	(283,093)
Intangibles	(2,950)	(5,220)	--	(8,170)
Total accumulated depreciation	<u>(719,636)</u>	<u>(73,263)</u>	<u>(20,298)</u>	<u>(772,601)</u>
Total capital assets, being depreciated, net	595,303	(14,841)	4,521	575,941
Total governmental capital assets, net	<u>\$ 6,907,724</u>	<u>75,044</u>	<u>28,135</u>	<u>6,954,633</u>

\*Intangible assets include easements and software.

<b>Business-type Activities</b>	<b>Beginning</b>			<b>Ending</b>
<i>Amounts in Thousands</i>	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>
Land, including rights-of-way	\$ 42,199	5	--	42,204
Construction in progress	96,357	76,569	50,987	121,939
Total non-depreciable assets	<u>138,556</u>	<u>76,574</u>	<u>50,987</u>	<u>164,143</u>
Buildings	538,570	174	--	538,744
Building improvements	1,326,854	68,023	6,155	1,388,722
Equipment	33,124	18,726	423	51,427
Intangibles*	11,068	4	--	11,072
Total depreciable assets	<u>1,909,616</u>	<u>86,927</u>	<u>6,578</u>	<u>1,989,965</u>
Less accumulated depreciation for:				
Buildings	(328,671)	(10,462)	--	(339,133)
Building improvements	(623,902)	(51,805)	(4,819)	(670,888)
Equipment	(25,520)	(2,691)	(416)	(27,795)
Intangibles	(3,067)	(401)	--	(3,468)
Total accumulated depreciation and amortization	<u>(981,160)</u>	<u>(65,359)</u>	<u>(5,235)</u>	<u>(1,041,284)</u>
Total capital assets, being depreciated, net	928,456	21,568	1,343	948,681
Total business-type capital assets, net	<u>\$ 1,067,012</u>	<u>98,142</u>	<u>52,330</u>	<u>1,112,824</u>

\*Intangible assets include easements, software, and goodwill.

During fiscal year 2013, interest costs of \$2,838,000 were capitalized to construction work-in-progress on the Statement of Net Position - Proprietary Funds and deducted from interest expense on the Statement of Activities – Proprietary Funds. The interest expense capitalized represents the net amount after deducting the bond proceeds’ investment income from the related tax-exempt debt interest cost. Total business-type interest costs incurred during fiscal year 2013 were \$13,638,000.

Depreciation and/or amortization expense was charged for fiscal year 2013 to functions of the primary government as shown below:

<i>(Amounts in Thousands)</i>	<b>Depreciation and Amortization</b>
Governmental activities:	
General government	\$ 14,787
Public safety	28,335
Physical environment	1,547
Transportation	3,951
Economic environment	3,033
Human services	10,975
Culture and recreation	3,670
Internal service funds	6,965
Total depreciation expense - governmental activities	<u>\$ 73,263</u>
Business-type activities:	
Water Resource Services	\$ 54,986
Solid Waste Resource Recovery	10,373
Total depreciation/amortization expense - business-type activities	<u>\$ 65,359</u>

Construction or capital improvement commitments outstanding as measured by purchase orders and contracts outstanding of the primary government at September 30, 2013 were as follows:

<i>(Amounts in Thousands)</i>	<b>Construction Commitments Outstanding</b>
Countywide Special Purpose Fund	\$ 4,111
Intergovernmental Grants	6,562
County Transportation Fund	9,098
Infrastructure Surtax Projects Fund	19,516
Nonmajor special revenue funds	6,133
Nonmajor capital projects funds	7,792
Water Enterprise Fund	70,678
Solid Waste Enterprise Fund	10,353
Total construction commitments outstanding	<u>\$ 134,243</u>

The Capital Improvement Program is a financial plan of proposed capital projects covering a five or six-year period. Project costs can include project development, site acquisition, design, construction, renovation, initial fixtures and equipment, and administration. Major categories of projects include fire services, government facilities, libraries, parks programs, solid waste, stormwater, transportation, and water and wastewater. The Capital Improvement Program does not identify all project costs. It

only identifies what will probably be appropriated during the period. Total capital costs will be greater. The Capital Improvement Program for fiscal years 2014 through 2019 incorporates projects with a total cost of \$583,178,000.

## Note 7 - Long-Term Liabilities

### A. Changes in Long-Term Liabilities

The following is a summary of changes in non-current liabilities for the year ended September 30, 2013, for both governmental activities and business-type activities:

<b>Governmental Activities:</b> (Amounts in Thousands)	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
General obligation bonds	\$ 70,130	--	2,085	68,045
Deferred bond refunding losses	(333)	--	(51)	(282)
Unamortized bond issue premiums	526	--	126	400
Revenue bonds	466,490	--	23,850	442,640
Deferred bond refunding losses	(7,475)	--	(820)	(6,655)
Unamortized bond issue premiums	30,890	--	3,677	27,213
Unamortized bond issue discounts	(1)	--	(1)	--
Notes Payable	98,380	22,000	11,131	109,249
Compensated absences payable*	61,019	55,491	57,319	59,191
Net OPEB obligation**	11,679	6,047	5,266	12,460
Insurance claims payable***	36,662	105,929	107,850	34,741
Other long-term liabilities (see Note 7.D.)	1,149	8,464	629	8,984
Governmental activity long-term liabilities-primary government	<u>769,116</u>	<u>197,931</u>	<u>211,061</u>	<u>755,986</u>
Component units, as previously reported	12,954			
Less restatement for GASB Statement+	<u>(12,954)</u>			
Component units, as restated	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Governmental activities long-term liabilities-reporting entity	<u>\$ 769,116</u>	<u>197,931</u>	<u>211,061</u>	<u>755,986</u>

\*Compensated absences payable are liquidated as sick and vacation leave expenditures are recorded for employees in the General Fund, Countywide Special Purpose Fund, Sales Tax Revenue Fund, Intergovernmental Grants Fund, County Transportation Fund, Infrastructure Surtax Fund, Water Enterprise Fund, Solid Waste Enterprise Fund, and various nonmajor funds with personnel expenditures.

\*\*The net OPEB obligation is liquidated as the medical claims of retirees covered by Hillsborough County are paid through the Self-Insurance Internal Service Fund.

\*\*\*At September 30, 2013, the Hillsborough County health care program for low-income residents had an "insurance claims payable, current" liability of \$5,349,000 reported for claims incurred but not reported and reported but not paid, which was shown in the Statement of Net Position and the Balance Sheet – Governmental Funds. That liability was not included in the chart above because it was a current liability.

+The Neighborhoods Dependent Districts were no longer considered component units in accordance with the implementation of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. See Note 1.A.

<b>Business-type Activities:</b> (Amounts in Thousands)	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Revenue bonds	\$ 326,790	25,160	13,460	338,490
Deferred bond refunding losses	(668)	--	(326)	(342)
Unamortized bond issue premiums	3,013	--	429	2,584
Unamortized bond issue discounts	(587)	--	(35)	(552)
Compensated absences payable	3,968	3,176	3,229	3,915
Other long-term liabilities (see Note 7.D.)	34,990	1,352	268	36,074
Business-type activity, long-term liabilities	\$ 367,506	29,688	17,025	380,169

See Note 19 Exhibit A “Schedule of Changes in Long-Term Debt” at the end of the Notes to the Financial Statements for more information on the long-term debt of governmental and business-type activities, including the current portion of long-term debt. Deferred refunding losses and unamortized bond issuance discounts are recorded as reductions of bonds payable on the Statement of Net Position. Unamortized bond issuance premiums are recorded as additions to bonds payable on the Statement of Net position.

## B. Bonds Payable

Bonds payable, including current maturities, at September 30, 2013 were as follows:

(Amounts in Thousands)	<b>Long-term Debt, Governmental</b>
<b>General Obligation Bonds:</b>	
\$18,540 August 28, 2002, General Obligation Refunding Bonds (Unincorporated Area Parks and Recreation Program), Series 2002, due in annual installments through 2025; interest cost at 4.20%. (Note 19 - Exhibit B)	\$ 11,105
Deferred bond refunding loss	(282)
Unamortized bond issue premium	101
\$11,305 December 29, 2009, General Obligation Bonds (Environmental Land Acquisition and Protection Program), Series 2009A, due in annual installments through 2019; interest cost at 3.87%. (Note 19 - Exhibit C)	8,815
Unamortized bond issue premium	299
\$48,125 December 29, 2009, General Obligation Bonds (Environmental Land Acquisition and Protection Program), Series 2009B (Federally Taxable Build America Bonds Direct Subsidy), due in annual installments through 2039; interest cost at 4.00%. (Note 19 - Exhibit D)	48,125
Net general obligation bonds, governmental activities	\$ 68,163



<b>Revenue Bonds:</b>	<b>Long-term Debt, Governmental</b>
\$90,000 August 12, 2004, Community Investment Tax Revenue Bonds, Series 2004, due in annual installments through 2025; interest cost at 4.31%. (Note 19 – Exhibit E)	\$ 7,265
Unamortized bond issuance premium	12
\$17,920 June 8, 2005, Tampa Bay Arena Refunding Revenue Bonds, Series 2005, due in annual installments through 2026; interest cost at 4.12%. (Note 19 – Exhibit F)	13,405
Deferred bond refunding loss	(237)
Unamortized bond issuance premium	126
\$38,305 August 23, 2005, Court Facilities Refunding Revenue Bonds, Series 2005, due in annual installments through 2029; interest cost at 4.28%. (Note 19 – Exhibit G)	30,645
Deferred bond refunding loss	(1,245)
Unamortized bond issuance premium	22
\$40,285 May 3, 2006, Capital Improvement Program Refunding Revenue Bonds, Series 2006, due in annual installments through 2024; interest cost at 4.16%. (Note 19 – Exhibit H)	28,080
Deferred bond refunding loss	(428)
Unamortized bond issue premium	76
\$18,270 December 6, 2006, Fourth Cent Tourist Development Tax Bonds, Series 2006, due in annual installments through 2035; interest cost at 4.14%. (Note 19 – Exhibit I)	15,665
Unamortized bond issuance premium	38
\$27,125 December 6, 2006, Fifth Cent Tourist Development Tax Bonds, Series 2006A, due in annual installments through 2035; interest cost at 4.27%. (Note 19 – Exhibit J)	25,840
Deferred bond refunding loss	(97)
Unamortized bond issuance premium	94
\$191,800 October 31, 2007, Community Investment Tax Revenue Bonds, Series 2007, due in annual installments through 2026; interest cost at 4.5%. (Note 19-Exhibit K)	152,525
Unamortized bond issuance premium	4,779
\$19,195 May 7, 2008, Capital Improvement Non-Ad Valorem Refunding Revenue Bonds (Warehouse and Sheriff's Facilities Projects), Series 2008, due in annual installments through 2028; interest cost at 4.2%. (Note 19 – Exhibit L)	15,640
Deferred bond refunding loss	(349)
Unamortized bond issuance premium	21
\$38,130 May 23, 2012, Community Investment Tax Refunding Revenue Bonds, Series 2012A, due in annual installments through 2025; interest cost at 2.42%. (Note 19 – Exhibit M)	38,130
Deferred bond refunding loss	(909)
Unamortized bond issuance premium	\$ 4,674

<b>Revenue Bonds, continued:</b>	<b>Long-term Debt, Governmental</b>
\$51,625 May 23, 2012, Community Investment Tax Refunding Revenue Bonds, Series 2012B, due in annual installments through 2025; interest cost at 2.42%. (Note 19 – Exhibit N)	\$ 51,625
Deferred bond refunding loss	(3,390)
Unamortized bond issuance premium	6,665
\$67,445 June 21, 2012, Capital Improvement Program Revenue Bonds, Series 2012, due in annual installments through 2026; interest cost at 2.16%. (Note 19 – Exhibit O)	63,820
Unamortized bond issuance premium	10,706
Net revenue bonds, governmental activities	<hr/> 463,198 <hr/>
Total of net general obligation bonds, and net revenue bonds, for governmental activities	<hr/> \$ 531,361 <hr/>

<b>Revenue Bonds:</b>	<b>Long-term Debt, Business-type</b>
\$186,105 May 17, 2001, Junior Lien Refunding Utility Revenue Bonds, Series 2001, due in annual installments through 2016; interest cost at 5.06%. (Note 19 - Exhibit P)	\$ 20,075
Deferred bond refunding loss	(342)
Unamortized bond issue premium	123
\$116,990 November 14, 2006, Solid Waste and Resource Recovery Revenue Bonds, Series 2006A, due in annual installments through 2034; interest cost at 4.81%. (Note 19 – Exhibit Q)	107,320
Unamortized bond issue premium	1,772
\$40,360 November 14, 2006, Solid Waste and Resource Recovery Revenue Bonds, Series 2006B, due in annual installments through 2030; interest cost at 4.07%. (Note 19 – Exhibit R)	38,290
Unamortized bond issue premium	279
\$18,035 November 16, 2010, Utility Recovery Revenue Bonds, Series 2010A (tax exempt), due in annual installments through 2019; interest cost at 2.05%. (Note 19 – Exhibit S)	15,680
Unamortized bond issue premium	410
\$110,265 November 16, 2010, Utility Recovery Revenue Bonds, Series 2010B (Build America Bonds, which are taxable, but provide a direct 35% interest subsidy to the local government), final maturity in 2037; interest cost at 3.43%. (Note 19 – Exhibit T)	110,265
Unamortized bond issue discount	(552)
\$21,700 November 16, 2010, Utility Recovery Revenue Bonds, Series 2010C (Recovery Zone Economic Development Bonds, which are taxable, but provide a direct 45% interest subsidy to the local government), final maturity in 2040; interest cost at 3.22%. (Note 19 – Exhibit U)	\$ 21,700

**Revenue Bonds, continued:****Long-term Debt,  
Business-type**

\$25,160 May 8, 2013, Solid Waste and Resource Recovery Bonds, Series 2013  
(Alternative Minimum Tax), final maturity in 2023; interest cost at 1.79%. (Note 19 –  
Exhibit V)

\$ 25,160

Net revenue bonds, business-type activities

\$ 340,180

Note 19, Exhibits B through V, show future debt service requirements, including sinking fund purchases for each issue. Annual debt service requirements to maturity for long-term governmental bonded debt are as follows:

**Long-Term Bonded Debt, Governmental Activities**  
*(Amounts in Thousands)*

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>			<u>Revenue Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Less Subsidy*</u>	<u>Principal</u>	<u>Interest</u>	
2014	\$ 2,145	3,736	(932)	24,420	20,104	49,473
2015	2,240	3,636	(1,004)	25,495	19,036	49,403
2016	2,315	3,568	(1,004)	26,390	17,814	49,083
2017	2,405	3,475	(1,004)	27,650	16,544	49,070
2018	2,505	3,376	(1,004)	28,930	15,217	49,024
2019-2023	14,155	15,086	(4,841)	166,860	53,579	244,839
2024-2028	11,425	11,615	(4,033)	120,720	14,608	154,335
2029-2033	12,360	8,232	(2,882)	14,995	2,903	35,608
2034-2038	15,095	4,030	(1,410)	7,180	475	25,370
2039	3,400	216	(76)	--	--	3,540
<b>Total</b>	<b>\$ 68,045</b>	<b>56,970</b>	<b>(18,190)</b>	<b>442,640</b>	<b>160,280</b>	<b>709,745</b>

\*The Build America Bonds federal subsidy for fiscal year 2014 was reduced 7.2% due to sequestration mandated by the American Taxpayer Relief Act of 2012.

Annual debt service requirements to maturity for business-type bonded debt are as follows:

**Long-term Debt, Business-type Activities**  
(Amounts in Thousands)

<b>Year Ending September 30</b>	<b>Revenue Bonds</b>			<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Less Subsidy</b>	
2014	\$ 17,345	15,830	(2,361)	30,814
2015	19,716	15,039	(2,544)	32,211
2016	9,549	14,134	(2,544)	21,139
2017	9,882	13,805	(2,544)	21,143
2018	10,265	13,416	(2,544)	21,137
2019-2023	64,608	60,534	(12,323)	112,819
2024-2028	64,910	46,266	(10,420)	100,756
2029-2033	79,325	29,171	(7,736)	100,760
2034-2038	48,195	11,133	(4,363)	54,965
2039-2040	14,695	1,309	(590)	15,414
<b>Total</b>	<b>\$ 338,490</b>	<b>220,637</b>	<b>(47,969)</b>	<b>511,158</b>

\*The Build America Bonds federal subsidy for fiscal year 2014 was reduced 7.2% due to sequestration mandated by the American Taxpayer Relief Act of 2012.

**C. Notes Payable**

On April 5, 2000, the BOCC adopted a resolution for the issuance of Capital Improvement Program Commercial Paper Notes, Series A (Non Alternative Minimum Tax), Series B (Alternative Minimum Tax), and Series C (Taxable) not to exceed \$85,000,000. Commercial paper notes were issued as part of a long-term financing program where notes are issued, rolled over as needed, and ultimately refinanced with long-term debt as favorable longer-term rates become available in the financial markets. The BOCC has currently authorized notes payable issuances of up to \$300,000,000. The commercial paper notes are issued at face values of \$100,000 or more. The notes are payable in full plus accrued interest on maturity which is not greater than 270 days from the issue date. To facilitate an efficient and effective use of available cash, the County will periodically issue new money notes and reissue maturing notes at current market interest rates to fund its cash needs. During fiscal year 2013, market interest rates ranged from 0.09% to 0.20%. The County intends to redeem a portion of outstanding notes with program revenues and to refinance the remaining notes with future long-term financing. Payment of the maturing commercial paper notes payable is secured by an irrevocable direct pay letter of credit in the amount of \$300,000,000. Interest on the notes is payable at the time each note matures.

On March 19, 2008, the BOCC approved a resolution to fund the expansion of parts of US Highway 301 from two lanes to six lanes with the issuance of 2008 Taxable Transportation Revenue Notes A, B, and C as interim financing. At September 30, 2008, only Notes A and B were issued, with liabilities of \$4,019,000 and \$5,291,000, respectively. Security for payment of maturing notes was provided by direct pay letters of credit or cash on deposit from third-party providers and by impact fee reserves and future revenues in associated transportation impact fee zones. Interest was paid semi-annually on October 1 and April 1. By September 30, 2013, these taxable notes had been fully liquidated.

At September 30, 2013, total notes payable outstanding were \$109,249,000 as shown below.

<b>Governmental activities:</b> <i>(Amounts in Thousands)</i>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Face Amount</b>
Commercial paper notes:	8-29-13	10-10-13	0.13%	\$ 2,000
	8-29-13	10-10-13	0.13	20,000
	9-5-13	10-10-13	0.13	6,406
	9-5-13	10-10-13	0.13	15,733
	9-12-13	10-24-13	0.10	28,000
	9-12-13	10-24-13	0.10	2,000
	9-19-13	10-17-13	0.10	25,110
	9-26-13	10-17-13	0.09	10,000
Total notes payable				<u>\$ 109,249</u>

On the Statement of Net Position, all notes payable are presented as current liabilities.

#### **D. Other Long-Term Liabilities**

Other long-term liabilities, including current maturities, reported in the Governmental Activities column of the Statement of Net Position at September 30, 2013 consisted of only a liability for the Voluntary Separation Incentive Program. The County had no arbitrage rebate liabilities at September 30, 2013. See Note 7.F., *Arbitrage Rebate Liability*, for information on the arbitrage rebate liability by bond issue and see Note 1.V. for more information on the Voluntary Separation Incentive Program liability. Note 11, *Transfers In and Out*, provides information on the funds that provided financial resources to individual debt service funds during fiscal year 2013.

#### **A Contingent Obligation to Return Funds to the Tampa Sports Authority**

Under the Community Investment Tax Agreement (CITA) dated July 17, 1996, the County along with other agreement participants disbursed \$12 million from Community Investment Tax revenues to the Tampa Sports Authority (TSA) for the purpose of purchasing or constructing a professional football practice facility for the Tampa Bay Buccaneers. Approximately sixteen years later, on June 28, 2012, the BOCC voted to have its proportional share of the unexpended practice facility money returned to the County.

In accordance with Interlocal Agreement Number 12-1252 dated October 1, 2012, between the County and the TSA, the County received \$8.4 million from the TSA on February 28, 2013. Under this agreement, an affirmative vote of two-thirds of the TSA Board is needed to request the return of the \$8.4 million paid to the County at any time. This contingent obligation shall remain in effect until the TSA advises the County in writing that the obligation to return the \$8.4 million is satisfied or this agreement is terminated. This amount is recorded as other long-term debt on the Statement of Net Position.

Other long-term liabilities, including current maturities, for the Enterprise Funds at September 30, 2013, were as follows:

<i>(Amounts in Thousands)</i>	<b>Other Long-Term Liabilities Business-Type</b>
Open landfill closure and postclosure costs	\$ 31,359
Closed landfill remediation/monitoring	4,674
Voluntary Separation Incentive Program liability	41
Total other long term liabilities, business-type activities	<u>\$ 36,074</u>

The other long-term liabilities for governmental and business-type activities shown above will be liquidated as presented on the following chart:

<i>(Amounts in Thousands)</i>	<b>Other Long-Term Liabilities</b>	
	<b>Governmental Amount</b>	<b>Business-Type Amount</b>
<b>Year Ending Sept. 30</b>		
2014	\$ 520	259
2015	8,464	218
2016	--	218
2017	--	218
2018	--	218
2019-2023	--	1,090
2024-2028	--	1,090
2029-2033	--	1,065
2034-2038	--	339
2039-2043	--	--
2044-2048	--	16,320
2049-2053	--	5,075
2054-2058	--	5,075
2059-2063	--	3,390
2064-2068	--	--
2069-2073	--	1,499
Total principal	<u>\$ 8,984</u>	<u>36,074</u>

There is no interest on the other long-term liabilities in the governmental and business-type activities.

### **E. Arbitrage Rebate Liability**

Certain long-term debt obligations of the County are subject to Section 148 of the Internal Revenue Code which requires that interest earned on proceeds from tax-exempt debt be rebated to the federal government to the extent that those earnings exceed the interest cost on the related tax-exempt debt. The County had no arbitrage rebate liability at September 30, 2013.

## F. Debt Compliance

Various bond indentures or resolutions contain covenants which specify certain limitations and restrictions for the County regarding annual debt service requirements, the use of certain restricted accounts, minimum sinking fund balances, and minimum revenue bond coverage. Management believes that the County has complied with these covenants.

## G. Defeased Debt

Defeased debt is unredeemed debt that is not reported on the financial statements because the cash and investments necessary for repayment have been irrevocably placed with an independent escrow agent, who will make debt service payments until the call date. Once defeased debt is called, it is no longer considered defeased because the liability for the bonds has been totally extinguished. The principal balances on bond issues defeased at September 30, 2013, are listed on the following page:

	<i>(Amounts in Thousands)</i>
Governmental activities:	
2003 Junior Lien Capital Improvement Program Refunding Revenue Bonds	\$ 27,225
2004 Community Investment Tax (CIT) Revenue Bonds	54,630
2006 Capital Improvement Non-Ad Valorem Revenue Bonds	37,425

## H. Non-Commitment Special Assessment Debt

On December 8, 2000, the County issued \$4.9 million in Reclaimed Water Special Assessment Revenue Bonds, Series 2000 and \$29.6 million in Capacity Assessment Special Assessment Revenue Bonds, Series 2000. These bonds have interest rates that vary from 4.30% to 5.00%, respectively, with interest and principal payable semiannually. Payment of debt service is secured and payable solely from capacity assessment unit and reclaimed water improvement unit special assessment revenues. These obligations were not recorded by the County since the County is not obligated in any manner for the repayment of these debt obligations. At September 30, 2013, the unpaid principal balances of the Capacity Assessment Unit and the Reclaimed Water Improvement Unit bonds were \$11,845,000, and \$1,485,000, respectively.

On May 3, 2006, the County issued \$101.1 million in Capacity Assessment Special Assessment Revenue Bonds, Series 2006. These bonds have interest rates from 3.55% to 5.00% with interest payable semiannually and principal payable annually. The County irrevocably pledged its long-term capacity assessment accounts receivable and related annual special assessment collections of approximately \$10 million to secure repayment of the bonds. In exchange, the Water Enterprise Fund received net proceeds of \$93.8 million for capital expansion. These obligations were not recorded by the County since the County is not obligated in any manner for the repayment of these debt obligations. On September 30, 2013, the outstanding balance on the Capacity Assessment Special Assessment Revenue Bonds, Series 2006, was \$68,930,000.

## **I. Non-Commitment Conduit Debt Obligations**

The County follows GASB Interpretation No. 2, *Disclosure of Conduit Debt Obligations, an Interpretation of NCGA Statement 1*. Conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the purpose of providing capital financing for a specific third party that is not a part of the County's financial reporting entity. Although conduit debt obligations bear the name of a "related organization" of the County, neither the County nor the Housing Finance Authority has an obligation for such debt.

The BOCC created the Housing Finance Authority of Hillsborough County (HFA) in fiscal year 1986 for the purpose of alleviating a shortage of affordable residential housing facilities for persons and families of low and moderate income within Hillsborough County. At September 30, 2013, the HFA had \$9,135,000 of Single Family Mortgage Revenue and Refunding Bonds outstanding as well as \$168,504,000 of Multi-Family Housing Revenue and Refunding Bonds outstanding consisting of 21 separate bond issues. Both of these types of bonds are payable solely from revenues, receipts, and resources of the HFA pledged under related trust indentures. The HFA, the County, the State, or any political subdivisions of the State, are not obligated in any manner for the repayment of these notes or bonds. However, the HFA routinely makes financial contributions to the single family bond programs and receives fees and other income from the single family bond programs. In addition any residual funds remaining in any single family bond program after the bonds are retired are released to the HFA. As a result of the HFA's financial relationship to the single family bond issues, all transactions related to the Single Family bond programs are included in the financial statements of the HFA, which is disclosed as a related organization of the County. The HFA's Multi-Family Housing Revenue and Refunding Bonds are not considered obligations of the County, so they are not reported as liabilities in the accompanying financial statements.

## **J. Non-Commitment Debt Service Contributions**

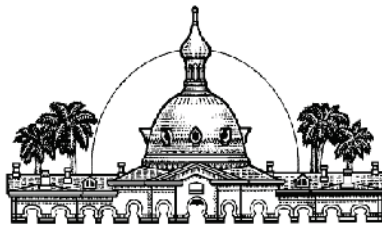
The Tampa Sports Authority (TSA), an independent special district, issued the following revenue bonds to finance the construction of a community stadium:

- \$148,945,000 Local Option Sales Tax Revenue Bonds, Series 1997. These bonds were issued for stadium construction and are secured by a share of the half percent Community Investment Tax approved by voter referendum. In the referendum that initiated the Community Investment Tax, a half percent sales tax was to be levied pursuant to Section 212.055, Florida Statutes, with the requirement that specified amounts would be spent for infrastructure related projects of the Hillsborough County School District, the TSA's stadium, and infrastructure in the three cities located within the County as well as in the unincorporated areas of the County. To help the TSA with the issuance of its revenue bonds, the County entered into an interlocal agreement with the TSA to confirm the County's commitment to provide a certain amount of the Community Investment Tax to the TSA as legally established by the voters' approval of the Community Investment Tax. On November 16, 2005, the TSA issued \$114,865,000 in Refunding Revenue Bonds, Series 2005, to refund all outstanding series 1997 bonds.



- \$30,010,000 Florida Sales Tax Revenue Bonds, Series 1997. These bonds were issued for stadium construction and are secured by the state of Florida’s commitment to provide sales tax revenues of \$2 million per year for 30 years for the construction of facilities for a professional sports franchise pursuant to Sections 288.1162 and 212.20(6)(g)5a, Florida Statutes. On November 16, 2005, the TSA issued \$27,015,000 in Florida Sales Tax Payment Refunding Revenue Bonds, Series 2005, to refund all outstanding series 1997 bonds.

The trust indentures for each of these bonds state that these bonds “shall not constitute a debt, liability, general or moral obligation or a pledge of the faith or loan of credit of the County, the City, the State or any political subdivision of the State.” The revenue bonds payable liabilities are recorded in the financial records of the TSA. The trust indentures for each of these bonds states that the bonds “are limited obligations payable solely and only from the pledged revenues.” If pledged tax revenues are insufficient, the County has no obligation to provide additional funding to the TSA for debt service. For these reasons, neither the bonds issued by the TSA nor the pledged revenues are recorded as liabilities of the County.



## K. Pledged Revenues for Debt Service

The following chart shows information on revenues pledged or used for debt service.

### Percentage of Pledged Revenues Used for Debt Service -- Governmental Revenue Bonds

Revenue Bonds for Governmental Activities (a) <i>Amounts in Thousands</i>	Revenues Pledged Used for Fiscal Year 2013 Debt Service Payments					Debt Service Payments Until Final Bond Maturity
	CIT (b)	Fourth Cent TDT(c)	Fifth Cent TDT (c)	Court Revenues (d)	Non-Ad Valorem (e)	
2001A Community Investment Tax (CIT) Revenue Bonds, for jail.....	\$ 1,990	--	--	--	--	\$ --
2001B Community Investment Tax Revenue Bonds, for stormwater projects	561	--	--	--	--	--
2004 Community Investment Tax Revenue Bonds, infrastructure.....	3,781	--	--	--	--	7,610
2005 Tampa Bay Arena Refunding Revenue Bonds, for arena (f).....	--	--	1,308	--	--	18,215
2005 Court Facilities Refunding Revenue Bonds, for court facilities.....	--	--	--	2,531	--	43,047
2006 Capital Improvement Program Refunding Revenue Bonds, for facilities	--	--	--	--	3,248	35,677
2006 Fourth Cent Tourist Development Tax Bonds, for facilities.....	--	1,151	--	--	--	23,516
2006A Fifth Cent Tourist Development Tax Bonds, for facilities.....	--	--	1,777	--	--	40,574
2007 Community Investment Tax Revenue Bonds, for facilities.....	16,235	--	--	--	--	205,318
2008 Capital Improvement Non-Ad Valorem Refunding Revenue Bonds, for warehouse and Sheriff facilities.....	--	--	--	--	1,439	21,578
2012A Community Investment Tax Refunding Revenue Bonds for jail and stormwater.....	1,653	--	--	--	--	49,787
2012B Community Investment Tax Refunding Revenue Bonds for infrastructure.....	2,208	--	--	--	--	69,471
2012 Capital Improvement Program Revenue Bonds for facilities.....	--	--	--	--	6,776	<u>88,126</u>
Total debt service on bonds.....						\$ 602,919
Total pledged revenues available for fiscal year 2013 debt service.....	<u>\$26,428</u>	<u>1,155</u>	<u>3,085</u>	<u>2,531</u>	<u>11,463</u>	44,662
Total pledged revenues available for fiscal year 2013 debt service (g).....	\$47,964	4,239	4,239	2,826	94,750	154,018
FY 2013 pledged revenues used as a percentage of revenues available.....	55.1%	27.2%	72.8%	89.6%	12.1%	29.0%

(a) See Note 7. B. for maturity dates and other information on these revenue bonds.

(b) A discretionary sales surtax known as the Community Investment Tax (CIT).

(c) A local option tourist development tax (TDT).

(d) Court revenues consist of noncriminal traffic infraction revenues.

(e) Non-Ad Valorem revenues consist primarily of \$84,497,000 from the Half Cent Sales Tax, \$6,752,000 from Guaranteed Entitlement Revenues, \$2,211,000 from Local Business Taxes, \$392,000 from mobile home license fees, \$416,000 from

alcoholic beverage licenses, \$211,000 from the annual license payment for George M. Steinbrenner Field baseball stadium by the New York Yankees, and \$269,000 from arena special events fees from the Tampa Bay Lightning.

- (f) Although non-ad valorem revenues were pledged for debt service on the 2005 Tampa Bay Arena Refunding Revenue Bonds, the Fifth Cent Tourist Development Tax was used exclusively for fiscal year 2013 debt service on these bonds.
- (g) Although specific revenues are pledged for specific revenue bonds for governmental activities shown on the chart above, non-ad valorem revenues are also available for debt service on these revenue bonds if specific revenues are insufficient.

## **Note 8 - Defined Benefit and Defined Contribution Pension Plan**

*Plan Description.* With a few exceptions, all full-time and part-time employees working for the County in regularly established positions are members of the Florida Retirement System (FRS), a multiple-employer cost-sharing public retirement system administered by the state of Florida. The FRS offers members both a defined benefit plan (Pension Plan) and/or a defined contribution plan (Investment Plan) to provide retirement, disability, and death benefits for active members, retirees, surviving beneficiaries, and Deferred Retirement Option Program (DROP) participants.

DROP is a program that provides for payment of retirement benefits for FRS members for up to five years. Under this program, an employee may retire and have his benefits accumulate in the FRS Trust Fund, earning interest, while continuing to work for a system employer. When the DROP period ends, employment terminates, the employee receives payment of the accumulated DROP benefits, and monthly Pension Plan and/or Investment Plan retirement benefits begin.

Benefits are established by Chapter 121, Florida Statutes, and Chapter 22B, Florida Administrative Code. Effective July 1, 2011, the Florida Legislature passed Senate Bill 2100 making changes to the FRS. Benefits are computed on the basis of age, average final compensation, and service credit.

Plan members hired prior to July 1, 2011 at age 62 with 6 years of credited service or 30 years of service regardless of age are entitled to an annual retirement benefit payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Average final compensation is the average of the employee's five highest fiscal years of salary earned during credited service. Vested employees with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special risk class employees such as sworn law enforcement officers, firefighters, and correctional officers who retire at or after age 55 with 6 years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life.

Plan members hired after June 30, 2011 at age 65 with 8 years of credited service or 33 years of service regardless of age are entitled to annual retirement benefits payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Average final compensation will be the average of the employee's eight highest fiscal years earned during credited service. Vested employees with less than 33 years of service may retire before age 65 and receive reduced retirement benefits. Special risk class employees such as sworn law enforcement officers, firefighters, and correctional officers who retire at or after age 60 with 8 years of credited service, or with 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life.

There is no Pension Plan Cost of Living Adjustment (COLA) on FRS service earned on or after July 1, 2011. A reduced COLA is calculated if a member's retirement or DROP participation date is effective on or after August 1, 2011. The reduced COLA will be calculated by taking the total years of service earned prior to July 1, 2011 and dividing it by the total years of service at retirement, then multiplying it by 3%.

The state of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the state of Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000. That report may also be viewed on the Florida Retirement System's web site located at: [www.dms.myflorida.com/workforce\\_operations/retirement/publications/annual\\_reports](http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

*Funded Status.* The FRS Annual Report July 1, 2012 – June 30, 2013 available as mentioned above, stated that the FRS pension plan was 85.44% funded at July 1, 2013 since the actuarial value of assets was \$131.68 billion compared to the actuarial accrued liability entry age of \$154.13 billion.

*Funding Progress.* Since July 1, 2011 all plan members, except those in DROP, make a 3% employee contribution on a pretax basis. Governmental employers are required to make contributions to the FRS based on actuarially determined statewide contribution rates. The FRS establishes contribution rates annually. The contribution rates by job class at September 30, 2013 were as follows for both the defined benefit and defined contribution pension plans: regular 6.95%; special risk (e.g. law enforcement personnel) 19.06%; special risk administrative support 35.96%; county elected officials 33.03%; senior management 18.31%, and DROP 12.84%. During the fiscal year ended September 30, 2013, the County contributed to the plan an amount equal to 9.87% of total covered payroll. The County contributions to the FRS for the fiscal years ended September 30, 2011 through 2013 were \$68,529,000, \$42,016,000, and \$49,935,000, respectively, which were equal to the required actuarially determined contributions for each fiscal year. The component units' contributions to the plan, which were included in the County reporting entity figures above, were \$205,000 or 7.04% of total covered payroll. The County's FRS covered payroll of \$505,993,000 represents approximately 2.1% of statewide FRS covered payroll of \$24.491 billion.

*Actuarial Methods and Assumptions.* In the July 1, 2012 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included (a) a 7.75% investment rate of return and (b) projected salary increases of 5.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postemployment benefit increases. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility over a five-year smoothing period.

The County's pension expenditures/expenses and associated pension liabilities payables which are included in accrued liabilities at year-end, are reported in compliance with GASB Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/ Expenses and Liabilities by Cost-Sharing Employers*. This technical bulletin requires recognition of pension expenditures/expenses in the period in which payments relate even if the payments are not due until the next fiscal period.

## Note 9 - Other Postemployment Benefits (OPEB)

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 post-employment benefits over the active service lives of its 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 earn the future benefits over their working careers.

*OPEB Plan Description.* The County provides the following health-related benefits to retirees and certain former employees: (a) The County is required by Florida Statute 112.0801 to allow retirees and certain 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 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. This OPEB plan is a single-employer plan and does not issue a stand-alone financial report. The plan’s 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 \$79.965 million at September 30, 2013. The County’s annual OPEB cost, which is defined as annual OPEB expenses on an accrual basis, was \$6.047 million at September 30, 2013. 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 2013 was \$5.969 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. The inter-relationships between the ARC, annual OPEB cost, and net OPEB obligation are presented below:

	<u>Fiscal Year 2013</u>
Annual required contribution (ARC)	\$ 5,969,000
Interest on the Net OPEB obligation for fiscal year	523,000
Less amortization of Net OPEB obligation for fiscal yr.	<u>(445,000)</u>
Annual OPEB Cost for fiscal year	6,047,000
Net OPEB Obligation, beginning of year	11,679,000
Less contributions (claims paid etc.) for fiscal year	<u>(5,266,000)</u>
Net OPEB obligation, end of fiscal year	<u>\$ 12,460,000</u>

The County's net OPEB obligation at September 30, 2013 was \$12.460 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).

<b>Fiscal Year</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2011	5,973,000	70 %	\$ 8,921,000
2012	6,269,000	56 %	11,679,000
2013	6,047,000	87 %	12,460,000

*Funding Policy, Status and Progress.* In order for OPEB obligations to be considered funded under GASB Statement No. 45 an irrevocable trust fund must be used. 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 Service 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 in the Self-Insurance Internal Service Fund. Even though money set aside exceeded the net OPEB obligation, the County is not considered to have funded any of the obligation since an irrevocable trust fund was not used. It is the County's intent to continue setting aside an amount equivalent to the annual OPEB cost in future years. The County, however, has no legal or contractual obligation to do so. The status of the plan as of September 30, 2013, was as follows:

Actuarial valuation date	September 30, 2013
Actuarial value of plan assets	\$ -- *
Actuarial accrued liability (AAL)	79,965,000
Unfunded actuarial accrued liability (UAAL)	79,965,000
Actuarial value of plan assets/AAL (funded ratio)	0 % *
Covered payroll (active plan members)	507,657,000
UAAL as a percentage of covered payroll	15.8 % *

\* Although \$14.891 million were set aside in the Self-Insurance Internal Service Fund to more than offset the County's net OPEB obligation of \$12.460 million at September 30, 2013, the amount considered to be funded was zero since an irrevocable trust fund was not 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multi-year trend information on whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*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, 2013 actuarial valuation. Other actuarial assumptions included a 4.5% investment rate of return, a 4.5% discount rate, a 2.5% inflation rate, an initial annual healthcare cost trend rate of approximately 9.0% (approximately 8.0% post-Medicare) grading down about 1% each year to an ultimate rate of 5.0%. In the September 30, 2011 actuarial report, the approximate average age of employees was reported to be 47, with 13 years of service completed and 12 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, 2013. 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, 2013, was 30 years.

**Note 10 - Interfund Receivable and Payable Balances**

Interfund receivable and payable balances at September 30, 2013 are shown on the following pages.

<u>Interfund Receivable Fund</u>	<u>Interfund Payable Fund</u>	<u>Amounts in Thousands</u>
<b>Major Governmental Funds:</b>		
General (BOCC)	General (Sheriff*)	\$ 32,082
	General (Tax Collector*)	15,453
	General (Property Appraiser*)	114
	General (Clerk of Circuit Court*)	4,913
	Intergovernmental Grants	2,931
	Emergency Operations Center Capital Projects	42
	2012 Capital Improvement Program Revenue Bonds	34
		<u>55,569</u>
General (Sheriff)	General (BOCC)	236
	Solid Waste Enterprise	173
		<u>409</u>
General (Supervisor of Elections)	General (BOCC) +	\$ 533

<b>Interfund Receivable Fund</b>	<b>Interfund Payable Fund</b>	<b>Amounts in Thousands</b>
General (Tax Collector)	General (BOCC)	\$ 11
General (Clerk of Circuit Court)	General (BOCC)	58
	Countywide Special Purpose	4
	County Transportation	2
	Intergovernmental Grants	3
	Unincorporated Area Special Purpose	5
	Solid Enterprise	9
	Water Enterprise	72
		<u>153</u>
	Total General Fund	<u>56,675</u>
Countywide Special Purpose	General (Clerk of Circuit Court*)	619
	General (Sheriff*)	430
	General (Tax Collector*)	17
		<u>1,066</u>
Sales Tax Revenue	General (Tax Collector*)	<u>1,446</u>
County Transportation	General (Tax Collector*)	<u>109</u>
Infrastructure Surtax Projects	Sales Tax Revenue**	<u>4,741</u>
<b>Nonmajor Special Revenue Funds:</b>		
Unincorporated Area Special Purpose	General (Tax Collector*)	87
Library	General (Tax Collector*)	624
	General (Property Appraiser*)	3
		<u>627</u>
Sheriff Special Use	Countywide Special Purpose	<u>175</u>
Supervisor of Elections Grants	General (BOCC)	<u>209</u>
<b>Nonmajor Debt Service Funds:</b>		
2009 Environmentally Sensitive Lands Debt Service	General (Tax Collector*)	<u>73</u>
2002 Parks and Recreation Debt Service	General (Tax Collector*)	<u>21</u>
Total Nonmajor Funds		\$ 1,192



<u>Interfund Receivable Fund</u>	<u>Interfund Payable Fund</u>	<u>Amounts in Thousands</u>
<b>Internal Service Funds:</b>		
Self-Insurance Internal Service	Sheriff Risk Management*	\$ 3,825
<b>Major Enterprise Funds:</b>		
Water Enterprise	General (Tax Collector*)	122
Solid Waste Enterprise	General (Tax Collector*)	831
Total interfund payable and receivable balances		\$ 70,077

\* These balances represent residual and/or excess fees payable by Constitutional Officers to the Board of County Commissioners at year-end in accordance with Florida Statutes.

\*\* This balance represents the Community Investment Tax receipts payable by the Sales Tax Revenue Fund (where funds are received) to the Infrastructure Surtax Projects Fund (where such funds are spent).

+ This interfund receivable and payable was recorded in exchange for the BOCC holding the Supervisor of Elections cash, cash equivalents, and investments balances.

## Note 11 - Transfers In and Out

Interfund transfers in and out during fiscal year 2013 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amounts in Thousands</u>
<b>Major Governmental Funds:</b>		
General (BOCC)	General (Sheriff*)	\$ 31,815
	General (Tax Collector*)	7,763
	General (Property Appraiser*)	114
	General (Supervisor of Elections*)	348
	General (Clerk of Circuit Court*)	4,519
	Countywide Special Purpose	12,859
	Sales Tax Revenue	73,293
	Intergovernmental Grants	892
	Unincorporated Area Special Purpose	20,255
	Countywide Capital Projects	9,414
	Environmentally Sensitive Lands	
	Acquisition Capital Projects	1,486
	Fleet Management Internal Service	4,832
	Self-Insurance Internal Service	11,558
		\$ 179,148

<b>Transfers In</b>	<b>Transfers Out</b>	<b>Amounts in Thousands</b>
General (Sheriff)	General (BOCC)	\$ 374,769
	Infrastructure Surtax Projects	2,700
	Solid Waste Enterprise	527
		<u>377,996</u>
General (Tax Collector)	General (BOCC)++	19,293
	Unincorporated Area Special Purpose++	119
	Sales Tax Revenue++	159
	County Transportation++	152
	Library++	620
	Parks and Recreation Debt Service++	29
	Environmentally Sensitive Lands Acquisition Debt Service++	80
		<u>20,452</u>
General (Property Appraiser)	General (BOCC)++	9,676
	Library++	270
	Environmentally Sensitive Lands Acquisition Debt Service++	31
	Parks and Recreation Debt Service++	8
		<u>9,985</u>
General (Supervisor of Elections)	General (BOCC)	<u>7,864</u>
General (Clerk of Circuit Court)	General (BOCC)	<u>19,734</u>
	Total General Fund	<u>615,179</u>
Countywide Special Purpose	General (BOCC)	12,673
	Sales Tax Revenue	500
	Sheriff Special Use*	1,338
	Fleet Management Internal Service	9
	Self-Insurance Internal Service	203
		<u>14,723</u>
Sales Tax Revenue	Self-Insurance Internal Service	<u>1</u>
Intergovernmental Grants	General (BOCC)	4,453
	County Transportation	400
	Infrastructure Surtax Projects	484
	Unincorporated Area Special Purpose	7,447
	Library	200
	Fleet Management Internal Service	2
	Unincorporated Area Capital Projects	21
	Environmentally Sensitive Lands Capital Project	81
		<u>\$ 13,007</u>

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amounts in Thousands</u>
County Transportation	General (BOCC)	\$ 2,908
	General (Tax Collector*)	39
	Infrastructure Surtax Projects	728
	Self-Insurance Internal Service	1,377
		<u>5,052</u>
Infrastructure Surtax Projects	General (Sheriff*)	43
	Sales Tax Revenue+	47,964
		<u>48,007</u>
<b>Nonmajor Special Revenue Funds:</b>		
Unincorporated Special Purpose	General (BOCC)	1,618
	General (Tax Collector*)	30
	Countywide Special Purpose	111
	County Transportation	36
	Fleet Management Internal Service	93
	Self-Insurance Internal Service	505
		<u>2,393</u>
Library	Self-Insurance Internal Service	137
	General (Tax Collector*)	160
	General (Property Appraiser*)	3
		<u>300</u>
Civil Service Board	General (BOCC)	2,524
	Self-Insurance Internal Service	17
		<u>2,541</u>
Sheriff Special Use	Countywide Special Purpose	<u>2,935</u>
<b>Nonmajor Debt Service Funds:</b>		
2001 Community Investment Tax	Infrastructure Surtax Project	<u>1,259</u>
Parks and Recreation Debt Service	General (BOCC)	374
	General (Tax Collector*)	7
		<u>381</u>
2004 Community Investment Tax	Infrastructure Surtax Project	<u>3,849</u>
2005 Court Facilities Improvement	Countywide Special Purpose	<u>2,597</u>
2005 TSA Revenue Bonds	Sales Tax Revenue	<u>1,074</u>
2006 Capital Improvement Program	Countywide Special Purpose	1,077
Refunding Revenue	Sales Tax Revenue	1,937
		<u>\$ 3,014</u>

<b>Transfers In</b>	<b>Transfers Out</b>	<b>Amounts in Thousands</b>
4 <sup>th</sup> Cent Tourist Development Tax	Sales Tax Revenue	\$ 1,182
5 <sup>th</sup> Cent Tourist Development Tax	Sales Tax Revenue	1,789
2007 Community Investment Tax	Infrastructure Surtax Project	16,321
2008 Capital Improvement Non-Ad Valorem Revenue	Sales Tax Revenue	1,364
US 301 Taxable Notes	County Transportation	5,195
Environmentally Sensitive Lands Acquisition	General (BOCC)	41
	General (Tax Collector*)	21
	Environmentally Sensitive Lands Capital Project	1,004
		1,066
2012 Community Investment Tax Refunding Bonds	Infrastructure Surtax Project	3,858
2012 Capital Improvement Program Revenue Bonds	Infrastructure Surtax Project	6,741
Commercial Paper Program	Countywide Special Purpose Sales Tax Revenue	1,281 1,114
		2,395
<b>Nonmajor Capital Project Funds:</b>		
Countywide Capital Projects	General (BOCC)	2,678
	Countywide Special Purpose	7,597
		10,275
Unincorporated Capital Projects	Unincorporated Area Special Purpose	13,245
	Sales Tax Revenue	7,432
		20,677
	Total Nonmajor Funds	91,206
<b>Major Enterprise Funds:</b>		
Water Enterprise	Unincorporated Area Special Purpose	\$ 121

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amounts in Thousands</u>
<b>Internal Service Funds:</b>		
Self-Insurance Internal Service	Sheriff Risk Management*	\$ 1,758
Fleet Management Internal Service	Self-Insurance Internal Service	185
	Total Internal Service Funds	1,943
Total interfund transfers in and out		\$ 789,239

\* These amounts represent residual and/or excess fees paid by Constitutional Officers to the Board of County Commissioners during fiscal year 2013.

\*\* These amounts represent transfers of Local Government Half-Cent Sales Tax revenues or other revenues from the Sales Tax Revenue Fund to the General Fund for general governmental purposes.

+ This amount represents transfers of Community Investment Tax revenues to the Infrastructure Surtax Projects Fund.

+ + These amounts represent statutory commissions paid to the Tax Collector for collecting taxes and the Property Appraiser for valuing property.

During the fiscal year ended September 30, 2013, significant transactions between the Hillsborough County, Florida primary government and the discretely presented component units were as follows: the Hillsborough County City-County Planning Commission discretely presented component unit received \$3,249,000 from the General Fund and \$43,000 from the Self-Insurance Internal Service Fund; and the Law Library received \$2,000 from the Self-Insurance Internal Service Fund. These amounts are classified as Operating Grants and Contributions in the discretely presented component units and as general government expenditures in the primary government's Statement of Activities.

## **Note 12 - Restricted Net Position**

The County follows GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation, an amendment of GASB Statement No. 34*. This Statement clarified the meaning of restricted net assets (now using the term "net position") and expanded the presentation of net position in the Statement of Net Position. Under this Statement, restricted net position is either: (a) restricted externally, having constraints imposed externally by creditors, such as for debt service or through debt covenant, by grantors, or by law; or (b) restricted by enabling legislation, such as legislation authorizing capital projects, grants and other restricted purposes. The restricted net position shown on the government-wide Statement of Net Position is categorized on the following page:

**Restricted Net Position**

September 30, 2013

<i>(Amounts in Thousands)</i>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
Restricted for:			
Renewal and replacement	\$ --	70,844	70,844
Debt service	33,278	19,140	52,418
Grants and similar projects	6,474	--	6,474
Statute/ordinance enabled projects	296,130	--	296,130
Capital projects	83,957	--	83,957
Other purposes	7,739	--	7,739
Total restricted net position	<u>\$ 427,578</u>	<u>89,984</u>	<u>517,562</u>

The County uses restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts prohibiting this, such as grant agreements requiring dollar for dollar spending of restricted and unrestricted amounts.

**Note 13 - Governmental Fund Balances**

The County follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

*Non-spendable* fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. At the County, inventories and prepaid items fall in this category.

Spendable fund balances are classified based on a hierarchy of the County's ability to control the spending of these fund balances.

*Restricted* fund balances are fund balances constrained for specific purposes which are externally imposed by either creditors, grantors, contributors, or laws or regulations, or imposed by law through constitutional provisions or enabling legislation. Examples include debt service, grant programs and projects, federal and state law, impact fees, Hillsborough Healthcare, and other purposes.

*Committed* fund balances are fund balances constrained for specific purposes imposed by the government's own governing bodies, which consist of the Board of County Commissioners and the five Constitutional Officers. Committed fund balances are formally established, modified, or rescinded by County ordinances enacted by the Board of County Commissioners.

*Assigned* fund balances are fund balances intended to be used for specific purposes, but are neither restricted nor committed. The BOCC has not delegated its authority to other parties. However, when the BOCC adopts resolutions, associated fund balances are shown as assigned because resolutions are at a level of authority lower than County Ordinances. The County had assigned fund balances because the BOCC adopted resolutions for capital project budgets, major maintenance or repair project budgets, and other purposes.

*Unassigned* fund balance is the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The fund balance categories of the governmental funds are shown on the face of the Balance Sheet - Governmental Funds in the Fund Financial Statements and are summarized as follows:

**Governmental Fund Balances by Category**  
September 30, 2013

<i>(Amounts in Thousands)</i>	<b>Total Governmental Funds</b>
Nonspendable	\$ 6,985
Spendable:	
Restricted	405,158
Committed	45,276
Assigned	205,360
Unassigned	265,649
Total fund balances	\$ 928,428

The County uses restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts prohibiting this, such as grant agreements requiring dollar for dollar spending. In addition, the County uses committed prior to assigned fund balances and assigned fund balances prior to unassigned fund balances.

**Note 14 - Accounting and Financial Reporting for Risk Financing and Related Insurance Issues**

The County engages in self-insurance in the form of internal service funds maintained by both the BOCC and Sheriff. The self-insurance funds of both the BOCC and Sheriff encompass two major sections--*risk management* and *employee group health insurance*. This note provides the disclosures required by GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

## **Risk Management**

The County is exposed to various risks of loss related to injuries to employees; torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters. As permitted by Florida law, the County is substantially self-insured for workers' compensation claims. The BOCC is self-insured for workers' compensation claims up to a maximum of \$500,000 per occurrence with unlimited excess coverage above the self-insurance cap. The BOCC has authorized a commercial third-party administrator to administer the County's automobile, general liability, and workers' compensation claims payments. The Sheriff is self-insured for workers' compensation claims up to a maximum of \$500,000 per occurrence with unlimited excess coverage above the self-insurance cap.

The County is also self-insured against automotive and general liability claims with limited liability per Section 768.28, Florida Statutes, of \$200,000 per person and \$300,000 per occurrence. Negligence claims in excess of the statutory limits can only be recovered through federal lawsuits or acts of the Florida Legislature. While a majority of the County's automotive and general liability exposures are self-insured, the County has commercial insurance contracts to cover the risk of claims determined by the Florida Legislature or federal courts. Commercial insurance for excess automotive and general liability claims above the limits set by Section 768.28, Florida Statutes, has a limit of \$2,000,000 per occurrence with a general aggregate limit of \$5,000,000. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

With the exception of the Sheriff, all County funds including the BOCC and Constitutional Officers participate in the risk management portion of the Self-Insurance Fund. The Sheriff has a separate self-insurance fund for risk management and is not a participant in the BOCC workers' compensation and automotive and general liability programs. The Arts Council of Hillsborough County also participates in the BOCC workers' compensation program. The County, however, is the predominant participant in the Self-Insurance Fund.

Payments to the risk management portion of the self-insurance fund are assessed based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a "reserve" (i.e. net position or equity) for catastrophic losses. That reserve was \$92,039,000 at September 30, 2013. If reserves for workers' compensation and automotive and general liability are included, the total reserve for risk management was \$128,077,000 at September 30, 2013. See the chart of net position at the end of this note for a description of the unrestricted net position of the Self-Insurance Fund by category.

The claims liability reported in the BOCC self-insurance fund at September 30, 2013, for risk management was \$15,305,000. The claims liability reported in the Sheriff Self-Insurance Fund at September 30, 2013, for risk management discounted at a rate of 2%, was \$10,039,000. The Sheriff's undiscounted claims liability was \$10,689,000 at September 30, 2013. The BOCC claims liability was presented undiscounted. These amounts are actuarially determined based on the requirements of GASB Statement No. 10, which specifies that a liability for claims should be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Claims are reevaluated periodically to consider effects of inflation, recent settlement trends, incremental and other claim adjustment expenses regardless of whether allocated to specific claims. The liability is shown net of estimated salvage and subrogation recoveries on unsettled claims. During fiscal years



2012 and 2013, changes recorded to the claims liability for BOCC risk management were as follows:

<u>Fiscal Year</u>	<u>Claims Liability, Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Liability, End of Fiscal Year</u>
2012	\$ 19,931,000	5,820,000	(8,258,000)	17,493,000
2013	17,493,000	6,578,000	(8,766,000)	15,305,000

During fiscal years 2012 and 2013, changes recorded to the claims liability for Sheriff risk management were as follows:

<u>Fiscal Year</u>	<u>Claims Liability, Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Liability, End of Fiscal Year</u>
2012	\$ 10,866,000	1,297,000	(3,516,000)	8,647,000
2013	8,647,000	6,487,000	(5,095,000)	10,039,000

### Employee Group Health Insurance

The County provides group health insurance for its employees and their eligible dependents. The County purchased insurance for this risk through September 30, 1993. On October 1, 1993, the County established an employee group health self-insurance plan to account for and finance its uninsured risks of loss. The County entered into an administrative services agreement with a commercial insurance carrier to provide administrative support for this self-insurance plan. The County is self-insured for up to \$500,000 per person annually. Stop-loss insurance was purchased to cover an unlimited lifetime amount per person above the \$500,000 per person deductible.

All County employees may participate in the County's employee group health insurance program except for those of the Tax Collector and Sheriff. Employees of the Children's Board, Tampa Port Authority, Tampa Sports Authority, Tampa-Hillsborough County Expressway Authority, and Arts Council may also participate in the County's employee group health insurance program. The County, however, is the predominant participant in the plan. Payments to the employee group health insurance plan are assessed based on actuarial estimates of the amounts needed to pay current year claims and to establish a "reserve" (i.e. net position or equity) for catastrophic losses. The employee group health insurance plan equity was \$36,038,000 at September 30, 2013. The County's plan also holds \$9,062,000 of equity from the Sheriff's employee group health insurance plan. At September 30, 2013, the claims liability reported for the BOCC employee group health insurance plan was \$4,522,000 and the claims liability reported for the Sheriff employee group health insurance plan was \$4,875,000. These amounts were actuarially determined based on the requirements of GASB Statement No. 10, which specifies that a liability for claims should be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Claims are reevaluated periodically to consider effects of inflation, recent settlement trends, incremental and other claim adjustment expenses regardless of whether allocated to specific claims. During fiscal years 2012 and 2013, changes recorded to the claims liability for the BOCC employee group health insurance plan were as follows:

<u>Fiscal Year</u>	<u>Claims Liability, Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Liability, End of Fiscal Year</u>
2012	\$ 6,780,000	59,510,000	(59,611,000)	6,679,000
2013	6,679,000	58,181,000	(60,338,000)	4,522,000

During fiscal year 2013, changes recorded to the claims liability for the Sheriff's employee group health insurance plan were as follows:

<u>Fiscal Year</u>	<u>Claims Liability, Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Liability, End of Fiscal Year</u>
2012	\$ --	34,847,000	(31,004,000)	3,843,000
2013	3,843,000	34,683,000	(33,651,000)	4,875,000

### Net Position of the Self-Insurance Fund

The BOCC Self-Insurance Fund had reserves of \$180,156,000, which was reported as unrestricted, in net position at September 30, 2013 as follows:

<b>BOCC Self-Insurance Fund Net Position</b>	
Unrestricted, designated for risk management (catastrophic losses)	\$ 92,039,000
Unrestricted, designated for risk management (workers' compensation and auto/general liabilities)	36,298,000
Unrestricted, designated for employee group health insurance (BOCC)	40,327,000
Unrestricted, designated for employee group health insurance (Sheriff)	9,062,000
Unrestricted, designated for other postemployment benefits (OPEB)	2,430,000
Total net position	<u>\$ 180,156,000</u>

Net position of \$9,062,000 is being held by the BOCC for the Sheriff's employee group health insurance plan to meet two distinct requirements of Florida Statutes. By holding Sheriff employee health plan dollars in the BOCC Self-Insurance Fund, the Sheriff meets the state of Florida's reserve requirements and also follows state law requiring the return of Sheriff residual funds to the BOCC at the end of each fiscal year. Net position designated for OPEB represents the net position for the entire Hillsborough County primary government including employees participating in the BOCC, Tax Collector and Sheriff plans.

### Note 15 - Accounting for Municipal Solid Waste Landfill Costs

#### A. Open Landfill

GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, requires municipal solid waste landfill owners to record a current expense and the related long-term liability for certain future landfill closure and postclosure care costs. GASB Statement No.

18 is based on a US Environmental Protection Agency rule, *Solid Waste Disposal Facility Criteria*, and has two components. The first component establishes closure requirements for landfills receiving solid waste after October 9, 1991. The second component establishes thirty-year postclosure care requirements for landfills receiving solid waste after October 9, 1993. In addition, the Florida Department of Environmental Protection, through rule 62-701.630, Florida Administrative Code (FAC), establishes certain financial accountability standards related to landfill closure and postclosure care. The County, as an owner and operator of one open landfill, must accumulate financial resources to close the landfill after it stops accepting solid waste and to perform certain postclosure maintenance and monitoring functions at the landfill site for thirty years.

GASB Statement No. 18 requires the County to record a portion of these future closure and postclosure care costs as a current period operating expense and as a long-term liability based on the cumulative amount of landfill capacity consumed as of each balance sheet date. Based on an independent engineer's cost projection at September 30, 2013, County management estimated that the total future closure and postclosure care costs will be \$60,612,000. The County increased its GASB Statement No. 18 liability from the prior year by \$1,352,000 or 4.5%. The actual costs for future landfill closure and postclosure care costs may differ from projections due to changes in price levels, technology, and environmental law.

Of the total cost projection of \$60,612,000, a life-to-date liability of \$31,359,000 was recorded at September 30, 2013 as a part of other long-term debt for business-type activities. See Note 7.D. This liability for future landfill closure and postclosure care costs was determined from the consulting engineer's certification, that 33.7% or 15,670,000 cubic yards of the estimated 46,463,000 cubic yards landfill capacity had been consumed at September 30, 2013. Although only 33.7% of the overall landfill capacity was consumed, a total of 51.7% of the total closure and postclosure costs were reported as a liability because the landfill consists of two separate sections and the calculations were done separately on each section. Section One has total projected closure and postclosure care costs of \$46,771,000 of which 63.8% was consumed. Section Two has total projected closure and postclosure care costs of \$13,841,000 of which only 10.8% was consumed. The County will record the balance of the projected future closure and postclosure care costs of \$29,253,000, as adjusted by future estimated cost revisions, as the remaining landfill capacity is consumed. The County anticipates closing Section One of the landfill in 35 years (fiscal year 2048) and Section Two of the landfill in 59 years (fiscal year 2072). At September 30, 2013, the County had reserved assets of \$32,839,000 to meet future landfill closure and postclosure care obligations.

## **B. Closed Landfills**

The County conducts monitoring and maintenance programs at a number of closed solid waste disposal sites to detect any potential incidents of environmental contamination. If any contamination is detected, the County will submit a plan to the Florida Department of Environmental Protection to remedy the problems discovered. In addition, the County annually reviews the estimates for future remediation and monitoring costs of landfills closed prior to October 9, 1991. At September 30, 2013, the liability for future remediation and monitoring costs of these closed landfill sites was \$4,674,000. The County does not believe that any additional liabilities arising from closed landfill remedial actions would materially affect the County's financial condition.

### **C. Fiscal Responsibility for Future Landfill Closure Costs**

As required by Subpart H of 40 Code of Federal Regulations, Part 264, as adopted by reference in Rule 62-701.630 of the Florida Administrative Code (FAC), the County must annually certify that sufficient financial resources are available to pay future landfill closure and postclosure care costs. The County chose an annual financial test to comply with this requirement. This financial test requires a government to demonstrate that its tangible net worth is at least six times greater than the combined total estimated amount of closure and postclosure care costs as of the balance sheet date. At September 30, 2013, the Hillsborough County BOCC's tangible net worth met the requirements of the annual responsibility test and the County complied with all rule requirements.

### **D. Sinkhole at Solid Waste Landfill**

After a sinkhole developed at the Southeast County Landfill in December 2010, the County coordinated with engineering consultants and the Florida Department of Environmental Protection (FDEP) to develop and implement a five-stage remediation plan. Stage 1, the initial injection of grout to stabilize the sinkhole area, was completed in April 2011. Stage 2, which was the cut, fill, and relocation of waste from the sinkhole area, was completed in September 2011. This provided a safe working environment for tests to determine if additional grouting was necessary. Stage 3, the geophysical and geotechnical investigation, was completed in December 2011, with a report of test results forwarded to the FDEP in April 2012. Stage 4, the final grout/remediation plan was submitted along with the Stage 3 report to the FDEP in April 2012. Stage 5, isolation of the impacted clay liner, is expected to be constructed by June 2014. The date for completion of the entire remediation project with final report submittal to the FDEP is expected to be August 2014.

## **Note 16 - Commitments**

### **A. Operating Leases**

The County has entered into numerous operating leases. The County's operating lease and rent expenditures as a lessee totaled \$4,719,000 for leased facilities and equipment for the fiscal year ended September 30, 2013. This total included no expenditures by the component units. A majority of these operating leases were for a one-year period. To present the commitment associated with the County's largest operating leases, lease commitments on all operating leases with annual payments during fiscal year 2013 in excess of \$150,000 per year are summarized below.

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2014	\$ 2,271,000
2015	1,412,000
2016	1,331,000
2017	1,218,000
2018	543,000
2019-2023	652,000
2024-2028	337,000
2029-2033	16,000
2034-2038	9,000
Total payments	<u>\$ 7,789,000</u>

Commitments for future non-cancellable minimum operating lease receipts were insignificant.

## **B. Debt-Related Guarantees and Interlocal Agreements**

*Tampa Sports Authority (TSA).* The County and the TSA have entered into a number of interlocal agreements over a period of many years. The city of Tampa and the County have agreed to pay one-third and two-thirds, respectively, of any operation and maintenance cash shortfall as reflected in the TSA’s current annual budget, for as long as any TSA project bonds are outstanding. At September 30, 2013, the County is not obligated on the project bonds issued by the TSA, but makes non-commitment debt service contributions as described in Note 7.J., “Non-Commitment Debt Service Contributions.” See Note 7.J. for more information including project bonds issued by the TSA.

## **Note 17 - Contingent Liabilities**

### **Impact Fee Offsets**

Impact fees were established by the BOCC to fund infrastructure for transportation, rights-of-way, parks, schools, and fire/rescue. These fees are intended to compensate governments such as the County for a portion of the additional costs of providing infrastructure for new real estate developments in the County, rather than assessing existing taxpayers. Florida’s concurrency laws in effect through June 2009 required that developers have infrastructure in place before developing their parcels. Sometimes developers agree to donate additional infrastructure needed by the County in exchange for a credit against impact fees that may be imposed on future development. When the County accepts a donation of infrastructure from a developer, County maintenance of the assets relieves the developer of that responsibility. The County does not report the impact fee offsets as liabilities because they are viewed as reductions of future revenues, which are not yet earned. Impact fees are not due until a certificate of occupancy is issued. Infrastructure contributions are recorded by the County when received.

## **Other Contingent Liabilities**

Contingent liabilities may arise from any of the following conditions. From the normal course of operations, the County is a defendant or plaintiff in various lawsuits. In the opinion of legal counsel, the resolution of these lawsuits is not likely to have a materially adverse affect on the County's financial condition. Grant funds received or receivable by the County are subject to audit by federal and state grantor agencies and independent auditors. Such audits may result in requests for repayments due to disallowed expenditures. The liability for the remediation and monitoring of closed landfills may increase. See Note 15.B. The County believes that contingent liabilities arising from lawsuits, disallowed costs on grants, and landfill remediation/monitoring costs, if any, would be immaterial.

## **Note 18 - Subsequent Events**

### **Commercial Paper Notes Reissued**

At September 30, 2013, the County's governmental activities had short-term commercial paper notes and taxable loans outstanding with a face amount of \$109.4 million. Subsequent to September 30, 2013, the County issued \$6 million of new commercial paper notes, redeemed \$8 million of notes, and reissued at face values various outstanding notes through March 24, 2014. The new and retired note transactions were as follows:

November 11, 2013, issued a \$4 million new money commercial paper note for capital outlay.

January 30, 2014, redeemed \$7 million of the \$30 million matured on that date.

February 6, 2014, redeemed \$1 million of \$22 million matured on that date.

February 20, 2014, issued a \$2 million new money commercial paper note.

On March 15, 2014, the commercial paper notes outstanding at face amount were \$107.2 million.

## **Note 19 - Changes in Long-Term Debt and Future Debt Service Requirements**

Exhibit A is a schedule of changes in long-term debt. Exhibits B through V show future debt service requirements, including sinking fund purchases, for each debt issue described in Note 7, *Long-Term Liabilities*.

**EXHIBIT A**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Changes in Long-Term Debt**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

<b>GOVERNMENTAL ACTIVITIES</b>	<b>Beginning</b>			<b>Ending</b>	<b>Due</b>
<b>Board of County Commissioners</b>	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b>	<b>Within</b>
					<b>One Year</b>
Bonds payable:					
2001A Community Investment Tax					
Bonds (Jail Projects)	1,930	--	1,930	--	--
Unamortized bond issue discount	(1)	--	(1)	--	*
2001B Community Investment Tax					
Bonds (Stormwater Projects)	550	--	550	--	--
Unamortized bond issue discount	--	--	--	--	*
2002 Parks and Recreation Refunding Bonds	11,885	--	780	11,105	810
Deferred bond refunding losses	(333)	--	(51)	(282)	*
Unamortized bond issue premium	119	--	18	101	*
2004 Community Investment Tax (CIT) Bonds	10,690	--	3,425	7,265	3,560
Unamortized bond issue premium	17	--	5	12	*
2005 Tampa Bay Arena Refunding Rev Bonds	14,110	--	705	13,405	730
Deferred bond refunding losses	(273)	--	(36)	(237)	*
Unamortized bond issue premium	146	--	20	126	*
2005 Court Facilities Refunding Rev Bonds	31,860	--	1,215	30,645	1,270
Deferred bond refunding losses	(1,374)	--	(129)	(1,245)	*
Unamortized bond issue premium	24	--	2	22	*
2006 CIP Refunding Rev Bonds	30,050	--	1,970	28,080	2,045
Deferred bond refunding losses	(507)	--	(79)	(428)	*
Unamortized bond issue premium	90	--	14	76	*
2006 Fourth Cent Tourist Dev. Tax Bonds	16,140	--	475	15,665	520
Unamortized bond issue premium	41	--	3	38	*
2006A Fifth Cent Tourist Dev. Tax Bonds	26,495	--	655	25,840	685
Deferred bond refunding losses	(105)	--	(8)	(97)	*
Unamortized bond issue premium	100	--	6	94	*
2007 CIT Revenue Bonds	161,065	--	8,540	152,525	8,860
Unamortized bond issue premium	5,510	--	731	4,779	*
2008 CIP Non Ad-Valorem Refunding Revenue	16,400	--	760	15,640	785
Deferred bond refunding losses	(394)	--	(45)	(349)	*
Unamortized bond issue premium	24	--	3	21	*
2009A ELAPP Bonds	10,120	--	1,305	8,815	1,335
Unamortized bond issue premium	407	--	108	299	*
2009B ELAPP Bonds	48,125	--	--	48,125	--
2012A Community Investment Tax (CIT)					
Refunding Revenue Bonds	38,130	--	--	38,130	2,265
Deferred bond refunding losses	(1,032)	--	(123)	(909)	*
Unamortized bond issue premium	5,304	--	630	4,674	*
2012B Community Investment Tax (CIT)					
Refunding Revenue Bonds	51,625	--	--	51,625	--
Deferred bond refunding losses	(3,790)	--	(400)	(3,390)	*
Unamortized bond issue premium	7,452	--	787	6,665	*
2012B Capital Improvement Program					
Revenue Bonds	67,445	--	3,625	63,820	3,700
Unamortized bond issue premium	12,182	--	1,476	10,706	*
Total bonds payable	<u>\$ 560,227</u>	<u>--</u>	<u>28,866</u>	<u>531,361</u>	<u>26,565</u>
*not applicable					

(Continued)

**EXHIBIT A, Continued**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Schedule of Changes in Long-Term Debt (Continued)**  
**For the fiscal year ended September 30, 2013**  
**(amounts in thousands)**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>GOVERNMENTAL ACTIVITIES, Continued</b>					
Notes payable	\$ 98,380	22,000	11,131	109,249	109,249
Compensated absences payable	25,333	19,806	19,990	25,149	19,955
Net OPEB obligation	11,679	6,047	5,266	12,460	--
Insurance claims payable	24,172	64,759	69,104	19,827	13,288
Other long-term debt	1,149	8,464	629	8,984	520
Total Board of County Commissioners	<u>720,940</u>	<u>121,076</u>	<u>134,986</u>	<u>707,030</u>	<u>169,577</u>
<b>Clerk of Circuit Court</b>					
Compensated absences payable	<u>3,009</u>	<u>2,266</u>	<u>2,149</u>	<u>3,126</u>	<u>2,149</u>
<b>Property Appraiser</b>					
Compensated absences payable	<u>1,098</u>	<u>454</u>	<u>462</u>	<u>1,090</u>	<u>462</u>
<b>Sheriff</b>					
Compensated absences payable	29,877	31,354	33,080	28,151	28,151
Insurance claims payable	12,490	41,170	38,746	14,914	14,914
	<u>42,367</u>	<u>72,524</u>	<u>71,826</u>	<u>43,065</u>	<u>43,065</u>
<b>Supervisor of Elections</b>					
Compensated absences payable	<u>160</u>	<u>144</u>	<u>168</u>	<u>136</u>	<u>136</u>
<b>Tax Collector</b>					
Compensated absences payable	<u>1,542</u>	<u>1,467</u>	<u>1,470</u>	<u>1,539</u>	<u>1,470</u>
Total long-term debt, governmental	<u>\$ 769,116</u>	<u>197,931</u>	<u>211,061</u>	<u>755,986</u>	<u>216,859</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Board of County Commissioners</b>					
Bonds payable:					
2001 Refunding Utility Revenue Bonds	\$ 29,110	--	9,035	20,075	9,575
Deferred bond refunding losses	(668)	--	(326)	(342)	*
Unamortized bond issue premiums	239	--	116	123	*
2006 A & B Solid Waste Revenue Bonds	147,680	--	2,070	145,610	3,025
Unamortized bond issue premium	2,216	--	165	2,051	*
2010 A, B, & C Utility Revenue Bonds	150,000	--	2,355	147,645	2,425
Unamortized bond issue premium	558	--	148	410	*
Unamortized bond issue discount	(587)	--	(35)	(552)	*
2013 Solid Waste Revenue Bonds	--	25,160	--	25,160	2,320
Total bonds payable	<u>328,548</u>	<u>25,160</u>	<u>13,528</u>	<u>340,180</u>	<u>17,345</u>
Compensated absences payable	3,968	3,176	3,229	3,915	3,187
Other long-term debt	<u>34,990</u>	<u>1,352</u>	<u>268</u>	<u>36,074</u>	<u>259</u>
Total long-term debt, business-type	<u>\$ 367,506</u>	<u>29,688</u>	<u>17,025</u>	<u>380,169</u>	<u>20,791</u>
*not applicable					

Note: This schedule presents the long-term debt of the Hillsborough County primary government. Business-type activities represent activities reported in the Enterprise Funds adjusted for the elimination of certain Internal Service Service Fund transactions. Governmental activities represent all other activity, i.e. all funds other than Enterprise Funds as adjusted to convert the activity from the modified accrual basis of accounting and financial resources measurement focus to the accrual basis of accounting and economic resources measurement focus.



**EXHIBIT B**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**General Obligation Refunding Bonds**  
**(Unincorporated Area Parks and Recreation Program)**  
**Series 2002**  
**Issued August 28, 2002**  
**Debt Service Schedule**  
**(amounts in thousands)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirement</b>
2014	\$ 810	523	1,333
2015	840	490	1,330
2016	880	457	1,337
2017	915	421	1,336
2018	955	382	1,337
2019	995	341	1,336
2020	1,045	293	1,338
2021	1,095	239	1,334
2022	1,155	185	1,340
2023	1,215	127	1,342
2024	585	63	648
2025	615	32	647
	<u>\$ 11,105</u>	<u>3,553</u>	<u>14,658</u>

**EXHIBIT C**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**General Obligation Bonds**  
**(Environmentally Sensitive Lands Acquisition and Protection Program)**  
**Series 2009A**  
**Issued December 29, 2009**  
**Debt Service Schedule**  
**(amounts in thousands)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirement</b>
2014	\$ 1,335	345	1,680
2015	1,400	278	1,678
2016	1,435	243	1,678
2017	1,490	186	1,676
2018	1,550	126	1,676
2019	1,605	72	1,677
	<u>\$ 8,815</u>	<u>1,250</u>	<u>10,065</u>

**EXHIBIT D**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Taxable General Obligation/Build America Bonds**  
**(Environmentally Sensitive Lands Acquisition and Protection Program)**  
**Series 2009B**  
**Issued December 29, 2009**  
**Debt Service Schedule**  
**(amounts in thousands)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Less 35% Subsidy</b>	<b>Total Requirement</b>
2014	\$ -	2,868	932	1,936
2015	-	2,868	1,004	1,864
2016	-	2,868	1,004	1,864
2017	-	2,868	1,004	1,864
2018	-	2,868	1,004	1,864
2019	-	2,868	1,004	1,864
2020	1,680	2,868	1,004	3,544
2021	1,730	2,786	975	3,541
2022	1,790	2,699	945	3,544
2023	1,845	2,608	913	3,540
2024	1,910	2,515	880	3,545
2025	1,970	2,419	847	3,542
2026	2,035	2,319	812	3,542
2027	2,115	2,197	769	3,543
2028	2,195	2,070	725	3,540
2029	2,280	1,938	678	3,540
2030	2,370	1,802	631	3,541
2031	2,470	1,654	579	3,545
2032	2,570	1,499	525	3,544
2033	2,670	1,339	469	3,540
2034	2,780	1,172	410	3,542
2035	2,895	998	349	3,544
2036	3,015	814	285	3,544
2037	3,140	623	218	3,545
2038	3,265	423	148	3,540
2039	3,400	216	76	3,540
	<u>\$ 48,125</u>	<u>52,167</u>	<u>18,190</u>	<u>82,102</u>

\*The Build America Bonds federal subsidy for fiscal year 2014 was reduced 7.2% due to sequestration mandated by the American Taxpayer Relief Act of 2012.

**EXHIBIT E**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Community Investment Tax Revenue Bonds**  
**Series 2004**  
**Issued August 12, 2004**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 3,560	237	3,797
2015	<u>3,705</u>	<u>108</u>	<u>3,813</u>
	<u>\$ 7,265</u>	<u>345</u>	<u>7,610</u>

**EXHIBIT F**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Tampa Bay Arena Refunding Revenue Bonds**  
**Series 2005**  
**Issued June 8, 2005**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 730	579	1,309
2015	755	553	1,308
2016	780	526	1,306
2017	810	496	1,306
2018	835	464	1,299
2019	870	430	1,300
2020	905	395	1,300
2021	940	353	1,293
2022	995	305	1,300
2023	1,045	253	1,298
2024	1,095	200	1,295
2025	1,155	144	1,299
2026	1,210	85	1,295
2027	1,280	27	1,307
	<u>\$ 13,405</u>	<u>4,810</u>	<u>18,215</u>

**EXHIBIT G**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Court Facility Refunding Revenue Bonds**  
**Series 2005**  
**Issued August 23, 2005**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 1,270	1,263	2,533
2015	1,325	1,208	2,533
2016	1,380	1,151	2,531
2017	1,440	1,094	2,534
2018	1,495	1,036	2,531
2019	1,560	974	2,534
2020	1,620	911	2,531
2021	1,690	844	2,534
2022	1,760	773	2,533
2023	1,835	699	2,534
2024	1,910	621	2,531
2025	1,995	538	2,533
2026	2,080	452	2,532
2027	2,170	360	2,530
2028	2,270	263	2,533
2029	2,370	161	2,531
2030	2,475	54	2,529
	<u>\$ 30,645</u>	<u>12,402</u>	<u>43,047</u>

**EXHIBIT H**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Capital Improvement Program Refunding Revenue Bonds**  
**Series 2006**  
**Issued May 3, 2006**  
**Debt Service Schedule**  
**(amounts in thousands)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirement</b>
2014	\$ 2,045	1,199	3,244
2015	2,150	1,097	3,247
2016	2,250	994	3,244
2017	2,340	904	3,244
2018	2,430	811	3,241
2019	2,530	714	3,244
2020	2,635	609	3,244
2021	2,745	497	3,242
2022	2,860	381	3,241
2023	2,985	259	3,244
2024	3,110	132	3,242
	<u>\$ 28,080</u>	<u>7,597</u>	<u>35,677</u>

**EXHIBIT I**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Fourth Cent Tourist Development Tax**  
**Refunding and Improvement Revenue Bonds**  
**Series 2006**  
**Issued December 6, 2006**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 520	645	1,165
2015	550	629	1,179
2016	570	602	1,172
2017	595	574	1,169
2018	620	546	1,166
2019	635	518	1,153
2020	660	491	1,151
2021	685	464	1,149
2022	715	436	1,151
2023	745	407	1,152
2024	775	376	1,151
2025	805	344	1,149
2026	835	310	1,145
2027	855	275	1,130
2028	570	246	816
2029	595	221	816
2030	620	196	816
2031	645	169	814
2032	675	141	816
2033	700	112	812
2034	735	82	817
2035	765	50	815
2036	795	17	812
	<u>\$ 15,665</u>	<u>7,851</u>	<u>23,516</u>



**EXHIBIT J**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Fifth Cent Tourist Development Tax**  
**Refunding and Improvement Revenue Bonds**  
**Series 2006A**  
**Issued December 6, 2006**  
**Debt Service Schedule**  
**(amounts in thousands)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirement</b>
2014	\$ 685	1,091	1,776
2015	720	1,059	1,779
2016	750	1,027	1,777
2017	785	992	1,777
2018	820	956	1,776
2019	855	920	1,775
2020	890	886	1,776
2021	925	849	1,774
2022	960	811	1,771
2023	1,000	772	1,772
2024	1,040	731	1,771
2025	1,085	687	1,772
2026	1,130	641	1,771
2027	1,175	594	1,769
2028	1,220	543	1,763
2029	1,270	488	1,758
2030	1,325	431	1,756
2031	1,380	373	1,753
2032	1,440	310	1,750
2033	1,500	247	1,747
2034	1,560	179	1,739
2035	1,630	110	1,740
2036	1,695	37	1,732
	<u>\$ 25,840</u>	<u>14,734</u>	<u>40,574</u>

**EXHIBIT K**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Community Investment Tax Revenue Bonds**  
**Series 2007**  
**Issued October 31, 2007**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 8,860	7,302	16,162
2015	9,290	6,849	16,139
2016	9,740	6,373	16,113
2017	10,200	5,874	16,074
2018	10,690	5,352	16,042
2019	11,240	4,804	16,044
2020	11,810	4,228	16,038
2021	12,395	3,622	16,017
2022	13,020	2,987	16,007
2023	13,665	2,371	16,036
2024	14,240	1,725	15,965
2025	14,935	995	15,930
2026	12,440	311	12,751
	<u>\$ 152,525</u>	<u>52,793</u>	<u>205,318</u>

**EXHIBIT L**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Capital Improvement Non-Ad Valorem Refunding Revenue Bonds**  
**(Warehouse and Sheriff's Facilities Project)**  
**Series 2008**  
**Issued May 7, 2008**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 785	653	1,438
2015	810	625	1,435
2016	845	597	1,442
2017	875	566	1,441
2018	905	533	1,438
2019	945	496	1,441
2020	980	459	1,439
2021	1,020	419	1,439
2022	1,060	377	1,437
2023	1,105	332	1,437
2024	1,155	284	1,439
2025	1,205	233	1,438
2026	1,260	179	1,439
2027	1,315	122	1,437
2028	1,375	63	1,438
	<u>\$ 15,640</u>	<u>5,938</u>	<u>21,578</u>

**EXHIBIT M**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Community Investment Tax Refunding Revenue Bonds**  
**Series 2012A**  
**Issued May 23, 2012**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 2,265	1,704	3,969
2015	2,380	1,588	3,968
2016	2,500	1,466	3,966
2017	2,625	1,351	3,976
2018	2,740	1,230	3,970
2019	2,875	1,089	3,964
2020	3,030	942	3,972
2021	3,180	786	3,966
2022	3,345	623	3,968
2023	3,505	452	3,957
2024	3,695	272	3,967
2025	3,840	122	3,962
2026	2,150	32	2,182
	<u>\$ 38,130</u>	<u>11,657</u>	<u>49,787</u>

**EXHIBIT N**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Community Investment Tax Refunding Revenue Bonds**  
**Series 2012B**  
**Issued May 23, 2012**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ -	2,352	2,352
2015	-	2,352	2,352
2016	3,610	2,262	5,872
2017	3,820	2,076	5,896
2018	4,025	1,878	5,903
2019	4,210	1,674	5,884
2020	4,420	1,458	5,878
2021	4,645	1,231	5,876
2022	4,880	993	5,873
2023	5,130	743	5,873
2024	5,410	480	5,890
2025	5,640	260	5,900
2026	5,835	87	5,922
	<u>\$ 51,625</u>	<u>17,846</u>	<u>69,471</u>

**EXHIBIT O**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Capital Improvement Program Revenue Bonds**  
**Series 2012**  
**Issued June 21, 2012**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 3,700	3,079	6,779
2015	3,810	2,968	6,778
2016	3,965	2,816	6,781
2017	4,160	2,617	6,777
2018	4,370	2,409	6,779
2019	4,590	2,191	6,781
2020	4,820	1,961	6,781
2021	5,060	1,720	6,780
2022	5,310	1,467	6,777
2023	5,575	1,202	6,777
2024	5,855	923	6,778
2025	6,150	630	6,780
2026	6,455	323	6,778
	<u>\$ 63,820</u>	<u>24,306</u>	<u>88,126</u>

**EXHIBIT P**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Junior Lien Refunding Utility Revenue Bonds**  
**Series 2001**  
**Issued May 17, 2001**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 9,575	1,095	10,670
2015	10,500	570	11,070
	<u>\$ 20,075</u>	<u>1,665</u>	<u>21,740</u>

**EXHIBIT Q**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Solid Waste Resource Recovery Enterprise Fund**  
**Solid Waste Resource Recovery Bonds**  
**Series 2006A**  
**Issued November 14, 2006**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 3,025	5,156	8,181
2015	-	5,005	5,005
2016	1,900	5,005	6,905
2017	4,800	4,910	9,710
2018	5,035	4,670	9,705
2019	5,290	4,417	9,707
2020	5,555	4,153	9,708
2021	5,830	3,875	9,705
2022	6,125	3,584	9,709
2023	6,430	3,277	9,707
2024	6,750	2,956	9,706
2025	7,090	2,618	9,708
2026	7,445	2,264	9,709
2027	-	1,892	1,892
2028	-	1,892	1,892
2029	-	1,892	1,892
2030	2,175	1,892	4,067
2031	9,320	1,794	11,114
2032	9,740	1,375	11,115
2033	10,175	936	11,111
2034	10,635	479	11,114
	<u>\$ 107,320</u>	<u>64,042</u>	<u>171,362</u>



**EXHIBIT R**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Solid Waste Resource Recovery Enterprise Fund**  
**Solid Waste Resource Recovery Bonds**  
**Series 2006B**  
**Issued November 14, 2006**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ -	1,758	1,758
2015	4,355	1,758	6,113
2016	2,670	1,540	4,210
2017	-	1,407	1,407
2018	-	1,407	1,407
2019	-	1,407	1,407
2020	-	1,407	1,407
2021	-	1,407	1,407
2022	-	1,407	1,407
2023	-	1,407	1,407
2024	-	1,407	1,407
2025	-	1,407	1,407
2026	-	1,407	1,407
2027	7,815	1,407	9,222
2028	8,170	1,055	9,225
2029	8,535	688	9,223
2030	6,745	303	7,048
	<u>\$ 38,290</u>	<u>22,579</u>	<u>60,869</u>

**EXHIBIT S**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Utility Revenue Bonds**  
**Series 2010A**  
**(Tax Exempt)**  
**Issued November 16, 2010**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 2,425	464	2,889
2015	2,500	391	2,891
2016	2,575	316	2,891
2017	2,635	258	2,893
2018	2,740	153	2,893
2019	2,805	84	2,889
	<u>\$ 15,680</u>	<u>1,666</u>	<u>17,346</u>

**EXHIBIT T**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Utility Revenue Bonds**  
**Series 2010B**  
**(Federally Taxable-Build America Bonds Direct Payment)**  
**Issued November 16, 2010**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Less 35% Subsidy</u>	<u>Total Requirement</u>
2014	\$ -	5,637	1,831	3,806
2015	-	5,637	1,973	3,664
2016	-	5,637	1,973	3,664
2017	-	5,637	1,973	3,664
2018	-	5,637	1,973	3,664
2019	-	5,637	1,973	3,664
2020	4,675	5,637	1,973	8,339
2021	4,790	5,457	1,910	8,337
2022	4,920	5,263	1,842	8,341
2023	5,050	5,056	1,770	8,336
2024	5,195	4,837	1,693	8,339
2025	5,350	4,598	1,609	8,339
2026	5,515	4,341	1,519	8,337
2027	5,695	4,065	1,423	8,337
2028	5,885	3,775	1,321	8,339
2029	6,085	3,469	1,214	8,340
2030	6,295	3,146	1,101	8,340
2031	6,515	2,806	982	8,339
2032	6,750	2,448	857	8,341
2033	6,990	2,077	727	8,340
2034	7,240	1,692	592	8,340
2035	7,495	1,294	453	8,336
2036	7,770	878	307	8,341
2037	8,050	445	156	8,339
	<u>\$ 110,265</u>	<u>95,106</u>	<u>33,145</u>	<u>172,226</u>

\*The Build America Bonds federal subsidy for fiscal year 2014 was reduced 7.2% due to sequestration mandated by the American Taxpayer Relief Act of 2012.

**EXHIBIT U**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Utility Revenue Bonds**  
**Series 2010C**  
**(Federally Taxable-Recovery Zone Economic-**  
**Development Bonds Direct Payment)**  
**Issued November 16, 2010**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Less 45% Subsidy</u>	<u>Total Requirement</u>
2014	\$ -	1,269	571	698
2015	-	1,269	571	698
2016	-	1,269	571	698
2017	-	1,269	571	698
2018	-	1,269	571	698
2019	-	1,269	571	698
2020	-	1,269	571	698
2021	-	1,269	571	698
2022	-	1,269	571	698
2023	-	1,269	571	698
2024	-	1,269	571	698
2025	-	1,269	571	698
2026	-	1,269	571	698
2027	-	1,269	571	698
2028	-	1,269	571	698
2029	-	1,269	571	698
2030	-	1,269	571	698
2031	-	1,269	571	698
2032	-	1,269	571	698
2033	-	1,269	571	698
2034	-	1,269	571	698
2035	-	1,269	571	698
2036	-	1,269	571	698
2037	-	1,269	571	698
2038	7,005	1,269	571	7,703
2039	7,230	860	387	7,703
2040	7,465	449	203	7,711
	<u>\$ 21,700</u>	<u>33,034</u>	<u>14,865</u>	<u>39,869</u>

**EXHIBIT V**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Solid Waste Resource Recovery Enterprise Fund**  
**Series 2013**  
**Issued May 8, 2013**  
**Debt Service Schedule**  
**(amounts in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	\$ 2,320	451	2,771
2015	2,361	409	2,770
2016	2,404	367	2,771
2017	2,447	324	2,771
2018	2,490	280	2,770
2019	2,535	235	2,770
2020	2,580	190	2,770
2021	2,627	144	2,771
2022	2,674	97	2,771
2023	2,722	48	2,770
	\$ 25,160	2,545	27,705
	\$ 25,160	2,545	27,705

**APPENDIX B-2**

**AUDITED FINANCIAL STATEMENTS OF THE ISSUER  
FOR FISCAL YEAR 2013**

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**TAMPA SPORTS AUTHORITY**

FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION AND  
REGULATORY REPORTS

September 30, 2013



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# TAMPA SPORTS AUTHORITY

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	<u>2013 to 2014</u>	<u>2012 to 2013</u>
<u>EXECUTIVE COMMITTEE</u>		
Chairman	Rev. Thomas Scott	Randy Larson
Vice Chairman	Don Defossett	Dana Ludwig
Secretary/Treasurer	Andrew Scaglione	Don Defossett
<u>EX-OFFICIO</u>		
City Councilman	Hon. Frank Reddick	Hon. Frank Reddick
County Commissioner	Hon. Ken Hagan	Hon. Ken Hagan
<u>MEMBERS</u>		
	Kalyn Brandewie	Kalyn Brandewie
	John Jaeb	Frank DeBose
	Randy Larson	Vincent Marchetti
	Vincent Marchetti	Tony Muniz
	Tony Muniz	Andrew Scaglione
	Luciano Prida, Jr.	Rev. Thomas Scott

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INDEPENDENT AUDITORS' REPORT



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

Member  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Tampa Sports Authority

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Tampa Sports Authority as of and for the year ended September 30, 2013 and the related notes to the financial statements, which collectively comprise the Tampa Sports Authority's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tampa Sports Authority as of September 30, 2013 and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and budgetary compensation information on pages 4 through 17 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.

### *Other Information*

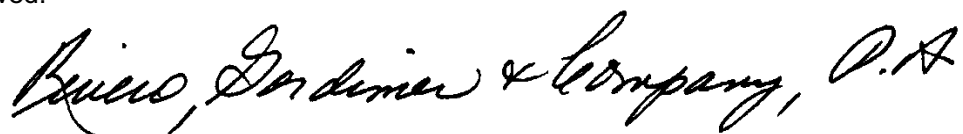
Our audit was conducted for the purpose of forming an opinion on Tampa Sports Authority's basic financial statements. The schedule of expenditures of state financial assistance as required by Chapter 10.550, *Rules of the Florida Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2014, on our consideration of the Tampa Sports Authority's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tampa Sports Authority's internal control over financial reporting and compliance.

### **Report on Summarized Comparative Information**

We have previously audited the Tampa Sports Authority's 2012 financial statements, and our report dated February 25, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Tampa, Florida  
February 24, 2014

## 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, 2013, with selected comparisons to the prior year ended September 30, 2012. 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.



TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

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 2012-2013, the Sports Authority experienced an operating shortfall of approximately \$1,498,000, (excluding leasehold interest and bond issue costs amortization). 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.

TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

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 \$2,290,000 in FY 2013-2014. This anticipated operating shortfall when combined with approximately \$924,000 in funds contributed from the Sports Authority's operating reserves, means the County will pay approximately \$911,000 of this shortfall, and the City of Tampa will pay the remaining balance of approximately \$455,000. 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. During fiscal year 2010-2011 the Sports Authority recognized \$127,418 in revenue from the Buccaneer split. During fiscal year 2011-2012 the Sports Authority recognized \$756,527 in revenue from the Buccaneer split. The Buccaneer split threshold was met during fiscal year 2012-2013 and the Sports Authority recognized \$690,237 in revenue from the Buccaneer split.

The Sports Authority used the following revenue assumptions in arriving at a budgeted number for FY 2012-2013. These assumptions were based on historical data. Also, shown below are the actual numbers.

Operating Revenue Assumptions and the Actual for FY 2012-2013:

	<u>Assumptions</u>	<u>Actual</u>
Professional football	\$ 5,251,476	\$ 5,062,057
College football	2,596,265	2,634,269
Concerts and motorsports	4,408,666	4,634,097
Other events	999,958	1,863,555
Less Buccaneer split	<u>(2,558,441)</u>	<u>(2,799,962)</u>
Totals	<u>\$ 10,697,924</u>	<u>\$ 11,394,016</u>

Actual results exceeded assumptions by \$696,092 in fiscal year 2012-2013. This was due to increased revenue generated from other events held at the Stadium.

TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

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. In fiscal year 2011-2012, the trend continued upward with a 3% increase in paid rounds for a total of 106,365 paid rounds played. During fiscal year 2012-2013, paid rounds trended downward by 8% to 97,675 paid rounds played. This trend was felt across the entire golf industry.

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 Position presents the financial position of the Sports Authority at the end of the fiscal year. The statements include all assets deferral outflows, liabilities deferral inflows, and net position of the Sports Authority. A summarized comparison of the Sports Authority's assets deferral outflows, liabilities deferral inflows, and net position at September 30, 2013 and 2012 is as follows:

TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

STATEMENTS OF NET POSITION

	<u>FY 2013</u>	<u>FY 2012</u>
<b>ASSETS</b>		
Current assets	\$27,512,000	\$41,077,000
Noncurrent assets		
Capital related, net	155,114,000	166,113,000
Noncapital	<u>16,740,000</u>	<u>5,581,000</u>
Total assets	<u>199,366,000</u>	<u>212,771,000</u>
<b>LIABILITIES</b>		
Current liabilities	11,921,000	13,968,000
Noncurrent liabilities	<u>131,003,000</u>	<u>138,337,000</u>
Total liabilities	<u>142,924,000</u>	<u>152,305,000</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	16,776,000	20,790,000
Restricted net position	31,876,000	31,549,000
Unrestricted net position	<u>7,790,000</u>	<u>8,127,000</u>
	<u>\$ 56,442,000</u>	<u>\$60,466,000</u>

The Sports Authority's assets exceeded liabilities by \$56.4 million at September 30, 2013 a \$4.1 million decrease from September 30, 2012. The largest portion of the Sports Authority's net position for the fiscal year ended September 30, 2013 relate to the restricted net position 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 Net Position 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 Net Position for the years ended September 30, 2013 and 2012:

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	<u>FY 2013</u>	<u>FY 2012</u>
Operating revenues	\$ 11,394,000	\$12,571,000
Operating expenses	<u>(24,912,000)</u>	<u>25,187,000</u>
Total operating loss	(13,518,000)	(12,616,000)
Net non-operating revenues	<u>9,494,000</u>	<u>7,976,000</u>
Change in net assets	(4,024,000)	(4,640,000)
Net position at beginning of year	60,466,000	65,106,000
Reclassifications	<u>-</u>	<u>-</u>
Net position at end of year	<u>\$ 56,442,000</u>	<u>\$60,466,000</u>

TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

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 1<sup>st</sup> and July 1<sup>st</sup> 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 2012 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 more funds will be recovered in the future. In the 2012 fiscal year, \$242,000 of lost earnings were received from Lehman Brothers Holding, Inc. In the 2013 fiscal year, an additional \$96,000 of lost earnings were received. A total of \$338,000 of lost earnings have been received from Lehman Brothers Holding, Inc. as of September 30, 2013.

TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

ATTACHMENT I  
HILLSBOROUGH COUNTY COMMUNITY  
INVESTMENT TAX

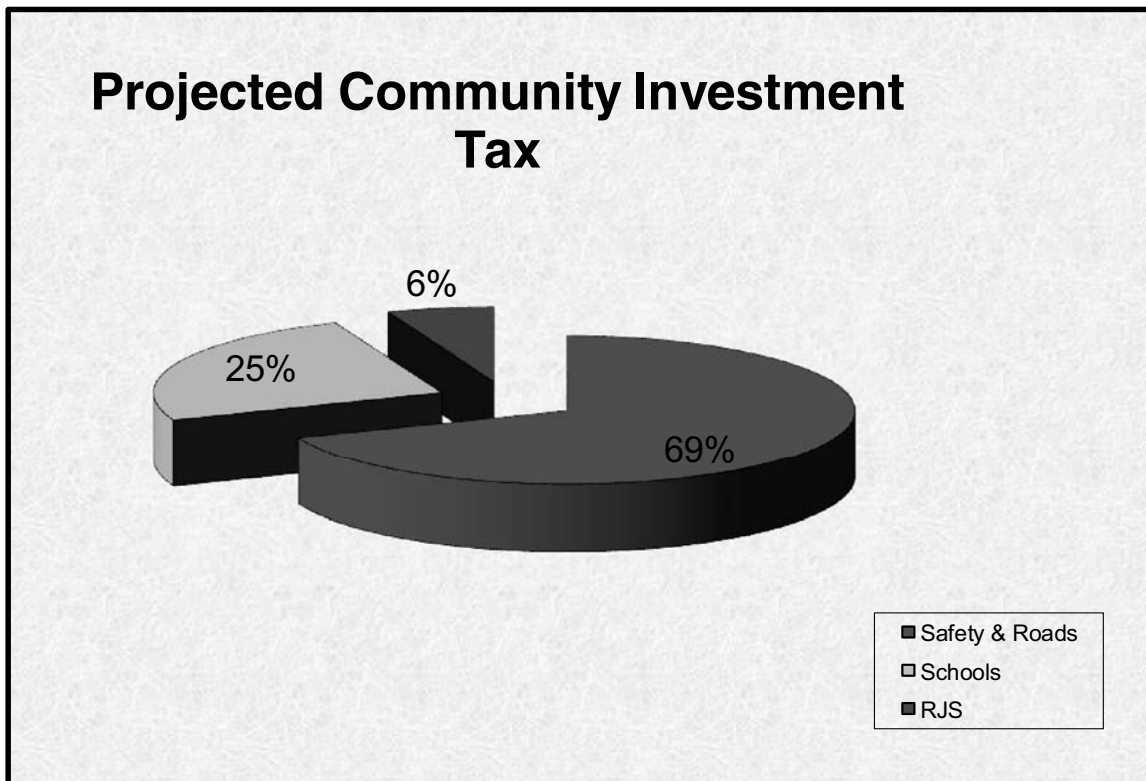
TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

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

Public safety, roads

Infrastructure needs

Hillsborough County	\$ 2,317		
City of Tampa	824		
Plant City	77		
Temple Terrace	<u>57</u>		
		3,275	69%
Hillsborough County Schools		1,189	25%
Raymond James Stadium		<u>292</u>	<u>6%</u>
Total projected collections from CIT		<u>\$ 4,756</u>	<u>100%</u>



TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

ATTACHMENT II  
PROJECTED CAPITAL COSTS



TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

PROJECTED CAPITAL COSTS – RAYMOND JAMES STADIUM

	YEAR <u>2013 to 2017</u>	YEAR <u>2018 to 2022</u>	YEAR <u>2023 to 2027</u>	YEAR <u>2028</u>	<u>TOTAL</u>
<b>Projected Capital Costs *</b>	\$22,187,051	\$28,191,191	\$ 7,088,415	\$ 781,000	\$58,247,657
<b>Funds Pledged From CIT</b>	(3,750,000)	(3,750,000)	(500,000)	-	(8,000,000)
<b>Restricted Revenue - Interest and Earnings on Bond Funds</b>	(836,000)	(920,000)	(1,000,000)	(200,000)	(2,956,000)
<b>Funds Carried Forward</b>	<u>(1,681,052)</u>	<u>15,919,999</u>	<u>39,441,190</u>	<u>45,029,605</u>	<u>(1,681,052)</u>
<b>Unfunded Future Capital Costs</b>	<u>\$15,919,999</u>	<u>\$39,441,190</u>	<u>\$45,029,605</u>	<u>\$45,610,605</u>	<u>\$45,610,605</u>

\* 2.75% annual inflation factor has been considered for years 2013 through 2028

TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
PROJECTED CAPITAL COSTS - RAYMOND JAMES STADIUM

SYSTEM / ITEM	YEAR 2013 to 2017	YEAR 2018 to 2022	YEAR 2023 to 2027	YEAR 2028	TOTAL
<b>CAPITAL PROJECTS</b>					
Acoustical Ceilings	\$ 213,403	\$ 232,191	\$ -	\$ -	\$ 445,594
Architectural Precast Caulking	252,000	-	-	-	252,000
Building Expansion Joints	-	2,000,000	-	-	2,000,000
Carpet - Club, Lower Galleries	480,500	784,000	87,000	-	1,351,500
Carpet - Locker Rooms	129,000	-	80,000	-	209,000
Carpet - Press Box	89,000	-	125,355	-	214,355
Carpet - Suites & Suite Hallways	597,200	-	197,500	70,000	864,700
Club Furnishings	799,000	-	-	-	799,000
Computers	168,000	164,000	157,000	33,000	522,000
Concourse Coating	134,000	117,000	129,000	-	380,000
Concourse Furnishings	8,000	-	-	-	8,000
Concrete	128,000	110,000	-	-	238,000
EIFS/Stucco	128,000	-	-	-	128,000
Elevators	93,000	-	-	-	93,000
Escalators	20,000	-	-	-	20,000
Field Wall Pads	-	-	25,000	-	25,000
Graphics and Signage	18,000	301,000	-	-	319,000
Light Tower Painting	585,267	-	-	-	585,267
Main Stadium Playing Field Replacement	-	516,000	-	-	516,000
Maintenance Equipment	231,300	152,000	167,000	35,000	585,300
Masonry	25,000	38,000	-	-	63,000
Overhead Coiling Doors	70,000	71,000	78,000	17,000	236,000
Retractable Seats	13,000	15,000	16,000	-	44,000
Roofing at General Locations (Including Clubs)	-	1,984,000	-	-	1,984,000
Scoreboards	-	389,000	-	-	389,000
Sound Reinforcement System	1,005,600	-	-	-	1,005,600
Stadium Rails	60,000	1,096,000	-	-	1,156,000
Stadium Seating	1,265,827	5,606,000	190,000	40,000	7,101,827

TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
PROJECTED CAPITAL COSTS - RAYMOND JAMES STADIUM

SYSTEM / ITEM	YEAR 2013 to 2017	YEAR 2018 to 2022	YEAR 2023 to 2027	YEAR 2028	TOTAL
<b>CAPITAL PROJECTS - Continued</b>					
Structural Precast	37,000	38,000	-	-	75,000
Suite Furnishings	2,306,000	-	-	-	2,306,000
Suite Ice Makers	225,900	275,000	-	-	500,900
Suite Refrigerators	225,900	234,000	-	-	459,900
Telephones	71,124	168,000	55,000	-	294,124
Television Cabling	100,000	-	-	-	100,000
Videoboard	7,550,000	171,000	241,000	-	7,962,000
Wall Coverings	844,800	-	-	-	844,800
Water Repellent	260,000	-	329,000	-	589,000
Yankee Pedestrian Bridge	-	184,000	200,560	-	384,560
<b>Subtotal</b>	<b>18,133,821</b>	<b>14,645,191</b>	<b>2,077,415</b>	<b>195,000</b>	<b>35,051,427</b>
<b>ELECTRICAL EQUIPMENT</b>					
Access Control	-	244,000	-	-	244,000
Building Wire Above/Below Grade	22,100	22,000	25,000	-	69,100
CCTV System	162,000	190,000	209,000	-	561,000
Electric Metering System	20,000	-	-	-	20,000
Fire Alarm System	215,130	-	-	-	215,130
Interior Lighting Fixtures	-	173,000	-	-	173,000
Lightning Protection System	-	511,000	-	-	511,000
Lighting Occupancy Sensors	-	66,000	-	-	66,000
Microlite Electrical System	-	71,000	-	-	71,000
Sports Lighting Fixtures	-	389,000	-	-	389,000
Television Distribution	-	132,000	-	-	132,000
Televisions/Sets	-	4,243,000	-	-	4,243,000
<b>Subtotal</b>	<b>419,230</b>	<b>6,041,000</b>	<b>234,000</b>	<b>-</b>	<b>6,694,230</b>

TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
PROJECTED CAPITAL COSTS - RAYMOND JAMES STADIUM

SYSTEM / ITEM	YEAR 2013 to 2017	YEAR 2018 to 2022	YEAR 2023 to 2027	YEAR 2028	TOTAL
<b>HVAC</b>					
Air Compressors	-	11,000	-	-	11,000
Central Station Air Handlers	-	2,119,000	-	-	2,119,000
Centrifugal Chillers (2500 Tons)	-	1,943,000	-	-	1,943,000
Cooling Towers Piping System	-	16,000	37,000	-	53,000
Fan Coil Units	214,000	738,000	421,000	69,000	1,442,000
Insulation	70,000	72,000	78,000	17,000	237,000
Test & Balance	60,000	70,000	78,000	-	208,000
<b>Subtotal</b>	<u>344,000</u>	<u>4,969,000</u>	<u>614,000</u>	<u>86,000</u>	<u>6,013,000</u>
<b>PLUMBING EQUIPMENT</b>					
Domestic Hot Water	-	-	253,000	-	253,000
Pumps (Booster)	100,000	-	-	-	100,000
Main HW Boiler	105,000	-	309,000	-	414,000
<b>Subtotal</b>	<u>205,000</u>	<u>-</u>	<u>562,000</u>	<u>-</u>	<u>767,000</u>
<b>SITE</b>					
Landscaping/Irrigation	-	-	24,000	-	24,000
Paving (Asphalt Parking at Stadium)	-	486,000	605,000	-	1,091,000
Paving (North Parking Drive Lanes)	157,000	-	206,000	-	363,000
Paving (South Parking Drive Lanes)	211,000	-	277,000	-	488,000
Tree Replacement	62,000	-	84,000	-	146,000
Under Drains/Pump Stations (2)	25,000	-	34,000	-	59,000
Water Distribution	59,000	-	71,000	-	130,000
<b>Subtotal</b>	<u>514,000</u>	<u>486,000</u>	<u>1,301,000</u>	<u>-</u>	<u>2,301,000</u>
Suite and Club Renovation Project Administration	1,371,000	-	-	-	1,371,000
<b>CONTINGENCY PROJECTS</b>	<u>1,200,000</u>	<u>2,050,000</u>	<u>2,300,000</u>	<u>500,000</u>	<u>6,050,000</u>
<b>TOTAL</b>	<u>\$ 22,187,051</u>	<u>\$ 28,191,191</u>	<u>\$ 7,088,415</u>	<u>\$ 781,000</u>	<u>\$ 58,247,657</u>

TAMPA SPORTS AUTHORITY  
BASIC FINANCIAL STATEMENTS  
September 30, 2013

Tampa Sports Authority  
STATEMENT OF NET POSITION

September 30, 2013  
(With comparative total for 2012)

	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (note C)	\$ 22,474,536	\$ 34,790,477
Accounts receivable	4,324,538	5,554,105
Prepaid expenses and deposits	712,559	732,150
Total current assets	27,511,633	41,076,732
<b>NON-CURRENT ASSETS</b>		
Investments (note C)	314,939	323,249
Practice facility funds receivable (note D)	11,544,252	-
Capital assets, net of depreciation (note E)	5,685,045	5,644,015
Unamortized leasehold interest (note F)	149,428,614	160,468,692
Unamortized portion of bond issuance costs	1,243,580	1,347,455
Deferred costs of advance refunding (note Q)	3,637,965	3,910,813
Total non-current assets	171,854,395	171,694,224
<b>TOTAL ASSETS</b>	<b>199,366,028</b>	<b>212,770,956</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Long-term debt due within one year (note G)	7,334,920	6,984,920
Accounts payable and accrued liabilities	2,074,338	4,404,538
Accrued interest payable	2,124,570	2,224,701
Deferred revenue	387,453	353,832
Total current liabilities	11,921,281	13,967,991
<b>NON-CURRENT LIABILITIES</b>		
Bonds and loans payable, net (note G)	131,002,497	138,337,417
<b>TOTAL LIABILITIES</b>	<b>142,923,778</b>	<b>152,305,408</b>
<b>NET POSITION</b>		
Invested in capital assets and unamortized leasehold interest, net of related debt	16,776,243	20,790,370
Restricted for capital projects (note C)	13,584,289	13,399,945
Restricted for debt service (note C)	17,978,512	17,827,983
Restricted for excess surcharge fund (notes C and M)	313,385	320,405
Unrestricted	7,789,821	8,126,845
<b>TOTAL NET POSITION</b>	<b>\$ 56,442,250</b>	<b>\$ 60,465,548</b>

The accompanying notes are an integral part of this statement.

Tampa Sports Authority

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended September 30, 2013  
(With comparative total for 2012)

	<u>2013</u>	<u>2012</u>
Operating revenues		
Charges for services	\$ 11,394,016	\$ 12,571,403
Total operating revenues	<u>11,394,016</u>	<u>12,571,403</u>
Operating expenses		
Facility operations	9,973,513	10,428,142
Other operations	27,503	30,351
General and administrative	2,432,884	2,168,501
Real estate taxes	577,443	545,773
Depreciation and amortization	267,802	273,705
Amortization of leasehold interest	11,529,441	11,637,139
Amortization of bond issue costs	103,875	103,875
Total operating expenses	<u>24,912,461</u>	<u>25,187,486</u>
Total operating loss	<u>(13,518,445)</u>	<u>(12,616,083)</u>
Non-operating revenues (expenses)		
Investment income	64,924	275,409
Grants and contributions	14,927,432	14,448,179
Interest expense and amortization of bond premiums, discounts and deferred costs	(6,994,153)	(7,325,335)
Loss on disposal of assets	(1,057)	(420)
Total non-operating revenues	<u>7,997,146</u>	<u>7,397,833</u>
Change in net position before capital grants and other contributions	(5,521,299)	(5,218,250)
Capital grants and other contributions	<u>1,498,001</u>	<u>578,146</u>
Change in net position	(4,023,298)	(4,640,104)
Net position at beginning of year	<u>60,465,548</u>	<u>65,105,652</u>
Net position at end of year	<u>\$ 56,442,250</u>	<u>\$ 60,465,548</u>

The accompanying notes are an integral part of this statement.

Tampa Sports Authority

STATEMENT OF CASH FLOWS

For the year ended September 30, 2013  
(With comparative total for 2012)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Cash received from customers	\$ 12,657,204	\$ 11,017,642
Cash payments to vendors for goods and services	(12,300,834)	(7,985,876)
Cash payments to employees for services	<u>(3,021,118)</u>	<u>(3,026,276)</u>
Net cash (used) provided by operating activities	<u>(2,664,748)</u>	<u>5,490</u>
Cash flows from non-capital financing activities		
Operating grants received	<u>14,927,432</u>	<u>14,448,179</u>
Net cash provided by non-capital financing activities	<u>14,927,432</u>	<u>14,448,179</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(309,889)	(150,796)
Additions to leasehold interest	(535,878)	(776,228)
Loss on disposal of leasehold interest	46,515	78,686
Principal payments on debt	(6,715,000)	(6,400,000)
Interest payments on debt	(7,364,204)	(7,693,985)
Costs of bond refunding	272,848	272,847
Capital grants and contributions received	<u>1,498,001</u>	<u>578,146</u>
Net cash used by capital and related financing activities	<u>(13,107,607)</u>	<u>(14,091,330)</u>
Cash flows from investing activities		
Investment income	64,924	275,409
Transfer of practice facility funds	(11,544,252)	-
Net proceeds from sales of investments	<u>8,310</u>	<u>160,422</u>
Net cash provided by investing activities	<u>(11,471,018)</u>	<u>435,831</u>
Net (decrease) increase in cash and cash equivalents	(12,315,941)	798,170
Cash and cash equivalents at beginning of year	<u>34,790,477</u>	<u>33,992,307</u>
Cash and cash equivalents at end of year	<u>\$ 22,474,536</u>	<u>\$ 34,790,477</u>



Tampa Sports Authority

STATEMENT OF CASH FLOWS - CONTINUED

For the year ended September 30, 2013  
(With comparative total for 2012)

	<u>2013</u>	<u>2012</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	<u>\$ (13,518,445)</u>	<u>\$ (12,616,083)</u>
Adjustments to reconcile operating loss to net cash (used) provided by operating activities		
Depreciation	267,802	273,705
Amortization of related bond costs	103,875	103,875
Amortization of leasehold interest	11,529,441	11,637,139
Changes in assets and liabilities		
(Increase) decrease in		
Accounts receivable	1,229,567	(1,379,605)
Prepaid expenses and deposits	19,591	(330,278)
Increase (decrease) in		
Accounts payable and accrued liabilities	(2,330,200)	2,490,893
Deferred revenue	33,621	(174,156)
Total adjustments	<u>10,853,697</u>	<u>12,621,573</u>
Net cash (used) provided by operating activities	<u>\$ (2,664,748)</u>	<u>\$ 5,490</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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).

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.

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.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE A - ORGANIZATION AND REPORTING ENTITY – Continued

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.

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.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE A - ORGANIZATION AND REPORTING ENTITY – Continued

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").

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 Sports Authority's financial statements are presented in accordance with accounting principles generally accepted in the United States. The Sports Authority applies all applicable pronouncements of the Financial Accounting Standards board issued on or before November 30, 1989, and all applicable pronouncements required by the Governmental Accounting Standards Board (GASB).

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Sports Authority has elected not to apply accounting standards issued after November 30, 1989 by the Financial Accounting Standards Board. The Sports Authority's significant financial and accounting policies utilized in formulating these financial statements follow.

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.

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, 2013 are shown net of allowances for doubtful accounts. The Sports Authority has set their allowance for doubtful accounts at zero as of September 30, 2013.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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. Recent Accounting Pronouncements

GASB Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*, was issued in November 2010 and is effective for the Sports Authority in fiscal year 2013. The statement provides guidance on whether the transferor or operator should report the capital asset in its financial statements, when to recognize up-front payments from an operator as revenue, and how to record any obligations of the transferor to the operator, and establishes recognition, measurement, and disclosure requirements for service concession arrangements. This statement is not applicable to the Sports Authority. Therefore, the adoption of the statement had no impact on its financial statements.

GASB Statement 61, *The Financial Reporting Entity: Omnibus*, was issued in November 2010 and is effective for the Sports Authority in fiscal year 2013. This statement improves the information presented about the financial reporting entity. The adoption of this statement had no impact on the Sports Authority's 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 a new net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The Sports Authority implemented this statement in fiscal year 2013.

GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, was issued in March 2012 and is effective for the Sports Authority in fiscal year 2014. This statement reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The Sports Authority does not expect the adoption of this statement to have a material impact on its financial statements.



Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

GASB Statement 66, *Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No. 62*, was issued in March 2012 and will be effective for the Sports Authority in fiscal year 2014. This statement is for the purpose of improving accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements, *Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions*, and *No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Authority does not expect the adoption of GASB No. 66 to have an impact on its financial statements.

GASB Statement 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*, was issued in June 2012, and will be effective for the Sports Authority in fiscal year 2014. The objective of this statement is to improve financial reporting by state and local governmental pension plans. The Sports Authority has not yet determined the effect that the adoption of this statement may have on its financial statements.

GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, was issued in June 2012, and will be effective for the Sports Authority in the fiscal year 2015. The statement addresses accounting and financial reporting for pensions provided to governmental employees through pension plans that are administered by trusts. The Sports Authority participates in the Florida Retirement System that is administered by the State of Florida. Under this standard, the Sports Authority will be required to report a net pension liability, pension expense, and pension-related deferred inflows and outflows of resources based on its proportionate share of the collective amounts for all the governments in the Florida Retirement System plan. The Sports Authority has not yet determined the impact on its financial statements.

GASB Statement 69, *Government Combinations and Disposals of Government Operations*, was issued in January 2013, and will be effective for the Sports Authority in fiscal year 2015. This statement provides specific accounting and financial reporting guidance for combinations and disposals in the government environment. The Sports Authority does not anticipate any mergers, acquisitions, and transfers of operations in the future. Thus, the statement is not applicable.

GASB Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, was issued in April 2013, and will be effective for the Sports Authority in fiscal year 2014. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. A government that extends a nonexchange financial guarantee is required to recognize a liability if it is more likely than that the government will be required to make a payment on the guarantee; a government that has issued an obligation guarantee in a nonexchange transaction is required to recognize revenue to the extent of the reduction in its guaranteed liabilities. The statement will enhance comparability of financial statements among governments and specify the information to be disclosed by governments that extend nonexchange financial guarantees. The Sports Authority has not yet determined the effect that the adoption of this statement may have on its financial statements.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement 68*, was issued November 2013 and is required to be applied simultaneously with the provisions of GASB Statement 68. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting And Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after measurement date of the government's beginning net pension liability.

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. 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.

The bank balances of the Sports Authority deposits were \$22,789,475, and the total carrying amounts of its deposits (unrestricted and restricted) were \$23,083,702 at September 30, 2013.

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.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE C - CASH AND INVESTMENTS – Continued

\$155,432 of the September 30, 2013 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 assets held by the Sports Authority totaled \$31,876,186 and represent amounts that are restricted through debt covenants and agreements for the payment of \$13,584,289 in capital project purchases, \$17,978,512 for debt service payments and \$313,385 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, 2013.

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.
- 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.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE C - CASH AND INVESTMENTS – Continued

There were no violations to this policy during the fiscal year ended September 30, 2013.

The Sports Authority's investment activity during the year ended September 30, 2013 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, 2013. 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 (1.132623 at September 30, 2013, 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 LGIP and Fund B at September 30, 2013, was \$1 and \$155,431, 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, 2013 was 44 days and the weighted average life of the Fund B at September 30, 2013 was 4.04 years. The financial statements for the LGIP and Fund B may be obtained from the FSBA website.

The fair market value of investments consisted of the following at September 30, 2013:

Cash	\$	310,381
Florida Local Government Surplus Funds Trust Fund (managed by State Board of Administration)		<u>4,558</u>
	\$	<u>314,939</u>

NOTE D - PRACTICE FACILITY FUNDS RECEIVABLE

Pursuant to the terms of the Interlocal Agreement for distribution of Community Investment Tax Revenue dated July 17, 1996, disbursements were made to the Authority in the amount of \$12 million for purposes related to the possible purchase or construction of a football practice facility. Over the years funds have been used for costs associated with the facility. The Hillsborough County Board of County Commissions voted to have the remaining funds (\$11,663,542) transferred back to Hillsborough County and three other municipalities. As of September 30, 2013, \$11,554,252 has been transferred and the remaining \$109,290 will be transferred once the funds become fully liquid. Although these funds have been disbursed as mentioned, the Sports Authority maintains these amounts as a non-current restricted asset due to the terms outlined in the Interlocal Agreement.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE E - CAPITAL ASSETS

Property and equipment at September 30, 2013 is summarized as follows:

Primary Government				
Sports Authority	Balance September 30, 2012	Additions	Dispositions	Balance September 30,2013
Capital assets not being depreciated				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Construction in progress	336,585	-	-	336,585
Total capital assets not depreciated	<u>356,585</u>	<u>-</u>	<u>-</u>	<u>356,585</u>
Capital assets being depreciated				
Buildings and improvements	6,327,196	-	-	6,327,196
Furniture, fixtures and equipment	1,724,033	309,889	(46,042)	1,987,880
Total capital assets depreciated	<u>8,051,229</u>	<u>309,889</u>	<u>(46,042)</u>	<u>8,315,076</u>
Less accumulated depreciation				
Buildings and improvements	1,511,731	114,646	-	1,626,377
Furniture, fixtures and equipment	1,252,068	153,156	(44,985)	1,360,239
Total accumulated depreciation	<u>2,763,799</u>	<u>267,802</u>	<u>(44,985)</u>	<u>2,986,616</u>
Capital assets, net	<u>\$ 5,644,015</u>	<u>\$ 42,087</u>	<u>\$ (1,057)</u>	<u>\$ 5,685,045</u>

Depreciation expense charged to the Sports Authority operations for capital assets of the primary government was \$267,802 for the year ended September 30, 2013.

NOTE F - 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.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE F - UNAMORTIZED LEASEHOLD INTEREST – Continued

**Leasehold Interest**

Sports Authority	Balance September 30, 2012	Additions	Dispositions	Balance September 30, 2013
Leasehold interest				
Raymond James Stadium	\$ 172,657,087	\$ 535,878	\$ (63,216)	\$ 173,129,749
Tampa Bay Times Forum	79,782,956	-	-	79,782,956
	<u>252,440,043</u>	<u>535,878</u>	<u>(63,216)</u>	<u>252,912,705</u>
Less accumulated depreciation				
Raymond James Stadium	64,490,556	7,983,532	(16,701)	72,457,387
Tampa Bay Times Forum	27,480,795	3,545,909	-	31,026,704
	<u>91,971,351</u>	<u>11,529,441</u>	<u>(16,701)</u>	<u>103,484,091</u>
Leasehold interest, net	<u>\$ 160,468,692</u>	<u>\$ (10,993,563)</u>	<u>\$ (46,515)</u>	<u>\$ 149,428,614</u>

Amortization expense for the year ended September 30, 2013 was \$11,529,441.

NOTE G - LONG-TERM DEBT

The following is the long-term debt activity related to the bonds and loans payable for the year ended September 30, 2013:

	Balance at September 30, 2012	Additions	Deductions	Balance at September 30, 2013	Due within one year
Sports Authority	<u>\$ 145,322,337</u>	<u>\$ -</u>	<u>\$ 6,984,920</u>	<u>\$ 138,337,417</u>	<u>\$ 7,334,920</u>

Bonds payable by the Sports Authority at September 30, 2013 consist of the following:

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE G - LONG-TERM DEBT – Continued

	<u>Due within one year</u>	<u>Long-term</u>	<u>Total</u>
\$28,790,000, 1995 Special Purpose Bonds, State of Florida Sales Tax Payments Series, due in semi-annual installments through 2025; interest at 3.65% to 4.75% (Arena Project)	\$ 995,000	\$ 16,610,000	\$ 17,605,000
\$10,300,000, 1995 Special Purpose Bonds, City of Tampa, Florida, guaranteed Parking Revenue Series, due in semi-annual installments through 2026; interest at 3.95% to 6.10% (Arena Project)	335,000	6,450,000	6,785,000
\$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 7.14% (Arena Project)	85,000	1,955,000	2,040,000
\$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)	4,515,000	83,925,000	88,440,000
\$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)	<u>1,135,000</u>	<u>19,070,000</u>	<u>20,205,000</u>
Total principal	7,065,000	128,010,000	135,075,000
Less, unamortized bond discount	(14,403)	(158,751)	(173,154)
Plus, unamortized bond premium	<u>284,323</u>	<u>3,151,248</u>	<u>3,435,571</u>
TOTAL	<u>\$ 7,334,920</u>	<u>\$ 131,002,497</u>	<u>\$ 138,337,417</u>

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE G - LONG-TERM DEBT – Continued

Debt maturities and related interest payments at September 30, 2013 for the Sports Authority consist of the following:

Year ending September 30,	Principal	Interest	Total
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	8,210,000	5,580,762	13,790,762
2018	8,625,000	5,056,841	13,681,841
2019 - 2023	50,195,000	18,593,482	68,788,482
2024 - 2027	45,740,000	4,673,068	50,413,068
Total	<u>\$ 135,075,000</u>	<u>\$ 52,986,928</u>	<u>\$ 188,061,928</u>

NOTE H - 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, 2013 are as follows:

\$27,685,000 Interlocal Agreement Bonds of 1995	\$ 18,160,000
\$11,190,000 Tourist Development Tax, Series 1997B	7,280,000
\$30,185,000 Special Purpose Hillsborough County Refunding Bonds Series 1998	<u>21,290,000</u>
	<u>\$ 46,730,000</u>

NOTE I - 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 1<sup>st</sup> each year of the agreement (see note A3).



Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE J - GOLF COURSE MANAGEMENT ACTIVITIES

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, 2013.

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 K - 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 for employees hired prior to July 1, 2011 and with eight years of creditable service for employees hired on or after July 1, 2011. Normal retirement benefits are available to employees who retire at or after 62 years of age with six or more years of service for those employees hired before July 1, 2011; and at age 65 and eight years or more of service for those employees hired on or after July 1, 2011. 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 required to contribute 3% of gross compensation 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, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399-1560.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE K - 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, 2013, participating employer contributions are based upon statewide rates established by the State. These rates are applied to employee salaries as follow: regular employees at 6.95%, senior management at 18.31%, and DROP at 12.84%. 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, 2013, 2012 and 2011 were \$138,048, \$97,855 and \$158,097 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 \$235,000 and \$260,000 at September 30, 2013 and 2012, respectively. These amounts are recorded as accrued liabilities in the Statement of Net Position.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE L - 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 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 is a single employer plan and does not issue a stand-alone financial report. The plan's 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 \$79.965 million at September 30, 2013. The County's annual OPEB cost, which is defined as the OPEB expenses on an accrual basis, was \$6.047 million at September 30, 2013. 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 2013 was \$5.969 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.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE L - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – Continued

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

	<u>Fiscal Year 2013</u>
Actuarially required contribution (ARC)	\$ 5,969,000
Interest on the Net OPEB obligation for fiscal year	523,000
Less amortization of Net OPEB obligation for fiscal year	<u>(445,000)</u>
Annual OPEB cost for fiscal year	6,047,000
Net OPEB obligation, beginning of year	11,679,000
Less contributions (claims paid, etc.) for fiscal year	<u>(5,266,000)</u>
Net OPEB obligation, end of year	<u>\$ 12,460,000</u>

The County's net OPEB obligation at September 30, 2013 was \$12.460 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).

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 5,973,000	70%	\$ 8,920,000
2012	\$ 6,229,000	56%	\$ 11,679,000
2013	\$ 1,047,000	87%	\$ 12,460,000

*Funding Policy, Status and Progress.* In order for OPEB obligations to be considered under GASB Statement No. 45, an irrevocable trust fund must be used. 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 in the Self-Insurance Internal Service Fund.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE L - 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, 2013 was as follows:

Actuarial valuations date	September 30, 2013
Actuarial value of plan assets*	\$ -
Actuarial accrued liability (AAL)	\$ 79,965,000
Unfunded actuarial accrued liability (UAAL)	\$ 79,965,000
Actuarial value of plan assets*/AAL (funded ratio)	0%
Covered payroll (active plan members)	\$ 507,657
UAAL as a percentage of covered payroll*	15.8%

\*Although \$14.891 million have been set aside in the Self-Insurance Internal Service Fund to more than offset the County's net OPEB obligation of \$12.460 million at September 30, 2013, the amount considered to be funded was zero since an irrevocable trust fund was not 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, 2013 actuarial valuation. Other actuarial assumptions included a 4.5% investment rate of return a 4.5% discount rate, a 2.5% inflation rate, an initial pre-Medicare annual healthcare cost trend rate of 9.5% grading to an ultimate rate of 5% for fiscal year 2018, and an initial post-Medicare annual healthcare cost trend rate of 7.0% grading to an ultimate rate of 5.5% for fiscal year 2015.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE L - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – Continued

In the September 30, 2011 actuarial report, the approximate average age of employees was reported to be 47, with 13 years of service completed and 12 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, 2013. 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, 2013, was 30 years.

The Sports Authority's share of the other post-employment benefits liability for the year ended September 30, 2013 is approximately \$5,000.

NOTE M - 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, 2013 was \$2,799,962. 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 \$690,237 during the year ended September 30, 2013, based on the activity from February 1, 2012 through January 31, 2013. No amounts have been accrued in the financial statements for the Sports Authority's share of revenue earned from February 1, 2012 through September 30, 2013.

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 collections 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.

For the year ended September 30, 2013, \$7,968 was released from the excess surcharge fund due to actual surcharge collection shortfalls. The balance in the excess surcharge fund was \$312,805 at September 30, 2013.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE N - 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 \$14,177,000 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 O - 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, 2013, insurance coverage was not reduced from coverage levels in place as of September 30, 2012. No settlements have exceeded coverage levels in place during the past three fiscal years.

NOTE P - COMMITMENTS AND CONTINGENCIES

The Sports Authority maintains an obligation at September 30, 2013 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 \$11,663,542 at September 30, 2012, 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, 2013. No actions exist which, in management's opinion, would have a material effect on the Sports Authority's financial position.

NOTE Q - 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.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2013

NOTE Q - 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, 2013 are \$3,637,966 and the Sports Authority recognized approximately \$273,000 of amortization expense related to these deferred costs in 2013. 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 R - SUBSEQUENT EVENTS

The Sports Authority has evaluated events and transactions occurring subsequent to September 30, 2013 as of February 24, 2014 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, 2013

<u>State Grantor/Pass-through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Pass- Through Entity Identifying Number</u>	<u>Expenditures</u>
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	\$ 1,994,053
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	<u>1,998,257</u>
Total expenditures of state financial assistance			<u><u>\$ 3,992,310</u></u>

The accompanying notes are an integral part of this schedule.

Tampa Sports Authority

NOTES TO SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

September 30, 2013

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 Florida 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, 2013

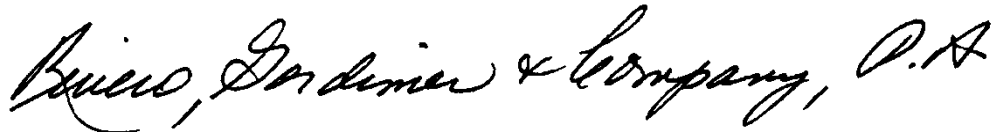


## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tampa Sports Authority's financial statements are free from 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Tampa, Florida  
February 24, 2014

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR STATE PROJECT AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY  
CHAPTER 10.550, *RULES OF THE FLORIDA AUDITOR GENERAL*

TAMPA SPORTS AUTHORITY

September 30, 2013





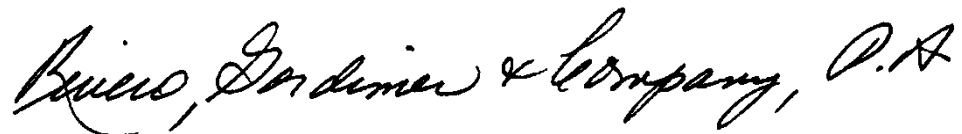
## Report on Internal Control Over Compliance

Management of the Tampa Sports Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Tampa Sports Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major State project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Florida 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 Tampa 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 noncompliance with a type of compliance requirement of a State project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.



Tampa, Florida  
February 24, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
STATE FINANCIAL ASSISTANCE PROJECT

TAMPA SPORTS AUTHORITY

September 30, 2013

Tampa Sports Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
STATE FINANCIAL ASSISTANCE PROJECT

September 30, 2013

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued Unmodified

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 Unmodified

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:	<u>CFSA Number</u>	<u>Name of State Project</u>
	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, 2013

**Section II - Financial Statement Findings**

No matters were reported for the year ended September 30, 2013 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, 2013 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, 2013



Section 10.554(1)(i)4., *Rules of the Florida Auditor General*, requires that we address 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 which warrants the attention of the charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., *Rules of the Florida 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. This information is disclosed in the notes to the financial statements.

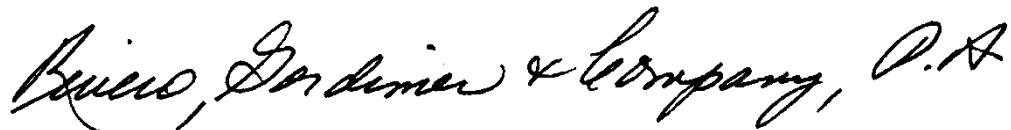
Section 10.554(1)(i)6.a., *Rules of the Florida Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Tampa Sports Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)6.b., *Rules of the Florida Auditor General*, requires that we determine whether the annual financial report for the Tampa Sports Authority for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Section 10.554(1)(i)6.c., and 10.556(7), *Rules of the Florida Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the Tampa 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.

Section 10.554(1)(i)6.e., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity complied with State and Federal laws, rules, regulations, contracts, or grant agreements governing the receipt and expenditure of those funds. Funds related to the Deepwater Horizon oil spill may include, but are not limited to, funds received pursuant to Section 288.84, Florida Statutes, and Public Law 112-141 (33 U.S.C.A. ss.1321(t)); State or local grants; and moneys received directly from British Petroleum. The Authority did not receive any funding related to the Deepwater Horizon Oil Spill.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Bruce, Gordonier & Company, P.A." The signature is written in black ink and is positioned above the typed name of the firm.

Tampa, Florida  
February 24, 2014



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**APPENDIX C-1**

**FORM OF TRUST INDENTURE**

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TAMPA SPORTS AUTHORITY

Issuer

and

U.S. BANK NATIONAL ASSOCIATION,  
as successor in interest to SunTrust Bank

Trustee

SECOND AMENDED AND RESTATED  
TRUST INDENTURE

\$ \_\_\_\_\_

Local Option Sales Tax Refunding Revenue Bonds  
(Stadium Project), Series 2015

Dated as of January 6, 2015

This instrument also constitutes a security agreement under the laws of the State of Florida.

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**SECOND AMENDED AND RESTATED  
TRUST INDENTURE**

**THIS SECOND AMENDED AND RESTATED TRUST INDENTURE** is made and entered into as of January 6, 2015 by and between the TAMPA SPORTS AUTHORITY, an independent special district under the laws of the State of Florida and its successors and assigns (the "Issuer") and U.S. BANK NATIONAL ASSOCIATION, a national banking association, duly organized and existing under the laws of the United States of America and authorized to accept and execute trusts of the character herein set out, with its designated corporate trust office located in Orlando, Florida, as successor in interest to SunTrust Bank, as trustee (together with any successor trustee hereunder, the "Trustee").

WITNESETH:

WHEREAS, the Issuer is authorized and empowered by the Act (as hereinafter defined) to issue its Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2015 (the "Series 2015 Bonds") and use the proceeds thereof to pay the costs of refunding all of its Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2005 (the "Refunded Bonds"); and

WHEREAS, the Issuer has determined that refunding the Refunded Bonds through the issuance of the Series 2015 Bonds will result in substantial net present value debt service savings and will thereby serve a valid public purpose of the Issuer; and

WHEREAS, on September 3, 1996, the electors of Hillsborough County, Florida (the "County") did approve by referendum the levy and collection of a local option infrastructure surtax, in accordance with Section 212.055(2), Florida Statutes, for various public projects and the construction of the Stadium (as that term is hereinafter defined); and

WHEREAS, pursuant to an Interlocal Agreement for Distribution of Community Investment Tax Revenue (the "Community Investment Interlocal Agreement"), dated July 17, 1996, by and among the City of Tampa, the City of Temple Terrace, and the City of Plant City (the "Municipalities"), the Hillsborough County School Board (the "School Board"), and the County, the Local Option Sales Tax Revenues (as hereinafter defined) described in Section 2(b) of the Community Investment Interlocal Agreement shall be available to finance the construction of the Stadium; and

WHEREAS, pursuant to the Interlocal Agreement For Stadium Financing, dated as of June 1, 1997, between the County and the Issuer, as amended and restated pursuant to the Amended and Restated Interlocal Agreement For Stadium Financing, dated as of December 6, 2006 and as further amended and restated pursuant to the Second Amended and Restated Interlocal Agreement For Stadium Financing, dated as of January 6, 2015 (the "Interlocal Agreement For Stadium Financing") the County shall transfer the Local Option Sales Tax Revenues received by it and available for such purposes pursuant to Section 2(b) of the Community Investment Interlocal Agreement, to the Trustee, on behalf of the Issuer, to pay



principal of and interest on the Bonds (as hereinafter defined) and to make other payments as described herein, and for such related purposes as provided therein; and

WHEREAS, the parties hereto entered into that certain Trust Indenture dated as of June 1, 1997, as amended and supplemented from time to time (the "Original Indenture") pursuant to which the Local Option Sales Tax Revenue Bonds (Stadium Project), Series 1997 (the "Series 1997 Bonds") were issued; and

WHEREAS, the parties hereto entered into that certain Amended and Restated Trust Indenture dated as of November 1, 2005 (the "Amended and Restated Trust Indenture") to amend and restate the Original Indenture pursuant to which the Refunded Bonds were issued for the purpose of refunding the Series 1997 Bonds; and

WHEREAS, in connection with the issuance of the Series 2015 Bonds, the Amended and Restated Trust Indenture is hereby amended and restated in its entirety to read as follows;

NOW, THEREFORE, THIS SECOND AMENDED AND RESTATED TRUST INDENTURE

WITNESSETH:

GRANTING CLAUSE FIRST

The Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the owners thereof, and of the sum of One Dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby grant a security interest in the Pledged Revenues (as hereinafter defined) to the Trustee, and its successors in trust and assigns forever (collectively, the "Trust Estate"), for the securing of the performance of the obligations of the Issuer hereinafter set forth.

**IN TRUST NEVERTHELESS**, upon the terms and trusts herein set forth for the benefit, security and protection of all present and future owners of the Bonds issued under and secured by this Indenture (as hereinafter defined) with the privileges, priorities and distinctions as to the lien and otherwise herein set forth.

**ARTICLE I.  
DEFINITIONS**

The following words and phrases shall have the following meanings:

"Act" means Chapter 96-520, Laws of Florida, Acts of 1996, as amended; Section 212.055(2), Florida Statutes; Ordinance No. 96-12 enacted by the County on July 10, 1996, as amended; and other applicable provisions of law.

"Additional Bonds" means additional obligations issued under this Indenture in compliance with the terms, conditions and limitations contained herein, which will have a lien on the Pledged Revenues on parity with the lien of the Series 2015 Bonds thereon.

"Amended and Restated Interlocal Agreement For Stadium Financing" means the Amended and Restated Interlocal Agreement For Stadium Financing dated as of December 6, 2006, between the Issuer and the County, as amended from time to time.

"Amended and Restated Trust Indenture" has the meaning ascribed thereto in the Whereas Clauses.

"Amortization Installment" means the funds to be deposited in the Debt Service Fund in a given Bond Year for the payment at maturity or redemption of a portion of Term Bonds of a designated Series, as established herein or by supplemental indenture entered into upon the delivery of that Series of Term Bonds.

"Authorized Denominations" means, unless otherwise provided by supplemental indenture with respect to a Series of Bonds, \$5,000 or any integral multiple thereof.

"Authorized Depository" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Issuer as a depository, which is authorized under Florida law to be a depository of public funds of the Issuer and which has qualified with all applicable state and federal requirements concerning the receipt of Issuer funds.

"Bond Counsel" means a firm of attorneys of nationally recognized standing in matters pertaining to the issuance of bonds by states and their political subdivisions.

"Bond Obligation" means, as of the date of computation, the sum of: (i) the principal amount of all Current Interest Bonds then Outstanding and (ii) the Compounded Amount on all Capital Appreciation Bonds then Outstanding, if any.

"Bond Service Requirement" means for a given Bond Year the remainder, after subtracting any accrued and capitalized interest for that year that has been deposited into the Debt Service Fund or a separate account in the Construction Fund for that purpose from the sum of:

(A) The amount required to pay the interest coming due on Outstanding Bonds during that Bond Year, including the accreted interest component of the Compounded Amount of Capital Appreciation Bonds coming due during that Bond Year,

(B) The amount required to pay the principal of Outstanding Serial Bonds and the principal of Outstanding Term Bonds, including the principal component of the Compounded Amounts of Capital Appreciation Bonds maturing in that Bond Year that are not included in the Amortization Installments for such Term Bonds, and

(C) The Amortization Installment for all Series of Outstanding Term Bonds for that Bond Year.

**"Bond Year"** means the annual period beginning on the second day of January of each year and ending on the first day of January of the following year.

**"Bondholder"** or **"Holder"** or **"Owner of Bonds"** or **"Owner"** or **"owner"** means the registered owner of any Outstanding Bond.

**"Bonds"** means the Series 2015 Bonds and any Additional Bonds issued hereunder.

**"Business Day"** means, unless otherwise provided by supplemental indenture with respect to a Series of Bonds, a day on which banking business is transacted in the city or cities in which the Paying Agent has its principal corporate trust offices and on which the New York Stock Exchange is open.

**"Capital Appreciation Bonds"** means Bonds that bear interest, compounded periodically, that is payable only at maturity or upon redemption prior to maturity in amounts determined by reference to the Compounded Amounts.

**"Chairman"** means the Chairman or Vice Chairman of the Issuer.

**"City"** means the City of Tampa, Florida.

**"City Interlocal Agreement"** means the Interlocal Agreement dated as of June 1, 1997, between the Issuer and the City, as amended from time to time.

**"Code"** means the Internal Revenue Code of 1986, as amended, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations and temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

**"Community Investment Interlocal Agreement"** means the Interlocal Agreement for Distribution of Community Investment Tax Revenue, dated July 17, 1996, by and among the County, the City of Tampa, the City of Temple Terrace, the City of Plant City and the Hillsborough County School Board, as amended from time to time.

**"Compounded Amounts"** means, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond, compounded periodically, to the date of calculation, determined by reference to the accretion tables contained in such Capital Appreciation Bond or contained or referred to in this Indenture or the supplemental indenture providing for the issuance of such Capital Appreciation Bonds, such interest to accrue at a rate not exceeding the legal rate as set forth in this Indenture or the supplemental indenture of the Issuer providing for the issuance of such Capital Appreciation Bonds. The Compounded Amount of such Capital Appreciation Bonds as of any date not stated in such tables shall be calculated by adding to the Compounded Amount for such Capital Appreciation Bonds as of the last date stated in such tables immediately preceding the date of calculation, a portion of the difference between the Compounded Amount as of such preceding date and the Compounded Amount as of the date shown on the tables immediately succeeding the date of computation, calculated based on the assumption that the Compounded Amount accrues in equal daily amounts on the basis of a year of twelve 30-day months.

**"Construction Fund"** means the fund by that name created pursuant to Section 5.02 hereof.

**"Continuing Disclosure Certificate"** means the Continuing Disclosure Certificate dated January 6, 2015 entered into by the Issuer.

**"Costs of Issuance Fund"** means the account by that name created pursuant to Section 5.03 hereof.

**"County"** means Hillsborough County, Florida.

**"County Continuing Disclosure Certificate"** means the Continuing Disclosure Certificate dated January 6, 2015 entered into by the County.

**"Current Interest Bonds"** means Bonds that bear interest which is payable annually, semiannually or monthly, or such more frequent interval as the Issuer may determine.

**"Debt Service Fund"** means the account by that name created pursuant to Section 5.02 hereof.

**"Default"** or **"Event of Default"** means any occurrence or event specified in Section 8.01 hereof.

**"DTC"** means The Depository Trust Company, New York, New York.

**"Escrow Agent"** means U.S. Bank National Association, as successor in interest to SunTrust Bank, a national banking association, appointed pursuant to Resolution 14-01 adopted by the Governing Body on November 20, 2014.

**"Escrow Deposit Agreement"** means the agreement to be entered into between the Issuer and the Escrow Agent if and when any of the Refunded Bonds are to be refunded by the Series 2015 Bonds.

**"Financial Officer"** means the President/CEO of the Issuer, or his or her designee, or Vice President Finance and Administration of the Issuer, or his or her designee.

**"Fiscal Year"** means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the Issuer pursuant to general law.

**"Fitch"** means Fitch Ratings.

**"FST Indenture"** means the Second Amended and Restated Trust Indenture, dated as of January 6, 2015 between the Issuer and U.S. Bank National Association, as successor in interest to SunTrust Bank, as trustee thereunder, and all amendments or supplements hereto.

**"Governing Body"** means the governing body of the Issuer.

**"Governmental Obligations"** means (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), and (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated.

**"Indenture"** means this Second Amended and Restated Trust Indenture between the Issuer and the Trustee, and all amendments or supplements hereto.

**"Interest Payment Date"** means any date upon which interest on the Bonds is due and payable in accordance with their terms.

**"Interest Requirement"** means for a given Bond Year the remainder, after subtracting any accrued and capitalized interest for that year that has been deposited into the Debt Service Fund or a separate account in the Construction Fund for that purpose, from the amount required to pay the interest coming due on Bonds during that Bond Year, including the accreted interest component of the Compounded Amount of Capital Appreciation Bonds coming due during that Bond Year.

**"Interlocal Agreement For Stadium Financing"** means the Interlocal Agreement For Stadium Financing dated as of June 1, 1997, between the Issuer and the County, as amended and restated by the Amended and Restated Interlocal Agreement For Stadium Financing and as further amended and restated pursuant to the Second Amended and Restated Interlocal Agreement For Stadium Financing.

**"Investment Obligations"** means, to the extent permitted by law and the Issuer's written investment policy,

(1) Governmental Obligations;

(2) Bonds, debentures, notes and other evidence of indebtedness issued or guaranteed by any of the following federal agencies; provided that such obligations are secured by the full faith and credit of the United States of America:

- U.S. Export - Import Bank (direct obligations or fully guaranteed certificates of beneficial ownership)

- Farmers Home Administration (certificates of beneficial ownership)

- Federal Financing Bank

- Federal Housing Administration Debentures

- General Services Administration (participation certificates)

- U.S. Maritime Administration (guaranteed Title XI financing)

- Government National Mortgage Association (GNMA-guaranteed mortgage-backed bonds and GNMA-guaranteed pass-through obligations)

- U.S. Department of Housing & Urban Development (Project Notes; Local Authority Bonds; New Communities Debentures - U.S. Government guaranteed debentures; U.S. Housing Notes and Bonds - U.S. Government guaranteed public housing notes and bonds);

(3) Bonds, debentures notes or other evidences of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies:

(a) Federal Home Loan Bank System

- Senior debt obligations

(b) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")

- Participation Certificates

- Senior debt obligations

(c) Federal National Mortgage Association (FNMA or "Fannie Mae")

- Mortgage-backed securities and senior debt obligations

- Senior debt obligations

- (d) Resolution Funding Corp. (REFCORP) obligations.
- (e) Farm Credit System
  - Consolidated system-wide bonds and notes;
- (4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAAm or AAm and are rated Aaa by Moody's;
- (5) Certificates of deposit ("CD's") secured at all times by collateral described in clause (1) and/or (2) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks; provided that the collateral must be held by a third party and the Bondholders must have a perfected first security interest in the collateral;
- (6) Certificates of deposit, savings accounts, deposit account or money market deposits which are fully insured by FDIC, including BIF and SAIF;
- (7) Guaranteed investment agreements, acceptable to the Mayor of the City and the County Administrator of the County;
- (8) Commercial paper which is rated at the time of purchase, "A-1" or better by S&P and "Prime-1" by Moody's;
- (9) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest long-term rating categories assigned by such agencies;
- (10) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Section 218, Florida Statutes;
- (11) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P;
- (12) Repurchase agreements which provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date. Repurchase Agreements ("REPOS") must satisfy the following criteria or be approved by the Mayor of the City and the County Administrator of the County;
  - (a) REPOS must be between the municipal entity and a dealer bank or securities firm

(i) Primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by S&P and Moody's, or

(ii) Banks rated "A" or above by S&P and Moody's.

(b) The written REPO contract must include the following:

(i) Securities which are acceptable for transfer are:

(A) Direct U.S. governments, or

(B) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

(ii) The term of the REPO may be up to 30 days

(iii) The collateral must be delivered to the Issuer, Paying Agent (if Paying Agent is not supplying the collateral) or third party acting as agent for the Paying Agent (if the Paying Agent is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(iv) Valuation of Collateral

(A) The securities must be valued weekly, marked-to market at current market price plus accrued interest

(B) The value of collateral must be equal to 104% of the amount in cash transferred by the Issuer to the dealer bank or security firm under the REPO plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(v) Legal opinion which must be delivered to the municipal entity:

REPO meets guidelines under state law for legal investment of public funds; or

(13) Other forms of investments approved in writing by the Mayor of the City and the County Administrator of the County.

**"Issuer"** means the Tampa Sports Authority.



**"Local Option Sales Tax Revenues"** means the local option infrastructure surtax revenues directed by the County and the City pursuant to Section 2(b) of the Community Investment Interlocal Agreement and payable to the order of the Issuer pursuant to the Interlocal Agreement For Stadium Financing.

**"Maximum Annual Bond Service Requirement"** means, as of any particular date of calculation, the largest Bond Service Requirement for any remaining Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount or Compounded Amounts, as the case may be, of such Bonds that are to be redeemed or paid from Amortization Installments to be made in prior Bond Years. For purposes of this Indenture, the Maximum Annual Bond Service Requirement shall be calculated at least annually as of the first day of each Bond Year and as of the date of issuance of any Series of Bonds hereunder.

**"Moody's"** means Moody's Investors Service, Inc.

**"Notice Address"** means:

- (a) As to the Issuer: Tampa Sports Authority  
4201 North Dale Mabry Highway  
Tampa, Florida 33607
- (b) As to the Trustee: U.S. Bank National Association  
225 East Robinson Street, Suite 250  
Orlando, Florida 32801  
Attention: Corporate Trust Department
- (c) As to the County: Hillsborough County  
601 East Kennedy Boulevard  
Tampa, Florida 33602  
Attention: Clerk of the Circuit Court
- (d) As to the City: City of Tampa  
306 East Kennedy Boulevard  
Tampa, Florida 33602  
Attention: Chief Financial Officer

**"Original Trust Indenture"** has the meaning ascribed thereto in the Whereas Clauses.

**"Outstanding"** or **"Bonds Outstanding"** or **"Outstanding Bonds"** means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds canceled after purchase in the open market or because of payment at, or redemption prior to, maturity;

(b) Bonds for the payment or redemption of which cash funds or Governmental Obligations or any combination thereof shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in accordance with Article VII hereof; provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements shall have been made therefor, or waiver of such notice shall have been filed with the Trustee; and

(c) Bonds in lieu of which other Bonds have been authenticated under Section 2.07 or 2.08 hereof.

**"Paying Agent"** means any bank or trust company, including the Trustee, designated pursuant to this Indenture to serve as a paying agency or place of payment for the Bonds, and any successors designated pursuant to this Indenture.

**"Pledged Revenues"** means (i) the Local Option Sales Tax Revenues, and (ii) moneys on deposit in the funds and accounts established hereunder and investment earnings thereon, but excluding moneys on deposit in the Rebate Account, the Stadium Fund and the Cost of Issuance Fund.

**"Project"** means any qualified projects pursuant to the Act, Community Investment Interlocal Agreement, and the Interlocal Agreement For Stadium Financing, as may be identified by supplemental indenture.

**"2015 Project"** means the following Project: capital improvements and repairs to the Stadium including, without limitation, replacement of the two main scoreboards that were installed when the Stadium was opened in 1996, installation of new sound amplification equipment and replacement of Stadium seating.

**"Qualified Independent Consultant"** means one or more such qualified and recognized independent consultants, having favorable repute, skill and experience with respect to the acts and duties required of a Qualified Independent Consultant by a particular section or sections hereof, as shall from time to time be retained by the Issuer for the purposes hereof.

**"Rating Agencies"** means Moody's, S&P and Fitch and any other nationally recognized rating agency, only to the extent then maintaining a rating on any of the Bonds outstanding hereunder.

**"Rebate Account"** means the account by that name created pursuant to Section 5.02 hereof.

**"Rebate Amount"** means, relating to the Series 2015 Bonds which are not Taxable Bonds, the excess of the future value, as of the computation date, of all receipts on all nonpurpose

investments (as defined in Section 1.148-1(b) of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by the Income Tax Regulations under the Code implementing Section 148 thereof.

**"Rebate Year"** means, with respect to a particular Series of Bonds issued hereunder, a one-year period (or shorter period) from the date of issuance that ends at the close of business on the day in the calendar year selected by the Issuer as the last day of a Rebate Year. The final Rebate Year with respect to a particular Series of Bonds issued hereunder, however, shall end on the date of final maturity of that Series of Bonds.

**"Record Date"** means the fifteenth day of the month preceding any Interest Payment Date (or the date of selection of Bonds for redemption, in the event Bonds are to be redeemed on other than an Interest Payment Date), provided that with respect to overdue interest or interest due on any overdue amount or on other than a regular Interest Payment Date, the Trustee may establish a special record date of not more than 20 days before the date set for payment.

**"Refunded Bonds"** means all of the Tampa Sports Authority Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2005 which are outstanding prior to the issuance of the Series 2015 Bonds.

**"Refunded Bonds Paying Agent"** means U.S. Bank National Association, as successor in interest to SunTrust Bank, as trustee with respect to the Refunded Bonds.

**"Refunded Bonds Redemption Date"** means January 9, 2015.

**"Registrar"** means the Trustee or any person designated from time to time by the Issuer, by supplemental indenture, to maintain the registration books for the Bonds issued hereunder or to perform other duties with respect to registering the transfer of Bonds.

**"Requisition for Payment"** means the form by that name described in Section 5.03(C)(i) hereof.

**"Reserve Fund"** means the fund by that name created pursuant to Section 5.02 hereof.

**"Reserve Product"** means bond insurance, a surety bond or a letter of credit or other credit facility used in lieu of a cash deposit in the Reserve Fund and meeting the terms and conditions of Section 5.06 of this Indenture.

**"Reserve Product Provider"** means a nationally recognized bond insurance provider or a bank or other financial institution providing a Reserve Product, whose claims paying ability (or if a bank or other financial institution, long term unsecured debt rating) is rated at the time of deposit in one of the three highest rating categories by S&P or Moody's.

**"Reserve Requirement"** means with respect to each Series of Bonds issued hereunder, the amount of money, if any, or available amount of Reserve Product, if any, or a combination thereof required by supplemental indenture executed prior to the issuance of such Series of Bonds to be maintained in the account in the Reserve Fund with respect to such Series of Bonds, which will not cause any existing rating on the Bonds or any Series thereof to be lowered, suspended or withdrawn, and which amount shall be available for use only with respect to such Series of Bonds. With respect to the Series 2015 Bonds, "Reserve Requirement" shall be equal to \$0.

**"Revenue Fund"** means the account by that name created pursuant to Section 5.02 hereof.

**"S&P"** means Standard & Poor's Ratings Services.

**"Second Amended and Restated Interlocal Agreement For Stadium Financing"** means the Second Amended and Restated Interlocal Agreement For Stadium Financing dated as of January 6, 2015, between the Issuer and the County, as amended from time to time.

**"Secretary"** means the Secretary or any Assistant Secretary of the Issuer.

**"Serial Bonds"** means all Bonds of a Series other than Term Bonds.

**"Series"** means the Series 2015 Bonds and any portion of the Bonds of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to the supplemental indenture authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate, Amortization Installments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution of a Series of Bonds issued pursuant to this Indenture.

**"Series 2015 Bonds"** means the Issuer's \$\_\_\_\_\_ Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2015.

**"Stadium"** means the community stadium constructed in the City of Tampa, Hillsborough County, Florida, by the Issuer.

**"Stadium Fund"** means the account by that name created pursuant to Section 5.02 hereof.

**"State"** means the State of Florida.

**"Taxable Bonds"** means Bonds of a Series, the interest on which is not intended at the time of issuance thereof to be excluded from the gross income of the holders thereof for federal income tax purposes under the Code.

**"Term Bonds"** means Bonds of a Series for which Amortization Installments are established, and such other Bonds of a Series so designated by supplemental indenture of the Issuer executed on or before the date of delivery of such Bonds.

**"Trustee"** means U.S. Bank National Association, a national banking association, as successor in interest to SunTrust Bank, or any successor trustee appointed pursuant to this Indenture.

## **ARTICLE II. THE BONDS**

### **SECTION 2.01. AUTHORIZATION OF THE SERIES 2015 BONDS AND REFUNDING**

(A) The Series 2015 Bonds are hereby authorized to be issued, in one or more Series, in an aggregate principal amount of \_\_\_\_\_ and No/100 Dollars (\$\_\_\_\_\_), for the purpose of refunding the Refunded Bonds and paying the costs associated with the issuance thereof. Additional Bonds in excess of the principal amount of the Series 2015 Bonds may be issued from time to time pursuant to the terms hereof, of the Act, the Community Investment Interlocal Agreement and the Interlocal Agreement For Stadium Financing.

(B) The refunding of the Refunded Bonds is hereby authorized by the Issuer in accordance with the provisions hereof. The costs of the refunding shall include, without limiting the items of costs permitted under the Act, all costs of issuance of the Series 2015 Bonds, including, without limitation, underwriting discount, Bond Counsel, disclosure counsel, counsel or counsels to the Issuer, counsel to the Trustee, financial advisors, printing costs, rating agency fees, initial acceptance fees of paying agents, registrars, trustees, depositories, all fees and costs of financial institutions providing special credit facilities with respect to the Series 2015 Bonds; and such other costs and expenses which shall be necessary or incidental to the refunding of the Refunded Bonds.

### **SECTION 2.02. TERMS OF SERIES 2015 BONDS**

(A) The Series 2015 Bonds shall be designated "Tampa Sports Authority Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2015," and shall be issued as fully registered Bonds, without coupons. The Series 2015 Bonds shall be dated as of the date of their delivery, numbered consecutively from R-1 upward and issued in the denomination of \$5,000 or any integral multiple thereof.

(B) The Series 2015 Bonds shall mature on the following dates and in the stated principal amounts, and shall bear interest payable commencing July 1, 2015, and thereafter semiannually on January 1 and July 1 of each year, at the rates per annum, all as set forth below:

\$ \_\_\_\_\_ Serial Bonds

<u>Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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The Series 2015 Bonds shall bear interest from the Interest Payment Date next preceding their date of registration and authentication unless any such Series 2015 Bond is registered and authenticated as of an Interest Payment Date, in which case it shall bear interest from said Interest Payment Date; or unless a Series 2015 Bond is registered and authenticated prior to July 1, 2015, in which event such Series 2015 Bond shall bear interest from the date of their delivery; or unless a Series 2015 Bond registered and authenticated on a date which is after the applicable Record Date and before the next ensuing Interest Payment Date, in which case it shall bear interest from such next ensuing Interest Payment Date; or unless, as shown by the records of the Trustee, interest on the Series 2015 Bonds shall be in Default in which event such Series 2015 Bond shall bear interest from the date to which interest was last paid on such Series 2015 Bond.

The principal of, redemption premium, if any, and interest on any of the Series 2015 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The principal of, and redemption premium, if any, on the Series 2015 Bonds are payable upon presentation and surrender at the designated corporate trust office of the Trustee or any successor thereto or at such other place as may be provided for by the appointment of any other Paying Agent appointed under this Indenture. Payment of interest on the Series 2015 Bonds shall be made to the registered owner thereof by check or draft mailed to the owner at his address as it appears on the registration books maintained by or on behalf of the Issuer as of the close of business on the applicable Record Date, pursuant to Section 2.08 hereof. Payment of interest on the Series 2015 Bonds may, at the option of any owner of Series 2015 Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to such owner to the bank account number on file with the Paying Agent as of the Record Date upon written request therefor by the holder thereof for the appropriate Interest Payment Date.

### **SECTION 2.03. EXECUTION; LIMITED OBLIGATIONS**

Except as otherwise provided in a supplemental indenture in connection with a Series of Bonds, Bonds shall be executed on behalf of the Issuer with the manual or facsimile signatures of its Chairman and shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Issuer, and be attested with the manual or facsimile signature of the Secretary. The Bonds, together with interest thereon, are not general or moral obligations of the Issuer and do not constitute an obligation, either general or special, of the State, the County, the City or any political subdivision thereof, but are limited obligations payable solely and only from the Pledged Revenues. Such moneys are hereby pledged and assigned as security for the equal and

ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, redemption premium, if any, and interest on the Bonds. The Bonds shall in no event be payable from the general revenues of the Issuer and shall not constitute a debt, liability, general or moral obligation or a pledge of the faith or loan of credit of the County, the City, the State or any political subdivision of the State within the meaning of any constitutional or statutory provisions; the County, the City, the State nor any political subdivision thereof shall be liable thereon; nor in any event shall such Bonds or obligations be payable out of any funds or properties other than those of the Issuer, and then only to the extent herein provided. Neither the faith and credit nor the revenues or taxing power of the County, the City, the State or any political subdivision thereof, is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Issuer has no taxing power.

In case any officer of the Issuer whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

#### **SECTION 2.04. AUTHENTICATION**

No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the form set forth in Exhibit C attached hereto shall have been duly executed by the manual signature of the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

#### **SECTION 2.05. FORM OF BONDS**

The Bonds issued under this Indenture shall be substantially in the form set forth in Exhibit C attached hereto with such variations, omissions and insertions as are permitted or required by this Indenture.

#### **SECTION 2.06. DELIVERY OF BONDS**

Upon the execution and delivery of this Indenture, or a respective supplement hereto, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, the respective Series of Bonds and deliver them to the purchasers thereof as directed by the Issuer as hereinafter in this Section provided.

Prior to the delivery by the Trustee of any Series of Bonds there shall be filed or deposited with the Trustee at closing:

(A) A copy, duly certified of the resolution adopted by the Issuer approving the issuance of such Series of Bonds and the written recommendation of the Chief Financial Administrator of the County as required by Resolution No. R14-\_\_\_ adopted by the Board of County Commissioners of the County on November 13, 2014 (the "Written Recommendation of the Chief Financial Administrator of the County").

(B) Executed counterparts of the Interlocal Agreement for Stadium Financing, this Indenture, any supplement thereto, the Continuing Disclosure Certificate and the County Continuing Disclosure Certificate.

(C) A request and authorization to the Trustee on behalf of the Issuer and signed by the Chairman of the Issuer to authenticate and deliver the Series of Bonds in accordance with the resolution awarding such Series of Bonds.

(D) An opinion of general counsel for the Issuer stating that such resolution adopted by the Issuer was duly adopted and this Indenture, the Community Investment Interlocal Agreement, the City Interlocal Agreement, the Interlocal Agreement For Stadium Financing, the Escrow Deposit Agreement, and the Continuing Disclosure Certificate have been duly authorized by the Issuer and this Indenture, the Community Investment Interlocal Agreement, the City Interlocal Agreement, the Interlocal Agreement For Stadium Financing, the Escrow Deposit Agreement, and the Continuing Disclosure Certificate have been duly executed and delivered by the Issuer and, assuming proper authorization and execution by the other parties thereto, this Indenture, the Community Investment Interlocal Agreement, the City Interlocal Agreement, the Interlocal Agreement For Stadium Financing, the Escrow Deposit Agreement and the Continuing Disclosure Certificate are valid and binding agreements, enforceable against the Issuer in accordance with their terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or similar law affecting the enforcement of creditors' rights generally).

(E) An opinion of Bond Counsel stating that the issuance of the respective Series of Bonds and the execution of this Indenture have been duly and validly authorized, that the Series of Bonds and the Indenture or supplemental indenture, as applicable, are valid and binding obligations, enforceable against the Issuer in accordance with their terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or similar law affecting the enforcement of creditors' rights generally) and that (unless such Series of Bonds is issued as Taxable Bonds) interest on such Series of Bonds is not included in the gross income of the Owners of that Series of Bonds for federal income tax purposes.

(F) An opinion of the County Attorney of the County stating that in reliance on the Written Recommendation of the Chief Financial Administrator of the County, the County has permitted the issuance of such Series of Bonds within the meaning of Section 3.A. of the Interlocal Agreement For Stadium Financing, and that the Community Investment Interlocal Agreement, the Interlocal Agreement For Stadium Financing, and the County Continuing Disclosure Certificate have been duly authorized, executed and delivered, and assuming proper



authorization and execution by the other parties thereto, if applicable, each constitutes a valid and binding agreement of the County, enforceable against the County in accordance with its terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or similar law affecting the enforcement of creditors' rights generally).

Upon receipt of these documents and amounts, the Trustee shall authenticate and deliver the Series of Bonds to, or upon the order of, the purchasers thereof, but only upon payment to the Trustee of the purchase price of such Series of Bonds, together with accrued interest thereon. The proceeds received by the Trustee from the sale of such Series of Bonds shall be deposited in the various funds and accounts specified in, and pursuant to, Section 2.10 below.

#### **SECTION 2.07. MUTILATED, LOST, STOLEN OR DESTROYED BONDS**

In the event any Bond is mutilated, lost, stolen or destroyed, at the request of the owner of any such Bond, the Issuer shall execute (if the Trustee does not have executed Bonds in its possession) and the Trustee shall authenticate and deliver a new Bond of like date, interest rate, maturity and denomination as that Bond which was mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and, in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to it. In the event any such Bond shall be about to mature or have matured or been called for redemption, instead of issuing a duplicate Bond, the Trustee may pay the same without surrender thereof. The Issuer and the Trustee may charge the owner of such Bond reasonable fees and expenses in this connection.

#### **SECTION 2.08. REGISTRATION AND EXCHANGE OF BONDS; PERSONS TREATED AS OWNERS**

The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee, which is hereby constituted and appointed the Registrar.

Upon surrender for transfer of any Bond at its designated corporate trust office, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of Authorized Denominations of the same Series, interest rate and maturity for the aggregate principal amount which the registered owner is entitled to receive. Bonds may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate of the same or any other authorized denomination.

All Bonds presented for transfer or exchange (if so required by the Issuer or the Trustee), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by his duly authorized attorney. The Trustee shall require payment of a

sum sufficient to cover any expenses incurred in making such transfer or exchange, any tax or other governmental charge that may be imposed in relation thereto but may not impose any other service charge or fee. Except as otherwise provided by supplemental indenture, the Issuer and the Trustee shall not be required (a) to issue, transfer or exchange any Bonds during a period beginning at the Record Date or the date which is fifteen (15) days prior to the day on which the applicable notice of redemption is given or (b) to transfer or exchange any Bonds selected, called or being called for redemption in whole or in part. If the Trustee establishes a special record date, it shall provide notice by first class mail to registered owners of all Bonds Outstanding at least 10 days before such special record date or at such other time and manner as the Trustee may deem appropriate.

New Bonds delivered upon any transfer or exchange shall be valid limited obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The person in whose name any Bond is registered shall be deemed the owner thereof by the Issuer, the Trustee and the Registrar for all purposes under this Indenture, and any notice to the contrary shall not be binding upon the Issuer, the Trustee or the Registrar. All payments of principal of, redemption premium, if any, and interest on the Bonds shall be made only to or upon the order of the owner thereof or such Owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sums so paid.

#### **SECTION 2.09. DESTRUCTION OF BONDS**

Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount thereof represented thereby or for replacement pursuant to Section 2.07 hereof or transfer or exchange pursuant to Section 2.08 hereof, such Bond shall be canceled and destroyed by the Trustee. Counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Issuer no less frequently than annually.

#### **SECTION 2.10. APPLICATION OF SERIES 2015 BOND PROCEEDS**

Unless otherwise provided to the contrary by supplemental indenture entered into coincident with or prior to the sale of the Series 2015 Bonds, the proceeds, including accrued interest and net original issue premium, if any, received from the sale of the Series 2015 Bonds, together with other legally available moneys of the Issuer, if any, shall be deposited by the Issuer and the Trustee, simultaneously with the delivery of the Series 2015 Bonds, as provided in Section 5.03(A) hereof.

## **SECTION 2.11. TEMPORARY BONDS**

Until definitive Bonds are ready for delivery, there may be executed, and upon request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary typewritten, printed, engraved or lithographed Bonds, substantially in the form of the definitive Bonds with appropriate omissions, variations and insertions and in authorized denominations.

If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its designated corporate trust office, of any temporary Bond, shall cancel the same and authenticate and deliver in exchange therefor at the place designated by the owner, without charge to the owner thereof, a definitive Bond or Bonds of an equal aggregate principal amount, of the same Series, maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive bonds issued and authenticated hereunder.

## **SECTION 2.12. BOOK-ENTRY ONLY SYSTEM**

(A) The Bonds of each Series shall be initially issued in the form of a separate single certificated fully registered Bond for each of the stated maturities. The Bonds of each Series shall be numbered consecutively R-1 and upward and may be in typewritten form. Upon initial issuance, the ownership of each Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. Except as provided in Section 2.12(C) hereof, the Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

(B) With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation to any DTC participant or to any person on behalf of which a DTC participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer, the Registrar, the Paying Agent and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC participant or any other person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, redemption premium, if any, or interest on the Bonds. The Issuer, the Registrar and the Trustee shall treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, redemption premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption, for the purpose of

obtaining consents and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee or any other Paying Agent shall pay all principal of, redemption premium, if any, and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided in Section 2.02 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, redemption premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal, redemption premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this Indenture shall refer to such new nominee of DTC; and upon receipt of such a notice the Registrar shall promptly deliver a copy of the same to the Trustee, if the Trustee and the Registrar are not one and the same entity.

(C) (i) DTC may determine to discontinue providing its services with respect to the Series 2015 Bonds at any time by giving notice to the Issuer, the Trustee and the Registrar and discharging its responsibilities with respect thereto under applicable law.

(ii) Upon compliance with the requirements of any agreement between the Issuer and DTC with respect thereto, the Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuer determines that:

(a) DTC is unable to discharge its responsibilities with respect to the Bonds, or

(b) a continuation of the requirements that the Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to Section 2.12(C)(ii)(b) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to Section 2.12(C)(i) or Section 2.12(C)(ii)(a) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuer, is willing and able to undertake such functions upon reasonable and customary terms, the Issuer is obligated to deliver certificated Bonds at the expense of the beneficial owners of the Bonds, as described in this Indenture, the Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture. Upon discontinuance, for any reason, of

DTC's services with respect to the Bonds, DTC shall be responsible for providing a list of the DTC participants (and a contact at each) to the Registrar in order that the DTC participants may provide the Registrar with a list of the beneficial owners in order that the beneficial owner may receive a certified Bond or notice of the substitute securities depository willing to undertake the functions of DTC as provided in this Indenture.

(D) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, redemption premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations between the Issuer and DTC dated June 5, 1997.

### **SECTION 2.13. ISSUANCE OF ADDITIONAL BONDS**

No Additional Bonds shall be issued unless the Issuer shall have complied with the conditions set forth below.

(A) No Default. The Financial Officer shall certify that (i) the Issuer is not in default in the performance of any of the covenants and obligations assumed by it hereunder, and (ii) all payments herein required to have been made into the funds and accounts provided by this Indenture shall have been made in full to the extent required.

(B) Due Authorization. Legal counsel to the Issuer shall submit an opinion to the Governing Body of the Issuer to the effect that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled.

(C) Covenants Applicable.

(i) Each supplemental indenture authorizing the issuance of Additional Bonds issued pursuant to this Section 2.13 and, unless all Bonds Outstanding shall be refunded, Section 2.14 hereof, will contain a provision to the effect that all of the covenants herein contained (except as to details expressly applicable to the Series 2015 Bonds) will be fully applicable to such Bonds as if originally issued hereunder.

(ii) The Series 2015 Bonds and all Additional Bonds issued pursuant to this Article II regardless of time or times of their issuance shall rank equally without preference of any Series 2015 Bonds or Additional Bonds over any other; provided however, that such Series of Bonds issued hereunder shall, with respect to the Reserve Fund, have rights only to moneys therein in the subaccount therein created with respect to such Series of Bonds. Such subaccounts, if any, in the Reserve Fund may be funded as determined by the Issuer.

(D) Opinion of Bond Counsel. An opinion of Bond Counsel shall be delivered to the Governing Body to the effect that the issuance of Additional Bonds will not impair the exclusion

from gross income for federal income tax purposes of interest paid on any Bonds issued hereunder and then Outstanding that are not Taxable Bonds.

(E) Issuance of Additional Bonds. Additional Bonds payable from the Pledged Revenues on a parity with the Series 2015 Bonds, as provided herein, can be issued and delivered to finance Projects or to refund Outstanding Bonds only if there shall have been obtained and filed with the Governing Body of the Issuer a report of the Financial Officer:

(i) setting out the Maximum Annual Bond Service Requirement with respect to the Bonds proposed to be Outstanding hereunder following the issuance of the Additional Bonds proposed to be issued for each Bond Year through the final maturity of such Bonds;

(ii) setting out seventy-five percent (75%) of the entire amount of the gross local option infrastructure surtax revenues received by the Clerk from the State of Florida under the Community Investment Interlocal Agreement for the most recent Fiscal Year (the "Gross Amount") as certified by the Clerk of the Circuit Court to the Financial Officer;

(iii) stating that the Gross Amount is equal to or in excess of 1.35 times the Maximum Annual Bond Service Requirement on all Outstanding Bonds and the Additional Bonds proposed to be issued; and

(iv) stating that the Local Option Sales Tax Revenues which are distributable to the Issuer pursuant to Section 2(b) of the Community Investment Interlocal Agreement and the Interlocal Agreement for Stadium Financing, as applicable, have been amended so as to increase the Local Option Sales Tax Revenues distributable to the Issuer to an amount at least equal to the Maximum Annual Bond Service Requirement on all Outstanding Bonds and the Additional Bonds proposed to be issued in each Bond Year.

(F) Proceeds of Additional Bonds. The proceeds of Additional Bonds shall be used to finance Projects and improvements thereto or expansion thereof or to refund Outstanding Bonds as described in the supplemental indenture authorizing such Additional Bonds.

(G) Other Conditions. Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in this Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance, (2) unless the applicable account in the Reserve Fund is fully funded at the applicable Reserve Requirement upon the issuance of such Additional Bonds, and (3) the permission of the County shall have been obtained pursuant to Section 3(A) of the Interlocal Agreement for Stadium Financing.

## **SECTION 2.14. REFUNDING OUTSTANDING BONDS**

Notwithstanding the foregoing, the Issuer may issue at any time and from time to time Additional Bonds for the purpose of refunding Outstanding Bonds, or any maturity or portion

of a maturity of Bonds within a Series, without having to comply with the requirements of Section 2.13 above, provided that prior to the issuance of such Additional Bonds (A) there shall be filed with the Governing Body of the Issuer a certificate from a Qualified Independent Consultant to the effect that the net proceeds from such Additional Bonds will be sufficient to cause the lien created by this Indenture with respect to the Outstanding Bonds to be refunded to be defeased pursuant to Article VII below and, the Bond Service Requirement with respect to such Additional Bonds in each Bond Year following the issuance thereof through the Bond Year in which the latest maturing Bond then outstanding matures shall be equal to or less than the Bond Service Requirement for such Bond Year with respect to the Bonds which would have been Outstanding in that Bond Year had the same not been refunded pursuant to this Section 2.14, and (B) the Issuer shall have obtained the permission of the County pursuant to Section 3(A) of the Interlocal Agreement for Stadium Financing. Prior to or concurrently with the issuance of such Bonds, there shall be filed with a representative of the Issuer, an opinion of Bond Counsel to the effect that (i) the net proceeds from the sale of such Additional Bonds have been set aside in irrevocable escrow for the payment of the Outstanding Bonds to be refunded in the manner described in Article VII below and (ii) the issuance of such Additional Bonds and the use of the proceeds thereof as described above will not have the effect of causing the interest on any Outstanding Bond under this Indenture (other than any Taxable Bond), including the Outstanding Bonds to be refunded, to become includable in gross income of the Owners thereof for federal income tax purposes.

### **ARTICLE III.**

#### **REDEMPTION OF SERIES 2015 BONDS BEFORE MATURITY**

##### **SECTION 3.01. REDEMPTION PROVISIONS**

Each Series of Bonds shall be subject to redemption prior to maturity at such times and in such manner as shall be established by supplemental indenture entered into upon issuance of such Series of Bonds. The Series 2015 Bonds maturing on or before January 1, 2025 are not subject to optional redemption prior to maturity. The Series 2015 Bonds maturing on or after January 1, 2026, are subject to redemption prior to maturity at the option of the Issuer, in whole or in part on any date on or after January 1, 2025, and if in part, in such manner as determined by the Trustee, at the redemption price of 100% of the principal amount of the Series 2015 Bonds to be redeemed, without redemption premium, plus accrued interest to the date set for redemption.

##### **SECTION 3.02. RESERVED**

##### **SECTION 3.03. NOTICE OF REDEMPTION**

Unless otherwise provided in a supplemental indenture with respect to a Series of Bonds, notice of the call for any redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) (registered or certified mail, as to owners of at least \$1,000,000 in

principal amount of the Bonds) not less than thirty (30) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by the Trustee. Failure to give such notice by mailing to any Bondholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds. Any Bondholder owning at least \$1,000,000 in principal amount of such Bonds may request that a second copy of the notice of redemption be sent to a second address provided to the Trustee in writing prior to the Record Date for such redemption. The notice of redemption shall set forth the complete title of the issue (including series designation), CUSIP number, the date of the issue, Bond numbers, interest rate, maturity, the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds of any one maturity of a particular Series then Outstanding shall be called for redemption, the distinctive numbers and letters of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and the place or places of redemption, including the name, address and phone number of a contact person.

A second notice of redemption shall be given on the sixtieth (60th) day after the redemption date in the manner required above to the registered owners of redeemed Bonds which have not been presented for payment by such sixtieth (60th) day after the redemption date.

The Issuer may provide that such a notice of redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur, the notice will be rescinded; provided notice of rescission shall be mailed in the manner described above to all affected Bondholders not later than three (3) Business Days prior to the date of redemption.

Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given upon mailing, whether or not the owner of such Bonds receives the notice.

#### **SECTION 3.04. REDEMPTION PAYMENTS**

Not later than the Business Day prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Bonds or portions thereof called, together with accrued interest thereon to the redemption date and expenses in connection with such redemption. Upon the giving of notice and the deposit of funds for redemption, interest on the Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption. No payment shall be made by the Trustee upon any Bond or portion thereof called for redemption until such Bond or portions thereof shall have been delivered for payment or cancellation or the Trustee shall have received the items required by Section 2.07 hereof with respect to any mutilated, lost, stolen or destroyed Bond.



### **SECTION 3.05. CANCELLATION**

All Bonds which have been redeemed, paid or retired, or received by the Trustee for exchange, shall not be reissued but shall be canceled and destroyed by the Trustee in accordance with Section 2.09 hereof.

### **SECTION 3.06. PARTIAL REDEMPTION OF BONDS**

Upon surrender of any Bond for redemption in part only, the Trustee shall authenticate and deliver to the owner thereof, a new Bond or Bonds of Authorized Denominations in aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

## **ARTICLE IV. GENERAL COVENANTS**

### **SECTION 4.01. PAYMENT OF PRINCIPAL AND INTEREST**

The Issuer covenants that it will promptly pay the principal of, redemption premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner and to the extent provided herein and in the Bonds according to the true intent and meaning thereof, provided that the principal, redemption premium, if any, and interest are payable by the Issuer solely from funds derived from the Pledged Revenues in the manner and to the extent provided herein, and nothing in the Bonds or this Indenture shall be considered as assigning or pledging any other funds or assets of the Issuer other than the Pledged Revenues as provided herein.

### **SECTION 4.02. PERFORMANCE OF COVENANTS BY ISSUER**

The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute this Indenture, the Escrow Deposit Agreement, the Interlocal Agreement for Stadium Financing and the Continuing Disclosure Certificate, if applicable, and to pledge the amounts hereby pledged in the manner and to the extent set forth herein. The Issuer further covenants that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds held by the owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the terms thereof and hereof.

### **SECTION 4.03. INSTRUMENTS OF FURTHER ASSURANCE**

The Issuer agrees that the Trustee may defend its rights to the payments and other amounts due hereunder for the benefit of the owners of the Bonds against the claims and demands of all persons whomsoever. The Issuer covenants that it will do, execute,

acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such supplemental indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming to the Trustee all and singular the rights assigned hereby and the amounts pledged hereby to the payment of the principal of, redemption premium, if any, and interest on the Bonds.

#### **SECTION 4.04. RESERVED**

#### **SECTION 4.05. LIST OF BONDHOLDERS**

The Trustee, as Registrar, shall maintain at its designated corporate trust office a list of names and addresses of the owners of all Bonds registered on the registration books of the Issuer maintained by the Trustee as Registrar. The Trustee and the Issuer shall be responsible only as to the information provided to them with regard to the accuracy of such list.

#### **SECTION 4.06. FINANCIAL STATEMENTS**

The Issuer shall complete audited annual financial reports of the Issuer, including the funds and accounts established under this Indenture, prepared by an independent firm of certified public accountants of nationally recognized ability and standing selected by the Issuer. Such reports shall be prepared in accordance with generally accepted auditing standards and on an accrual basis and shall be completed no later than March 31<sup>st</sup> after the close of the Issuer's Fiscal Year.

#### **SECTION 4.07. TAX COVENANTS**

It is the intention of the Issuer and all parties under its control that the interest on each Series of Bonds issued hereunder that are not Taxable Bonds be and remain excluded from gross income of the Owners thereof for federal income tax purposes and to this end the Issuer certifies and covenants that it will not take any action, the result of which would cause or be likely to cause the interest payable with respect to any Bonds issued hereunder that are not Taxable Bonds not to be excluded from gross income of the Owners thereof for federal income tax purposes. Further to that end, and notwithstanding anything to the contrary provided herein, the Issuer hereby represents to and covenants with each of the Holders from time to time of the Bonds issued hereunder that are not Taxable Bonds, that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Bonds issued hereunder that are not Taxable Bonds from gross income of the Owners thereof for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

(i) to make or cause to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Amount;

(ii) subject to first satisfying the requirements of Section 5.04 hereof, to set aside sufficient moneys in the Rebate Account or elsewhere, from the Pledged Revenues or other legally available funds of the Issuer, to timely pay the Rebate Amount to the United States of America;

(iii) to pay the Rebate Amount to the United States of America from the Pledged Revenues or from any other legally available funds, at the times and to the extent required pursuant to Section 148(f) of the Code;

(iv) to maintain and retain all records pertaining to the Rebate Amount with respect to the Bonds issued hereunder that are not Taxable Bonds, and required payments of the Rebate Amount with respect to the Bonds that are not Taxable Bonds for at least six years after the final maturity of the Bonds that are not Taxable Bonds or such other period as shall be necessary to comply with the Code;

(v) to refrain from taking any action that would cause any Bonds issued hereunder that are not Taxable Bonds and are not issued with the intent that such Bonds shall be private activity bonds (within the meaning of Section 141(a) of the Code), to be classified as private activity bonds under Section 141(a) of the Code; and

(vi) to refrain from taking any action that would cause the Bonds issued hereunder that are not Taxable Bonds to become arbitrage bonds under Section 148 of the Code.

(B) The Issuer understands that the foregoing covenants impose continuing obligations on the Issuer that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the Bonds.

(C) Notwithstanding any other provision of this Indenture, including, in particular, Article VII hereof, the obligation of the Issuer to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section shall survive the defeasance or payment in full of the Series 2015 Bonds that are not Taxable Bonds.

(D) The Issuer may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Owners thereof for federal income tax purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is (or may be) subject to federal income taxation and provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become includable in the gross income of the Owners thereof for federal income tax purposes. The covenants set forth in clause (A) above and in Section 5.07(B) hereof shall not apply to any Taxable Bonds.

**SECTION 4.08. COVENANT TO COMPLY WITH REQUIREMENTS OF THE ACT, THE COMMUNITY INVESTMENT INTERLOCAL AGREEMENT, THE INTERLOCAL AGREEMENT FOR STADIUM FINANCING AND THE CITY INTERLOCAL AGREEMENT**

The Issuer hereby covenants and agrees to apply the proceeds of the Bonds and Pledged Revenues in compliance with (A) the requirements of the Act, (B) the requirements of the Community Investment Interlocal Agreement, (C) the requirements of the Interlocal Agreement For Stadium Financing, and (D) the requirements for the City Interlocal Agreement. The Issuer hereby covenants and agrees not to take any action or omit to take any action that would impair its right to receive or would result in a reduction of payments of the Local Option Sales Tax Revenues.

**SECTION 4.09. INDEMNIFICATION OF TRUSTEE**

To the extent permitted by law, and subject to the limits provided for in Section 768.28, Florida Statutes, the Issuer will and hereby agrees to indemnify the Trustee for, and hold the Trustee harmless against, any claim, loss, liability or expense (including the costs and expenses of defending against any claim of liability) incurred without negligence or willful misconduct by the Trustee and arising out of or in connection with its acting as Trustee under this Indenture. The indemnification contained in this Section 4.09 shall survive the termination of this Indenture.

**ARTICLE V.  
REVENUES AND FUNDS**

**SECTION 5.01. SOURCE OF PAYMENT OF BONDS; COLLECTION OF PLEDGED REVENUES**

(A) The Bonds, together with interest thereon, are not general or moral obligations of the Issuer, the County or the City, but are limited obligations payable solely and only from the Pledged Revenues in the manner and to the extent provided herein, including investments thereof and the proceeds of such investments, if any, but not including moneys in the Rebate Account, the Stadium Fund and the Cost of Issuance Fund. The Pledged Revenues, including investments thereof and the proceeds of such investments, if any, but not including moneys on deposit in the Rebate Account, the Stadium Fund, and in the Cost of Issuance Fund, are hereby pledged and assigned as security for the payment of the Bonds and shall be used for no other purposes than to pay the principal of, redemption premium, if any, and interest on the Bonds, in the order and priority expressly authorized in this Indenture or to pay the Rebate Amount. Notwithstanding anything herein to the contrary, nothing herein provided shall be deemed to grant or create a lien on any subaccount in the Reserve Fund created with respect to a particular Series of Bonds in favor of the Bondholders of any other Series and each account in the Reserve Fund shall secure only the Series of Bonds with respect to which it was created.

(B) The Issuer covenants that, so long as any of the Bonds are Outstanding, it will diligently take all actions necessary to collect, receive and deposit, or cause the Trustee to

collect, receive and deposit, the Pledged Revenues in the Revenue Fund, and it will refrain from taking any action which would cause or result in not collecting, receiving, depositing, appropriating or transferring the Pledged Revenues in the Revenue Fund as provided herein.

#### **SECTION 5.02. CREATION OF FUNDS AND ACCOUNTS**

(A) There are hereby created and established the Revenue Fund and the Rebate Account therein, the Construction Fund, the Costs of Issuance Fund, the Debt Service Fund, the Reserve Fund, the Stadium Fund and the accounts therein hereinafter authorized.

(B) The Revenue Fund, the Debt Service Fund, the Costs of Issuance Fund, the Construction Fund, the Stadium Fund and the Reserve Fund created hereunder, and all accounts therein hereafter created shall constitute trust funds for the purposes herein provided, shall be held by the Trustee and shall at all times be kept separate and distinct from all other funds of the Issuer and used only as herein provided. Moneys held in the Revenue Fund, the Construction Fund, the Debt Service Fund, and the Reserve Fund and the accounts therein shall be subject to a lien and charge in favor of the Bondholders in the manner and to the extent provided herein; provided, however, that the Bondholders shall have no lien on or right to payment from amounts on deposit in the Rebate Account or the Stadium Fund.

#### **SECTION 5.03. APPLICATION OF SERIES 2015 BOND PROCEEDS**

(A) Unless otherwise provided to the contrary by certificate of the Chairman, the proceeds of the Series 2015 Bonds, including accrued interest and net original issue premium, if any, together with legally available funds of the Issuer, if any, shall, upon receipt by the Trustee be applied by the Trustee, in the following order and priority:

(i) Accrued Interest. Accrued interest, if any, shall be deposited in the Debt Service Fund and used to pay the interest on the Series 2015 Bonds next coming due.

(ii) Series 2015 Account in the Reserve Fund. There is hereby established a separate account in the Reserve Fund designated the "Series 2015 Account." An amount equal to the Reserve Requirement for the Series 2015 Bonds shall be deposited into the Series 2015 Account.

(iii) Costs of Issuance. An amount equal to the costs of issuance of the Series 2015 Bonds as described in Section 2.01(B) hereof shall be held by the Trustee in the Costs of Issuance Fund, and shall be used to pay when due and/or reimburse the costs of issuance of the Series 2015 Bonds.

(iv) Refunded Bonds. An amount which, together with other legally available funds of the Issuer, is equal to the principal of, redemption premium, if any, and interest on the Refunded Bonds shall be transferred to the Escrow Agent in accordance with the schedules to be attached to the Escrow Deposit Agreement to pay principal of, redemption premium, if any,

and interest on the Refunded Bonds on the Refunded Bonds Redemption Date and any costs with respect thereto.

(v) Deposit to Construction Fund. An amount sufficient to finance a portion of the Cost of the 2015 Project shall be deposited into the Construction Fund.

(B) In determining such amounts to be deposited to such funds and accounts, as hereinafter described, the Trustee may conclusively rely upon written instructions provided to it by, or approved by, the Issuer, the Issuer's financial advisor, or the underwriters for the Series 2015 Bonds.

(C) Costs of Issuance Fund and Construction Fund.

(i) Moneys in the Costs of Issuance Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and proceeds of the Bonds on deposit in the Costs of Issuance Fund, shall be disbursed by the Trustee from the Costs of Issuance Fund and applied by the Issuer to pay costs of issuance upon the delivery to the Trustee of a Requisition For Payment substantially in the form attached as Exhibit A hereto, executed by the Financial Officer of the Issuer and containing the information required to complete Schedule A to such Requisition For Payment. In making any such disbursement from the Costs of Issuance Fund, the Trustee may rely conclusively on such Requisition for Payment and the Trustee shall be relieved of all liability with respect to making such disbursement in accordance with such Requisition for Payment without any investigation.

(ii) Moneys in the Construction Fund and in each account thereof shall be kept separate and apart from all other funds and accounts of the Issuer, and proceeds of the appropriate Series of Bonds on deposit in the Construction Fund, shall be disbursed by the Trustee from the Construction Fund and applied by the Issuer to pay the cost of any Project upon the delivery to the Trustee of a Requisition For Payment (no more often than once per month unless such limitation is expressly waived by the Chief Financial Administrator of the County, or his or her designee, and the Chief Financial Officer of the City, or his or her designee) substantially in the form attached as Exhibit A hereto, executed by the Financial Officer of the Issuer and, if in an amount of \$500,000 or more, approved by the Chief Financial Administrator of the County, or his or her designee, and the Chief Financial Officer of the City, or his or her designee, and containing the information required to complete Schedule A to such Requisition For Payment. Any approval right of the Chief Financial Administrator of the County, or his or her designee, and the Chief Financial Officer of the City, or his or her designee, is limited to whether or not the invoice relates to a capital improvement or repair contemplated in Section 2(b) of the Community Investment Interlocal Agreement. In making any such disbursement from the Construction Fund, the Trustee may rely conclusively on such Requisition for Payment and the Trustee shall be relieved of all liability with respect to making such disbursement in accordance with such Requisition for Payment without any investigation.

(iii) Any funds on deposit in the Costs of Issuance Fund or the Construction Fund that, in the opinion of the Issuer, are not immediately necessary for expenditure, as hereinabove provided, may be invested in Investment Obligations, provided that such investments mature or are redeemable at not less than par on or before the date such funds are estimated to be needed for the purposes hereof. The Trustee may rely conclusively upon the written instructions of the Issuer or its designee as to the dates when Costs of Issuance Fund or Construction Fund moneys are needed, and shall not be liable or responsible for determining such dates in the absence of such written instructions.

(iv) Any liquidated damages or settlement payments received by the Issuer as a result of the breach by any contractor, subcontractor or supplier working or supplying goods for any Project of any representation, warranty or performance guaranty, and all insurance and condemnation proceeds received with respect to damages to or the taking of any Project during construction or any moneys received by the Issuer as contributions towards or reimbursements of Cost of any Project shall, at the discretion of the Issuer, be deposited into the appropriate account or accounts in the Construction Fund to ensure completion of such Project or shall be deposited into the Debt Service Fund for the redemption of Bonds.

(v) Upon completion of any Project or upon abandonment thereof, or payment of all costs of issuance, as the case may be, any amounts then remaining in the Costs of Issuance Fund or the Construction Fund, as applicable, and not reserved by the Issuer for the payment of eligible costs shall be transferred to the Debt Service Fund and used to redeem Bonds in the manner described in Section 3.01 hereof.

(vi) The Issuer shall timely provide copies of all Requisitions provided pursuant to this Section 5.03 to the Chief Financial Administrator of the County and the Chief Financial Officer of the City.

**SECTION 5.04. DISPOSITION OF LOCAL OPTION SALES TAX REVENUES;  
APPLICATION OF REVENUE FUND**

(A) Commencing immediately following the issuance of the Series 2015 Bonds, and continuing thereafter so long as any Bonds shall be Outstanding hereunder, Local Option Sales Tax Revenues transferred by the Clerk of the Circuit Court to the Trustee shall be deposited in and to the credit of the Revenue Fund.

(B) Commencing as soon as the Local Option Sales Tax Revenues shall be received following the issuance of the Series 2015 Bonds, and continuing monthly thereafter, the funds in the Revenue Fund shall be disposed of in the following order and priority:

(i) Subject to the last sentence of this first paragraph of this Section 5.04(B)(i), first, by deposit into the Debt Service Fund an amount equal to the sum of (a) one-sixth (1/6th) of the interest coming due on the Bonds that bear interest payable semi-annually on the next Interest Payment Date until sufficient funds have been deposited to make the next semi-annual interest payment due on the Bonds; (b) the amount of interest accruing in such month on Bonds

that bear interest other than on a semi-annual basis (other than Bonds that bear interest payable only upon maturity or redemption); (c) one-twelfth (1/12th) of all principal (including the Compounded Amount of Capital Appreciation Bonds) maturing on the various Series of Serial Bonds and Term Bonds, if any, that mature annually during the current Bond Year, other than Term Bonds that are otherwise subject to mandatory redemption from Amortization Installments in that Bond Year; (d) one-sixth (1/6th) of all principal maturing (including the Compounded Amount of Capital Appreciation Bonds) on the various Series of Serial Bonds, if any, that mature semiannually on the next maturity date during the current Bond Year; (e) one-twelfth (1/12th) of the Amortization Installments and redemption premium, if any, that shall become due and payable during the current Bond Year; and (f) one-sixth (1/6th) of the amount sufficient to pay the next fees and charges of the Trustee, the Paying Agent and Registrar, if any, accruing with respect to the Bonds; until there are sufficient funds then on deposit equal to the sum of the next interest payment on the Bonds on the next Interest Payment Date, the next principal installment on semiannual Serial Bonds, if any, the next principal installment on annual Serial and Term Bonds, if any, the Amortization Installments due in the current Bond Year, if any, and the next fees and charges of the Trustee, the Paying Agent and the Registrar, if any, with respect to the Bonds. Notwithstanding the foregoing, for the 12-month period ending January 1, 2027, there shall be deposited into the Debt Service Fund all 12 months of payments coming due in such 12-month period over the first 9 months of the year, on a level equal monthly basis.

Deposits required pursuant to the foregoing shall be increased each month to the extent required to pay principal of, redemption premium, if any, and interest next coming due on Bonds maturing or subject to mandatory redemption on the next Interest Payment Date, after making allowance for any accrued and capitalized interest, and to make up any deficiency or loss that may otherwise arise in such fund.

Deposits from the Revenue Fund into the Debt Service Fund may be decreased or funds previously deposited therein may be withdrawn and deposited in the manner hereinafter provided in subparagraphs (i) or (ii), as appropriate, to adjust for Bonds purchased, redeemed or otherwise paid as herein contemplated.

(ii) Second, by deposit into the appropriate accounts in the Reserve Fund, amounts which, after taking into account other funds on deposit therein, will be sufficient to make the funds on deposit therein equal to the Reserve Requirement for each such account. If there are not sufficient funds in the Revenue Fund available to make the amounts on deposit in each account in the Reserve Fund equal to the Reserve Requirement for the applicable Series of Bonds, there shall be deposited in each such account an amount equal to the lesser of the Reserve Requirement for such account or the total amount available to be deposited into the Reserve Fund multiplied by a fraction, the numerator of which is the principal amount of all Bonds of the applicable Series then Outstanding and the denominator of which is the total aggregate amount of the Bonds of every Series then Outstanding hereunder.



(iii) After making the deposits required in subparagraphs (i) and (ii) above, funds remaining in the Revenue Fund equal to one-twelfth (1/12th) of the Bond Service Requirement for the then current Bond Year shall be transferred to the Debt Service Fund and applied in the next ensuing month to make deposits required in subparagraph (i) above.

(iv) Next, to the extent permitted by the Community Investment Interlocal Agreement and the Interlocal Agreement For Stadium Financing, to pay any subordinate obligations or indebtedness due and owing.

(v) After making the deposits required in (i) through (iv) above, funds remaining in the Revenue Fund shall be deposited into the Stadium Fund and disbursed in accordance with Section 5.11 below. Notwithstanding anything herein to the contrary, the obligation hereunder to fund the Stadium Fund shall survive the payment of all principal of and interest on the Bonds.

(C) The Issuer shall not be required to make any further payments into the Debt Service Fund, including the accounts therein, and the Reserve Fund when the aggregate amount of funds in the Debt Service Fund, including the accounts therein, are at least equal to the aggregate principal amount of Bonds issued pursuant to this Indenture and then Outstanding, plus the amount of interest then due or thereafter to become due on said Bonds then Outstanding, or if all Bonds then Outstanding have otherwise been defeased pursuant to Article VII herein.

(D) For purposes of the preceding clause (C), in determining that moneys held in the Debt Service Fund and Reserve Fund are at least equal to the principal of and interest on a particular Series of Bonds, the Issuer shall take into account moneys in the Reserve Fund only to the extent that such moneys are held in an account therein related to such Series of Bonds.

#### **SECTION 5.05. USE OF MONEYS IN THE DEBT SERVICE FUND**

(A) Moneys on deposit in the Debt Service Fund shall be used solely for the payment of the principal of, redemption premium, if any, and interest with respect to the Bonds and to pay the fees and charges of the Trustee, the Registrar and Paying Agent, if any; provided, however, that if such principal and interest payments, or a portion thereof, have been made on behalf of the Issuer by a Reserve Product Provider or other entity insuring or guaranteeing or providing a Reserve Product for the payment of the Bonds, or any Series or maturity thereof, moneys on deposit therein and allocable to such Series or maturity shall be paid to such entity having theretofore made a corresponding payment on the Bonds. Capitalized interest, if any, for each Series of the Bonds deposited in the Debt Service Fund and any income and profits derived therefrom shall be used, to the extent necessary, to pay interest on each of the Bonds of such Series. Any moneys on deposit in the Debt Service Fund for capitalized interest with respect to the Bonds not needed to pay interest on the Bonds of such Series pursuant to the preceding sentence may be used in the same manner as any other moneys on deposit in the Debt Service Fund.

(B) At the maturity date of each Bond and at the due date of an Amortization Installment and installment of interest on the Bonds, the Issuer shall transfer from the Debt Service Fund to the Paying Agent for such Bonds sufficient moneys to pay all principal of, redemption premium, if any, and interest then due and payable with respect to such Bonds. If on the Business Day prior to any payment date on which principal of, redemption premium, if any, or interest is due on the Bonds the amount then on deposit in the Debt Service Fund shall not be at least equal to the sum of the interest, principal and redemption payments due on such payment date, the Trustee shall deposit amounts from the applicable account or accounts in the Reserve Fund in accordance with Section 5.06(A) hereof to the Debt Service Fund in an amount necessary to cure such deficiency. If an account in the Reserve Fund is funded with a Reserve Product the Trustee shall give all notices and take all actions as shall be required by the terms of the Reserve Product, by the times required thereby, to cause proceeds of the Reserve Product to be delivered to the Paying Agent on or before the applicable payment date with respect to the Bonds.

(C) Moneys on deposit in the Debt Service Fund for the redemption of Bonds shall be applied to the retirement of Bonds issued under the provisions of this Indenture and then Outstanding in the following manner:

(i) The Issuer may purchase Outstanding Term Bonds redeemable from Amortization Installments during such Bond Year, and pro rata (based on the principal amount of the Amortization Installments due in such Bond Year for each such Series of Term Bonds) among all such Bonds if more than one Series of such Term Bonds are Outstanding, or if no such Term Bonds are then Outstanding, the Issuer may purchase Serial Bonds whether or not such Bonds shall then be subject to redemption, but only to the extent moneys are available therefor, at the most advantageous price obtainable, such price not to exceed the principal of such Bonds plus accrued interest (or with respect to Capital Appreciation Bonds, the Compounded Amount) but no such purchase shall be made by the Issuer within a period of thirty (30) days next preceding any Interest Payment Date on which such Bonds are subject to call for redemption under the provisions of this Indenture;

(ii) Then, to the extent moneys remain on deposit in the Debt Service Fund that are held for the redemption of Bonds, the Issuer may call for redemption on each Interest Payment Date on which Bonds are subject to redemption, with or without redemption premium, from such moneys, such amount of Term Bonds subject to the Amortization Installments for such Bond Year that have not been purchased pursuant to subparagraph (i) above as will nearly as may be practicable exhaust the remainder of the Amortization Installment for such Bond Year;

(iii) Then, to the extent moneys remain on deposit in the Debt Service Fund that were deposited therein pursuant to this Indenture for the purpose of redeeming Bonds, the Issuer may call any remaining Bonds then subject to redemption, in such order and by such selection method as the Trustee, in its discretion, may determine, from such funds as will

exhaust the money then held for the redemption of such Bonds as nearly as may be possible; and

(iv) Then, to the extent moneys remain on deposit in the Debt Service Fund that were deposited therein pursuant to this Indenture for the purpose of redeeming Bonds, the Issuer may, in its discretion from time to time (a) deposit such monies into the Stadium Fund; or (b) keep such moneys on deposit in the Debt Service Fund for future use pursuant to this Section 5.05; provided, however, that such moneys shall be used for any purpose or purposes allowed pursuant to subparagraph (a) above only if the Issuer shall obtain an opinion of Bond Counsel to the effect that such use will not, in and of itself, cause the interest on any Bond (other than any Taxable Bond) to become included in the gross income of the Owners thereof for federal income tax purposes and will not violate the Community Investment Interlocal Agreement, the Interlocal Agreement For Stadium Financing or the Act.

(D) If Term Bonds are purchased or redeemed pursuant to clause (C) above in excess of the Amortization Installments for such Bond Year, such excess principal amount of such Term Bonds so purchased or redeemed shall be credited against subsequent Amortization Installments for such Term Bonds in such Bond Year or Bond Years as the Issuer may determine and as may be reflected in the Issuer's permanent accounting records.

(E) Notwithstanding the foregoing, to the extent that moneys are deposited into the Debt Service Fund in a given Bond Year in an amount equal to the Amortization Installment for such Bond Year and are applied to purchase or redeem Term Bonds to which such Amortization Installment applies, then all moneys thereafter deposited to the Redemption Account in such Bond Year may be applied as provided in clause (C) above.

**SECTION 5.06. DESIGNATION OF RESERVE REQUIREMENTS; APPLICATION OF MONEYS IN THE RESERVE FUND; APPROVAL OF RESERVE PRODUCT**

(A) Prior to the issuance of each Series of Bonds, the Issuer shall designate the Reserve Requirement that it may determine be required with respect to such Series of Bonds. The Issuer shall establish one or more accounts within the Reserve Fund which accounts shall secure only those Series of Bonds as shall be designated by the Issuer. Each Series of Bonds shall be secured only by the account in the Reserve Fund created and established with respect to such Series of Bonds and shall have no lien on or right to payment from any other account in the Reserve Fund. Funds on deposit in the separate accounts in the Reserve Fund, if any, shall be used solely to cure deficiencies in the Debt Service Fund with respect to the Series of Bonds to which such account pertains after the application of all amounts on deposit in the Revenue Fund as provided in Section 5.05(B) above and after application of all available Pledged Revenues to cure such deficiency. If funds on deposit in any account within the Reserve Fund exceed the Reserve Requirement with respect to the Series of Bonds secured thereby, such excess shall be transferred to the Revenue Fund for application as provided in Section 5.04 above.

(B) If the Issuer shall have determined, or be required, to fund an account in the Reserve Fund with respect to a Series of Bonds, notwithstanding the foregoing, the Issuer shall not be required to fully fund such account in the Reserve Fund at the time of issuance of such Series of Bonds hereunder if it provides at any time with respect to such Series of Bonds in lieu of all or a portion of such funds, a Reserve Product issued by a Reserve Product Provider in an amount following the provision of such Reserve Product which, together with other amounts that will remain on deposit in the applicable account in the Reserve Fund, will equal the Reserve Requirement with respect to such Series of Bonds. Such Reserve Product as provided above must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held thereunder for a payment with respect to such Series of Bonds secured thereby which cannot be cured by funds in any other account held pursuant to this Indenture and available for such purpose, and which shall name the Paying Agent or the Issuer as the beneficiary thereof for the benefit of the Bondholders of such Series of Bonds.

(C) In no event shall the use of a Reserve Product be permitted if it would cause any existing rating on any Series of Bonds Outstanding to be lowered, suspended or withdrawn.

(D) If a disbursement is made from a Reserve Product as provided pursuant to clause (A) above, the Issuer shall be obligated to reinstate the maximum limits of such Reserve Product immediately following such disbursement from the first Pledged Revenues available pursuant to Section 5.04(B)(ii) above or to replace such Reserve Product by depositing into the applicable account in the Reserve Fund from the first Pledged Revenues available for deposit pursuant to Section 5.04(B)(ii) above, an amount equal to the Reserve Requirement with respect to such account plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives, provided that the Reserve Product Provider shall be reimbursed for amounts drawn under the Reserve Product prior to cash funding the Reserve Fund, and for purposes of Section 5.04(B)(ii) above, amounts necessary to satisfy such reimbursement obligation and other obligations of the Issuer to such a Reserve Product Provider shall be deemed required deposits into the applicable Reserve Fund account, but shall be used by the Issuer to satisfy its obligations to the Reserve Product Provider.

(E) Notwithstanding the foregoing, if one or more accounts in the Reserve Fund have been funded with cash or Investment Obligations and no Event of Default shall have occurred and be continuing hereunder, the Issuer may, at any time in its discretion, substitute a Reserve Product meeting the requirements of this Indenture for the cash and Investment Obligations in any such account, and the Issuer may then withdraw such cash and Investment Obligations from such account and transfer such cash and Investment Obligations to the Stadium Fund, to defease Bonds or to pay principal and interest on the Bonds, provided, such withdrawal may only occur so long as (i) the same does not adversely affect any rating by a securities rating agency then in effect for the applicable Series of Bonds Outstanding, (ii) the Issuer obtains an opinion of Bond Counsel that any such action will not, in and of itself, adversely affect the exclusion of interest on the applicable Series of Bonds (other than Taxable

Bonds) from the gross income of the Owners thereof for federal income tax purposes, (iii) the Trustee receives evidence to its satisfaction that there will be adequate Local Option Sales Tax Revenues to make all remaining debt service payments on the Bonds Outstanding, and (iv) the prior written approval of the Mayor of the City and the County Administrator of the County has been delivered to the Trustee.

(F) If an account in the Reserve Fund is funded with both a Reserve Product and cash or Investment Obligations, the cash and proceeds from the sale of the Investment Obligations shall be applied fully prior to drawing on the Reserve Product. If an account in the Reserve Fund is funded with more than one Reserve Product, draws on the Reserve Products shall be made pro-rata.

(G) It shall be the responsibility of the Paying Agent to maintain adequate records, verified with the Reserve Product Provider, as to the amount available to be drawn at any given time under the Reserve Product and as to amounts paid and owing to the Reserve Product Provider with respect to the Reserve Product.

(H) Anything provided in this Indenture to the contrary notwithstanding, there may be no optional redemption of Bonds or distribution of funds to the Issuer from amounts held hereunder and this Indenture shall not terminate until all amounts owed to the Reserve Product Provider have been paid in full.

#### **SECTION 5.07. USE OF MONEYS IN THE REBATE ACCOUNT**

(A) The Issuer shall deposit into the Rebate Account, from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, an amount equal to the Rebate Amount for such Rebate Year. The Issuer shall engage a qualified rebate analyst (the "Rebate Analyst") to calculate the Rebate Amount. The Issuer shall use such moneys deposited in the Rebate Account only for the payment of the Rebate Amount to the United States as required by this Section 5.07(B). In complying with the foregoing, the Issuer may rely upon any written instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Account after payment in full of all Bonds issued hereunder that are not Taxable Bonds and after payment in full of the Rebate Amount to the United States in accordance with the terms hereof, such amounts shall be transferred to the Stadium Fund, used to defease Taxable Bonds or used to pay principal and interest on Taxable Bonds.

The Rebate Account shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as provided herein.

Notwithstanding any other provision of this Indenture, including in particular Section 4.07 hereof, the obligation to pay over the Rebate Amount to the United States and to comply

with all other requirements of Section 4.07 hereof and this Section 5.07 shall survive the defeasance or payment in full of the Bonds.

#### **SECTION 5.08. NONPRESENTMENT OF BONDS**

In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof, or otherwise, or in the event that a check or draft for interest is uncashed, if funds sufficient for the payment of a respective principal or interest payment on the Bonds shall have been made available to the Trustee for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for the payment of such amounts shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability to the Issuer, any Bondholder or any other person for interest thereon, for the benefit of the owner of such Bond, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, such principal or interest payment for a maximum of six years from the date that such principal or interest is due, at which point all liability of the Issuer, the Trustee and any Paying Agent to the owner of such Bond with respect to such moneys shall cease, and on the sixth anniversary of the date upon which such moneys shall have become due, such moneys to the extent permitted by applicable law shall be deposited in the Revenue Fund, unless this Indenture is then discharged, in which case such moneys shall be transferred to the Stadium Fund, to defease Bonds or to pay principal and interest on the Bonds, at which point all liability of the Trustee to the owner of such Bond, with respect to moneys so transferred to the Issuer, shall terminate.

#### **SECTION 5.09. MONEY TO BE HELD IN TRUST**

All money required to be deposited with or paid to the Trustee for account of any fund or account established under any provisions of this Indenture shall be held by the Trustee in trust, and, except for money deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and moneys held in the Rebate Account, the Stadium Fund and the Costs of Issuance Fund, shall, while held by the Trustee, constitute part of the Pledged Revenues and be subject to the security interest created hereby.

#### **SECTION 5.10. AMOUNTS REMAINING IN FUNDS AND ACCOUNTS**

After full payment (or provision for payment) of the Bonds and the Rebate Amount and discharge of the Indenture, payment of all fees and expenses of the Trustee and the charges, expenses and attorneys fees of the Trustee, the Issuer and any Paying Agent, and all other amounts required to be paid hereunder, all amounts thereafter remaining in any fund or account shall be transferred to the Stadium Fund.

#### **SECTION 5.11 USE OF MONEYS IN THE STADIUM FUND.**

Funds shall be deposited in the Stadium Fund pursuant to Section 5.04(B)(v) hereof and Section 5.04(B)(v) of the FST Indenture. All funds deposited in the Stadium Fund shall be kept

separate and apart from all other funds and accounts of the Issuer. Such funds shall be disbursed by the Trustee from the Stadium Fund for the purpose of making capital improvements to the Stadium in accordance with Section 2(b) of the Community Investment Interlocal Agreement, upon the delivery to the Trustee of a Requisition for Payment (no more often than once per month unless such limitation is expressly waived by the Chief Financial Administrator of the County, or his or her designee, and the Chief Financial Officer of the City, or his or her designee,) substantially in the form attached as Exhibit B hereto, executed by the Financial Officer of the Issuer and approved by the Chief Financial Administrator of the County, or his or her designee, and the Chief Financial Officer of the City, or his or her designee, if in an amount of \$500,000 or more. Any approval right of the Chief Financial Administrator of the County, or his or her designee, and the Chief Financial Officer of the City, or his or her designee, is limited to whether or not the invoice relates to a capital improvement or repair contemplated in Section 2(b) of the Community Investment Interlocal Agreement. In making any such disbursement from the Stadium Fund, the Trustee may rely conclusively on such Requisition and the Trustee shall be relieved of all liability with respect to making such disbursement in accordance with such Requisition without any investigation.

The Issuer shall timely provide copies of all Requisitions pursuant to this Section 5.11 to the Chief Financial Administrator of the County and the Chief Financial Officer of the City.

Notwithstanding anything herein to the contrary, the Stadium Fund shall survive payment of all principal and interest on the Bonds to the extent amounts on deposit remain therein.

## **ARTICLE VI. INVESTMENT OF MONEY**

(A) Moneys held for the credit of the funds and accounts established hereunder shall be invested and reinvested by the Issuer in Investment Obligations. Such investments or reinvestments shall mature or become available not later than the respective dates, as estimated by the Issuer, that the moneys held for the credit of said funds and accounts will be needed for the purposes of such funds or accounts.

(B) Obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of such fund or account, and shall at all times, for the purposes of this Indenture, be valued annually on September 30 of each year at the market value thereof, exclusive of accrued interest as determined by the Issuer.

(C) Except as otherwise expressly provided herein, including specifically the obligations of the Issuer with respect to paying the Rebate Amount as set forth in Section 4.07 hereof, all income and profits derived from the investment of moneys in the Revenue Fund, and the Debt Service Fund shall be deposited to the credit of the Revenue Fund. All income and profits derived from the investment of funds in the Reserve Fund, if any, shall be retained in the applicable subaccount therein until amounts on deposit in such subaccount equal the applicable

Reserve Requirement, and thereafter shall be transferred to the Stadium Fund, used to defease Bonds or used to pay principal and interest on the Bonds. All income and profits derived from the investment of funds in the Construction Fund and the Stadium Fund shall be retained in the respective Fund. All income and profits derived from the investment of funds in the Costs of Issuance Fund shall be retained therein until all costs of issuance of the related Series of Bonds have been paid. The Trustee shall have no responsibility to assure that the Issuer so deposits any funds transferred in accordance with the preceding two sentences. All income and profits derived from the investment of funds in the Stadium Fund shall be retained therein. Notwithstanding the foregoing, income and profits derived from the investment of moneys in the funds and accounts created hereunder may, at the option of the Issuer, be transferred to the Issuer in order to pay the Rebate Amount.

(D) All such investments shall be made in compliance with Section 4.07 hereof.

(E) The Issuer may at any time give to the Trustee written directions respecting the investment of any moneys required to be invested by the Trustee hereunder, subject, however, to the provisions of this Article VI, and the Trustee shall then invest such moneys under this Article VI as so directed by the Issuer. The Trustee shall not be responsible for determining if any Investment Securities are legal investments under the laws of the State, nor shall the Trustee be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture, nor shall it be responsible for paying interest on any funds held by it hereunder for which it has received no written investment instructions.

(F) The Trustee may rely conclusively upon the written instructions of the Issuer as to the dates when moneys are needed (other than for payments of principal of, redemption premium, if any, and interest on any of the Bonds) for payments to be made from funds or accounts established hereunder, and shall not be liable or responsible for determining such dates in the absence of such written instructions.

(G) In computing the amount in any fund created under this Indenture for any purpose provided herein, obligations purchased as an investment of moneys therein shall initially be valued at the market value thereof, exclusive of accrued interest other than accrued interest paid in connection with the purchase of any such obligations and not yet recovered. All subsequent valuations shall be performed on the same basis as the initial valuation. Any profit realized from the liquidation of such investments shall be credited to such fund and any loss resulting from the liquidation of such investments shall be charged to the respective fund.

(H) Investment Securities may be purchased by the Trustee through its own investment division or affiliate.

(I) The Issuer certifies and covenants with the purchasers and owners of the Bonds from time to time Outstanding, that so long as any of the Bonds remain Outstanding, it will not use, direct or consent to the use of moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds



or from any other sources, in any manner which will cause the interest on the Bonds which are not Taxable Bonds to become includable in gross income of the Owners thereof for federal income tax purposes. The Issuer reserves the right, however, to direct any investment of such moneys permitted by the laws of the State if, when, and to the extent that the Code or Treasury regulations promulgated thereunder shall be repealed or interpreted to permit such investment or shall be held void by final judgment of a court of competent jurisdiction, but only if such investment made by virtue of such repeal, interpretation or decision would not, in the opinion of Bond Counsel, result in the interest on the Bonds which are not Taxable Bonds includable in gross income of the Owners thereof for federal income tax purposes. Notwithstanding the foregoing, the Trustee shall have no liability for adverse tax consequences resulting from its investment of moneys held by it pursuant to this Indenture, if such investments are made in accordance with directions given by the Issuer, or in accordance with written instructions from Bond Counsel.

(J) As used in this Article, all terms shall have the same meanings as such words are given for the purposes of Section 148 of the Code and the Treasury regulations promulgated thereunder.

#### **ARTICLE VII. DISCHARGE OF INDENTURE; DEFEASANCE OF BONDS**

(A) If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the owners of the Bonds the principal of and interest due or to become due thereon at the times and in the manner stipulated herein, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof (including any fees of the Trustee and expenses in connection therewith), then this Indenture and all rights hereby granted shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing provided by the Issuer as determined by the Issuer to be requisite to cancel and discharge the lien hereof, and release, assign and deliver to the Issuer any and all the estate, right, title and interest herein, or otherwise subject to the lien of this Indenture, except money or securities held by the Trustee for the payment of the principal of and interest on the Bonds and the Rebate Amount and shall notify the Rating Agencies and the Bond Insurer of such cancellation and discharge.

To accomplish defeasance, pursuant to this Article VII, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement, (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under this Indenture and (iv) a certificate of discharge of the Trustee with respect

to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer and the Trustee.

Bonds shall be deemed "Outstanding" under this Indenture unless and until they are in fact paid and retired or the above criteria met.

(B) Any Bond shall be deemed to be paid within the meaning of this Indenture when payment of the principal of such Bond, redemption premium, if any, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment (a) moneys in an amount sufficient (as determined by an independent certified public accounting firm) to make such payment; or (b) Governmental Obligations maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee and the Issuer pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Governmental Obligations.

(C) Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit pursuant to clause (B) above shall be deemed a payment of such Bonds until the Issuer shall have given the Trustee irrevocable written instructions:

(i) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by this Indenture);

(ii) requiring the Trustee to call for redemption pursuant to this Indenture any Bonds to be redeemed prior to maturity pursuant to subparagraph (i) hereof; and

(iii) requiring the Trustee to publish and mail, as soon as practicable, in the manner prescribed by Article III hereof, a notice to the owners of such Bonds that the deposit described in clause (B) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which money is to be available for the payment of the principal or redemption price, if applicable, on such Bonds as specified in subparagraph (i) hereof. In giving such notice, with respect to the deposit described in clause (B) above, the Trustee shall be entitled to rely on an independent certified public accountant's report as to the sufficiency of such deposit to discharge the lien of this Indenture.

(D) All income from investment of funds deposited as provided in this Article VII which is not required for the payment of the Bonds, redemption premium, if any, and interest thereon shall be deposited in the Revenue Fund as and when realized and collected for use and application as is other money deposited in that Account, or, if the Bonds have been paid in full or provision has been made for paying all amounts due with respect thereto, such extra investment earnings shall be paid to the Issuer to be transferred to the Stadium Fund; provided that prior to making any withdrawals of moneys held under this Indenture after defeasance of the Bonds, the Issuer shall provide to the Rating Agencies (with a copy to the Trustee) a report of an independent certified public accounting firm demonstrating the amounts remaining after such withdrawals, together with the investment earnings thereon, will be sufficient to pay all amounts due thereafter with respect to the Bonds.

(E) No such deposit under this Article VII shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an opinion of Bond Counsel to the effect that such deposit and use, each in and of itself, will not cause the Bonds which are not Taxable Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code.

(F) Anything in Article X hereof to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article VII for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article VII shall be made without the consent of each Bondholder affected thereby.

**ARTICLE VIII.  
DEFAULT PROVISIONS AND REMEDIES  
OF THE TRUSTEE AND BONDHOLDERS**

**SECTION 8.01. DEFAULTS; EVENTS OF DEFAULT**

If any of the following events occur, subject to the provisions of Section 8.09 hereof, it is hereby defined as and declared to be and to constitute a "Default" or an "Event of Default":

(A) Default by the Issuer in the due and punctual payment of any interest on any Bond;

(B) Default by the Issuer in the due and punctual payment of the principal of any Bond, whether at the stated maturity thereof or when the same is scheduled to be called for redemption;

(C) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in this Indenture or in the Bonds and failure to remedy the same after notice thereof pursuant to Section 8.09 hereof; or

(D) Default by the County under the Community Investment Interlocal Agreement or the Interlocal Agreement For Stadium Financing.

#### **SECTION 8.02. REMEDIES; RIGHTS OF BONDHOLDERS**

(A) If an Event of Default shall have occurred, the Trustee may, and if requested so to do by the Holders of not less than 25% of the Bond Obligation, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Section 8.02, as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondholders.

(B) Mandamus is expressly included as a remedy granted to the Bondholders. Notwithstanding anything herein to the contrary, no remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity.

(C) No delay or omission to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Default or Event of Default or acquiescence thereof; and every such right and power may be exercised from time to time as often as may be deemed expedient.

(D) No waiver of any Default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereon.

#### **SECTION 8.03. RIGHT OF BONDHOLDERS TO DIRECT PROCEEDINGS**

The owners of a majority of the Bond Obligation have the right, at any time, subject to the provisions of Section 9.01(L) hereof, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken by the Trustee in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder.

#### **SECTION 8.04. APPLICATION OF MONEY**

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VIII shall, after payment of the costs and expenses of the proceedings resulting in the collection of such money (including attorneys' and legal assistants' fees and expenses), liabilities (including fees and expenses of the Trustee) and advances incurred or made by the Trustee, be deposited in the Debt Service Fund, and all money in the Debt Service Fund (other than money held for redemption of Bonds duly called for redemption) shall be applied as follows:

(A) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

**FIRST** - To the payment to the persons entitled thereto of all interest then due on the Bonds, and, if the amount available shall not be sufficient to pay in full such amount, then to the payment ratably, according to the amounts due to the persons entitled thereto, without any discrimination or privilege;

**SECOND** - To the payment to the persons entitled thereto as the same shall become due of the unpaid principal or redemption price of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due at the rate borne by the Bonds and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege;

**THIRD** - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of, redemption premium, if any, and interest on the Bonds which may thereafter become due, either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege.

(B) If the principal of all the Bonds shall have become due, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, as applicable, to the persons entitled thereto without any discrimination or privilege.

(C) Whenever money is to be applied pursuant to the provisions of this Section 8.04, such money shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date, interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such money and of the fixing of any such date, and shall not be required to make payment

to the owner of any such Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(D) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate pursuant to Section 4.07 hereof only after the payment of past due and current debt service on the Bonds and amounts required to restore the accounts in the Reserve Fund to the applicable Reserve Requirements. Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section and all fees and expenses and charges of the Trustee and any Paying Agent have been paid, and no amount is owing to the United States pursuant to Section 4.07 hereof, any balance remaining in the Debt Service Fund, and in any other fund or account hereunder, shall be paid to the Issuer as provided in Article V hereof or as a court of competent jurisdiction may direct.

#### **SECTION 8.05. REMEDIES VESTED IN THE TRUSTEE**

All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining the Bondholders as plaintiffs or defendants and any recovery of judgment shall be for the equal and ratable benefit of the Holders of the Outstanding Bonds.

#### **SECTION 8.06. RIGHTS AND REMEDIES OF BONDHOLDERS**

No Bondholder shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (A) a Default has occurred of which the Trustee has been notified as provided in Section 9.01(H) hereof, or of which by such Section it is deemed to have notice, (B) such Default shall have become an Event of Default and the Holders of not less than 25% of the Bond Obligation shall have furnished written notice to the Trustee and shall have offered the Trustee reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in their own name or names, (C) the Trustee shall have been indemnified as provided in Section 9.01(L) hereof, and (D) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, as Trustee, for a period of sixty (60) days after receipt by it of such request and offer of indemnity; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Bondholders shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any right hereunder except by action of the Holders of at least 25% of the Bond Obligation, in the manner herein provided, and

that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds then Outstanding. However, nothing contained in this Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective Bondholders thereof at the time, place, from the source and in the manner in the Bonds expressed.

#### **SECTION 8.07. TERMINATION OF PROCEEDINGS**

In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former position and rights hereunder, respectively, with regard to the property herein subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

#### **SECTION 8.08. WAIVERS OF EVENTS OF DEFAULT**

The Trustee may waive any Event of Default hereunder and its consequences and shall do so upon the written request of the Holders of more than 50% of the Bond Obligation; provided, however, that there shall not be waived any Event of Default in the payment of the principal of any Outstanding Bonds at the date of maturity specified therein or any Default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal when due, with interest on overdue principal at the rate borne by such Bonds, and all expenses of the Trustee in connection with such Default, shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Default, or impair any right consequent thereon.

#### **SECTION 8.09. NOTICE OF DEFAULTS UNDER SECTION 8.01(C); OPPORTUNITY OF THE ISSUER TO CURE SUCH DEFAULTS**

The Trustee shall be presumed to have notice only of payment Defaults under Section 8.01(A) and (B) hereof. The Trustee shall be deemed to have notice of any other Default only in accordance with the provisions of Section 9.01(H) hereof. Anything herein to the contrary notwithstanding, no Default under Section 8.01(C) hereof shall constitute an Event of Default until actual notice of such Default by first class mail (postage prepaid) shall be given to the Issuer (such notice to be given no later than thirty (30) days after the occurrence of such Default) by the Trustee or by the Holders of not less than 25% of the Bond Obligation and the Issuer shall

have had thirty (30) days after receipt of such notice to correct such Default or cause such Default to be corrected, and shall not have corrected such Default or caused such Default to be corrected within the applicable period; provided, however, if the Default is such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer within the applicable period and diligently pursued until the Default is corrected.

The Trustee shall, within thirty (30) days after the occurrence of any Event of Default hereunder, give written notice thereof by first-class mail, to the Issuer, the Rating Agencies, the Holders of all Bonds then Outstanding as shown by the list of Bondholders required to be maintained pursuant to Section 2.08 hereof.

## **ARTICLE IX. TRUSTEE**

### **SECTION 9.01. ACCEPTANCE OF THE TRUSTS**

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform such trusts, but only upon and subject to the following express terms and conditions:

(A) Subject to clause (H) below, the Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, shall undertake to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in such exercise, as a prudent trustee would exercise or use under similar circumstances in the conduct of its own affairs.

(B) The Trustee may execute any of the trusts or powers hereof and perform any of its duties hereunder on behalf of the Issuer by or through attorneys, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standard specified in clauses (A) above and (G) below, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys (who may be the attorney or attorneys for the Issuer) approved by the Trustee in the exercise of reasonable care under the circumstances. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction in good faith in reliance upon such opinion or advice.

(C) The Trustee shall not be responsible for any recital herein, or in the Bonds, or for the recording or rerecording, filing or refiling of this Indenture, or any other instrument required by this Indenture to secure the Bonds, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or secured hereby.



(D) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become an owner of Bonds secured hereby with the same rights which it would have if not the Trustee.

(E) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons, if signed, in the case of the Issuer, by the Chairman or by any other official or employee of such party. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(F) In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking action or doing or not doing anything as such Trustee or as to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Trustee shall be entitled to rely conclusively upon a certificate signed by an authorized officer of the Issuer, as sufficient evidence of the facts therein contained, and prior to the occurrence of a Default of which the Trustee has been notified as provided in clause (H) below, or of which by such Section it is deemed to have notice shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may, at its discretion, secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Chairman or Secretary of the Issuer under its seal to the effect that a resolution in the form therein set forth has been adopted by the Issuer, as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(G) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

(H) The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder except failure by the Issuer to cause to be made any of the payments to the Trustee required to be made by Article V hereof, unless the Trustee shall be specifically notified in writing of such Default by the Issuer or by the Holders of at least 5% of the Bond Obligation and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered to a responsible corporate trust officer at the designated corporate trust office of the Trustee, and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no Default except as aforesaid.

(I) At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books, papers and records of

the Issuer pertaining to the Pledged Revenues and the Bonds, and to take such memoranda from and in regard thereto as may be reasonably desired.

(J) The Trustee shall not be required to give any bond or surety in respect of the execution of the such trusts and powers or otherwise in respect of the premises.

(K) Notwithstanding anything elsewhere in this Indenture contained, in respect of the authentication of any Bonds, the withdrawal of any cash, or the taking of any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand the delivery of any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(L) The Trustee shall not be required to expend or risk its own funds other than in the normal course of performing its duties hereunder, and the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(M) All money received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which it was received, but need not be segregated from other funds except to the extent required by law.

(N) Any action required to be taken by the Trustee under this Indenture on a day that is not a Business Day shall be taken on the next succeeding Business Day.

(O) The duties and obligations of the Trustee shall be determined solely by the express provisions hereof.

(P) The Trustee, in its capacity as Trustee under this Indenture, shall have no duty or responsibility to independently verify any of the calculations required by the Rebate Analyst hereunder and shall be fully protected in relying solely upon the written instructions of the Rebate Analyst in this regard. Under no circumstances whatsoever shall the Trustee be liable to the Issuer, any Bondholder or any other person for any loss of tax exempt status of the Bonds which are not Taxable Bonds, or any claims, demands, damages, liabilities, losses, costs or expenses resulting therefrom or in any way connected therewith, so long as the Trustee acts only in accordance with the written instructions received by the Trustee pursuant to this Indenture and written instructions from Bond Counsel.

## **SECTION 9.02. FEES, CHARGES AND EXPENSES OF THE TRUSTEE AND PAYING AGENTS**

The Trustee and any Paying Agent shall be entitled to payment and reimbursement for fees and expenses solely from money available therefor as specified in Section 5.05 hereof. Upon an Event of Default described in Section 8.01(A) or (B) hereof, and only upon such an Event of Default, the Trustee and each Paying Agent shall have a first lien on the Pledged Revenues with right of payment prior to payment on account of principal of and interest on any Bond for the foregoing fees, charges and expenses incurred by it, respectively.

## **SECTION 9.03. NOTICE TO BONDHOLDERS IF DEFAULT OCCURS**

If a Default occurs of which the Trustee is by Section 9.01(H) hereof required to take notice, or if notice of Default be given as provided in Section 9.01(H) hereof, then the Trustee shall promptly give written notice thereof by registered or certified mail to the last known Holders of all Bonds then Outstanding, shown by the list of Bondholders required by Section 4.05 hereof to be kept at the designated corporate trust office of the Trustee.

## **SECTION 9.04. INTERVENTION BY TRUSTEE**

In any judicial proceeding concerning the issuance or the payment of the Bonds to which the Issuer is party, the Trustee may intervene on behalf of the Bondholders and shall do so, subject to the provisions of Section 9.01(L) hereof if requested in writing by the Holders of at least 25% of the Bond Obligation.

## **SECTION 9.05. SUCCESSOR TRUSTEE**

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, or any successor Trustee appointed in accordance with this Indenture, ipso facto shall be and become successor Trustee hereunder and vested with all of the title to all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

## **SECTION 9.06. RESIGNATION BY TRUSTEE**

The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice by registered or certified mail to the Issuer and by first class mail (postage prepaid) to the owners of each Bond, and such resignation shall take effect upon the appointment of a successor Trustee by the Issuer. If no successor Trustee has been appointed by the owners of Bonds or the Issuer (as provided in Section 9.08 herein) by the expiration of such 30-day period, the Trustee may, in its discretion, appoint a successor Trustee

meeting the qualifications set forth in Section 9.08 herein, until a successor or temporary Trustee has been appointed pursuant thereto. The Trustee shall not be relieved of its duties hereunder until a successor has accepted such duties. The Trustee shall have the right to petition a court of competent jurisdiction for the appointment of a permanent successor trustee if none has been appointed within such 30-day period. The Issuer shall notify the Rating Agencies of the appointment of any successor trustee for the Bonds.

#### **SECTION 9.07. REMOVAL OF TRUSTEE**

The Trustee may be removed at any time by the Issuer by an instrument in writing delivered to the Trustee and to the Bondholders; provided, however, the Trustee cannot be removed unless the Trustee is also being simultaneously removed as trustee pursuant to the FST Indenture. The Trustee shall not be relieved of its duties hereunder until a successor Trustee has accepted such duties.

#### **SECTION 9.08. APPOINTMENT OF SUCCESSOR TRUSTEE BY THE BONDHOLDERS; TEMPORARY TRUSTEE**

In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, become insolvent or bankrupt, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, and the Issuer shall not appoint a successor Trustee within thirty (30) days after such event, a successor, may be appointed by the Holders of a majority of the Bond Obligation, by an instrument or concurrent instruments in writing signed by such Holders, or by their attorneys in fact, duly authorized and a copy of which shall be delivered personally or sent by registered mail to the Issuer. Nevertheless, in case of such vacancy, the Issuer by resolution shall appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Holders in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Holders. Notice of the appointment of a successor Trustee shall be given in the same manner as provided in Section 9.06 hereof with respect to the resignation of the Trustee. Written notice of such appointment shall also be given to the Rating Agencies. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing and subject to examination by a federal or State authority, having approximately \$75,000,000 in capital and undivided profits surplus.

#### **SECTION 9.09. CONCERNING ANY SUCCESSOR TRUSTEE**

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessors shall, nevertheless, on the written request of the Issuer, or of their successors, execute and deliver an instrument transferring to such successor

Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and money held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee in each recording office where this Indenture or notice hereof shall have been filed or recorded.

#### **SECTION 9.10. DESIGNATION AND SUCCESSION OF PAYING AGENT**

(A) The Trustee is hereby appointed as Paying Agent. Any bank or trust company with which or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Indenture. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank or trust company, or other entity located in the same city as such Paying Agent to fill such vacancy; provided, however, that if the Issuer shall fail to appoint such Paying Agent within such period, the Trustee shall make the appointment. Other Paying Agents or fiscal agents may be appointed pursuant to Article IX hereof by the Issuer if in its discretion additional Paying Agents or fiscal agents are deemed advisable.

(B) The Paying Agent shall enjoy the same protection provisions in the performance of its duties hereunder as are specified in Section 9.01 hereof with respect to the Trustee insofar as such provisions may be applicable.

(C) Notice of the appointment of additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 9.08 hereof with respect to the appointment of a successor Trustee.

#### **SECTION 9.11. APPOINTMENT OF CO-TRUSTEE**

(A) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as the Trustee in such jurisdiction. It is recognized that, in case of litigation under this Indenture, in particular, in case of the enforcement thereof on Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction, it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution as a separate or Co-Trustee; provided that any

Co-Trustee must have capital, surplus and undivided profits of at least \$50,000,000. The following provisions of this Section 9.11 are adopted to these ends.

(B) In the event that the Trustee appoints an additional institution as a separate or Co-Trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee shall run to and be enforceable by either of them. The responsibilities of the Co-Trustee under this Indenture shall be limited to exercising remedies as provided herein, and providing such assistance to the Trustee as may be necessary to carry out the duties of the Trustee and Co-Trustee hereunder.

(C) Should any instrument in writing from the Issuer be required by a separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate or Co-Trustee, or a successor to either, shall cease to exist, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate or Co-Trustee.

#### **SECTION 9.12. TRUSTEE NOT LIABLE FOR FAILURE OF OTHERS TO ACT**

The Trustee shall not be liable or responsible because of the failure of the Issuer, or any of its employees or agents to make any collections or deposits or to perform any act herein required of the Issuer or such other parties hereunder or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited in accordance with this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

None of the provisions of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that (A) the Trustee shall not be liable for any error of judgment reasonably consistent with the prudent man standard set forth in Section 9.01(A) hereof made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts on which such judgment is based; and (B) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance

with the direction of the Holders of not less than a majority of the Bond Obligation pursuant to Section 8.03 hereof, relating to the time, method and place of conducting any proceedings to be taken by the Trustee in connection with the enforcement of the terms and conditions of this Indenture or for the appointment of a receiver hereunder.

**ARTICLE X.  
SUPPLEMENTAL INDENTURES**

**SECTION 10.01. SUPPLEMENTAL INDENTURES NOT REQUIRING CONSENT OF BONDHOLDERS**

The Issuer and the Trustee may, without the consent of, or notice to any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be materially adverse to outstanding Bondholders with the terms and provisions hereof for any one or more of the following purposes:

(A) To cure any ambiguity or formal defect or omission in this Indenture or to insert provisions which clarify matters or questions arising under this Indenture as are necessary or desirable;

(B) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee including without limitation those that may be granted to or conferred upon the Holders of Bonds which are not Taxable Bonds or the Trustee as a result of changes to Section 143 of the Code and the Treasury regulations promulgated thereunder (including but not limited to rebate requirements), or to make any change which, in the judgment of the Issuer, is not to the material prejudice of the Bondholders (the Trustee may rely conclusively on opinions of counsel as to such modifications);

(C) To subject to this Indenture additional revenues, properties or collateral;

(D) To modify, amend or supplement this Indenture or any supplemental indenture hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities law of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute;

(E) To evidence the appointment of a separate Trustee or Co-Trustee or the succession of a new Trustee or Paying Agent hereunder;

(F) To make any modification required in order to maintain the rating on the Outstanding Bonds;

(G) To preserve the exclusion of interest on the Bonds which are not Taxable Bonds from the gross income of the Owners thereof for federal income tax purposes;

(H) To add to the covenants and agreements of the Issuer in this Indenture other covenants and agreements thereafter to be observed by the Issuer, or to surrender any right or power herein reserved to or conferred upon the Issuer;

(I) To execute a supplemental indenture approving the issuance of Additional Bonds pursuant to Section 2.13 or Section 2.14 hereof;

(J) To set forth what information relating to the Bonds the Trustee is authorized to disseminate to the Bondholders and the investment community; or

(K) To modify any provisions relating to the Stadium Fund, subject to the prior written consent of the Chief Financial Administrator of the County and the Chief Financial Officer of the City.

#### **SECTION 10.02. SUPPLEMENTAL INDENTURES REQUIRING CONSENT OF BONDHOLDERS**

(A) Exclusive of supplemental indentures covered by Section 10.01 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Holders of at least 50% of the Bond Obligation shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee, of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section 10.02 shall permit, or be construed as permitting, without the consent of the owners of all Outstanding Bonds, (i) an extension of the maturity or mandatory sinking fund redemption date of the principal amount of or the interest on any Bond issued hereunder, or (ii) a reduction in the principal amount of any Bond or the rate of interest, or sinking fund redemption requirements, thereon, or (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds (other than those privileges or priorities granted herein), or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, or (v) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee.

(B) If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 10.02, the Trustee shall, upon being satisfactorily indemnified, cause notice of the proposed execution of such supplemental indenture to be mailed by registered or certified mail to each Bondholder as shown on the list of Bondholders required by Section 4.07 hereof. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate office of the Trustee for inspection by all Bondholders. If within sixty (60)



days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Holders of at least 50% of the Bond Obligation at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Bondholder shall have any right to object to any of the terms and provisions contained herein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

(C) Upon the execution of any such supplemental indenture as in this Section 10.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

### **SECTION 10.03. DISCRETION OF ISSUER AND TRUSTEE TO EXECUTE SUPPLEMENTAL INDENTURE**

In each and every case provided for in this Article X, the Issuer and the Trustee shall be entitled to exercise their discretion in determining whether or not to execute any proposed supplemental indenture, if their respective rights, obligations and interests would be affected, and neither the Trustee nor the Issuer shall be under any liability to the other or to any Bondholder or anyone whomsoever for its good faith refusal to enter into any such supplemental indenture, if such supplemental indenture is deemed by either of them to be contrary to the provisions of this Article X. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, any counsel's opinion, which counsel may be counsel for the Issuer, as conclusive evidence that any such proposed supplemental indenture does or does not comply with the provisions of this Indenture, and that it is or is not proper for it, under the provisions of this Article X, to join in the execution of such supplemental indenture.

## **ARTICLE XI. MISCELLANEOUS**

### **SECTION 11.01. CONSENTS, ETC., OF BONDHOLDERS**

Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agents appointed in writing. Proof of the execution of any such consent, request, direction, approval objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee and any Paying Agent with regard to any action taken by it under such request or other instrument, namely:

(A) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(B) The fact of ownership of the Bonds and the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the registration books of the Issuer maintained by the Trustee pursuant to Section 2.08 hereof.

#### **SECTION 11.02. PROVIDING INFORMATION TO RATING AGENCIES**

The Issuer and the Trustee covenant that each of them will provide to the Rating Agencies notification of any supplemental indentures to be entered into pursuant to Sections 10.01 and 10.02 hereof, of the appointment of any successor Trustee or Co-Trustee pursuant to Article IX hereof, any redemption or defeasance of all Outstanding Bonds, and such other information as may reasonably be requested in order to maintain the rating on the Outstanding Bonds.

#### **SECTION 11.03. LIMITATION OF RIGHTS**

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto and the Bondholders, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders as herein provided.

#### **SECTION 11.04. SEVERABILITY**

If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

#### **SECTION 11.05. NOTICES**

Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed to the appropriate Notice Address. A duplicate copy of each notice required to be given hereunder by the Trustee to the Issuer shall also be given to the others. The Issuer and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

#### **SECTION 11.06. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS**

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bond shall be a Saturday, a Sunday or a legal holiday or a day on which banking institutions are authorized by law to close in the State, then payment of interest

or principal may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption.

#### **SECTION 11.07. COUNTERPARTS**

This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

#### **SECTION 11.08. APPLICABLE PROVISIONS OF LAW; MEMBERS OF ISSUER NOT LIABLE**

This Indenture shall be governed by and construed in accordance with the laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Issuer in his individual capacity, and neither the members of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds nor shall they be subject to any personal liability or accountability by reason of the issuance thereof.

#### **SECTION 11.09. CAPTIONS OR HEADINGS IN THIS INDENTURE**

The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Indenture.

#### **SECTION 11.10. THIRD PARTIES BENEFICIARIES**

Each of the parties hereto agrees that, other than the Bondholders, there are not intended to be any third party beneficiaries to this Indenture.

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the Issuer has caused this Indenture to be executed on its behalf by its Chairman and attested by its Secretary, and the seal of the Issuer to be hereunto affixed and duly attested; and the Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Indenture to be executed in its name by its duly authorized officers and its corporate seal to be hereunto affixed and duly attested, all as of the day and year first above written.

**TAMPA SPORTS AUTHORITY**

(SEAL)

By: \_\_\_\_\_  
Its: Chairman

ATTEST:

By: \_\_\_\_\_  
Secretary

**U.S. BANK NATIONAL ASSOCIATION,  
as successor in interest to SunTrust Bank**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT A**

REQUISITION FOR PAYMENT

\$ \_\_\_\_\_

Local Option Sales Tax Refunding Revenue Bonds  
(Stadium Project), Series 2015

Requisition Number: \_\_\_\_\_

Requisition Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Total Requisition Amount: \$ \_\_\_\_\_

To: U.S. Bank National Association (the "Trustee")

Re: Payment of the fees on the attached schedule in connection with the issuance of the above-captioned Series 2015 Bonds.

The Tampa Sports Authority (the "Issuer") does hereby make application to you for payment of [costs of issuance of the Series 2015 Bonds] [cost of the Project] issued pursuant to the Second Amended and Restated Trust Indenture (the "Indenture"), dated as of January 6, 2015, by and between the Issuer and the Trustee that have been billed to the Issuer or otherwise incurred by the Issuer in connection with the refunding of the Refunded Bonds (as defined in the Indenture). [Such costs of the Project are included in the capital improvements and repairs contemplated in Section 2(b) of the Community Investment Interlocal Agreement.] All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

[Remainder of page intentionally left blank]

You are hereby requested to make disbursements from the [Costs of Issuance Fund] [Construction Fund] of the amounts as set forth on Schedule A attached to this certificate, to the payees listed on Schedule A all as provided therein.

TAMPA SPORTS AUTHORITY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: President/CEO (or designee)  
or Vice President Finance  
and Administration (or designee)

[Approvals below required if Requisition is from Construction Fund and in an amount of \$500,000 or more]

HILLSBOROUGH COUNTY, FLORIDA

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Chief Financial Administrator  
(or designee)

CITY OF TAMPA, FLORIDA

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Chief Financial Officer (or designee)

**SCHEDULE A**

\$\_\_\_\_\_

Local Option Sales Tax Refunding Revenue Bonds  
(Stadium Project), Series 2015

**INVOICES**

<u>Item No.</u>	<u>Payee</u>	<u>Description of Work</u>	<u>Amount</u>	<u>Direct Pay or Reimbursement</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

**EXHIBIT B**

**REQUISITION FOR PAYMENT FROM STADIUM FUND**

Requisition Number: \_\_\_\_

Requisition Date: \_\_/\_\_/\_\_

Total Requisition Amount: \$\_\_\_\_\_

To: \_\_\_\_\_ -- (the "Trustee")

Re: Payment of the Invoices on the attached schedule.

The Tampa Sports Authority (the "Issuer") does hereby make application to you for payment of Invoices that have been billed to the Issuer or otherwise incurred by the Issuer in connection with the capital improvements or repairs described therein, which Invoices represent payment for the capital improvements or repairs described in or contemplated by in Section 2(b) of the Community Investment Interlocal Agreement.

You are hereby requested to make disbursements from the Stadium Fund of the amounts as set forth on Schedule A attached to this certificate, to the payees listed on Schedule A all as provided therein.

[Remainder of page intentionally left blank]



All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

TAMPA SPORTS AUTHORITY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: President/CEO (or designee)  
or Vice President Finance  
and Administration (or designee)

[Approvals below required if Requisition is  
in an amount of \$500,000 or more]

HILLSBOROUGH COUNTY, FLORIDA

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Chief Financial Administrator  
(or designee)

CITY OF TAMPA, FLORIDA

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Chief Financial Officer (or designee)

EXHIBIT C

FORM OF FULLY REGISTERED BOND

REGISTERED

REGISTERED

No. R-\_\_\_\_

\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
TAMPA SPORTS AUTHORITY  
LOCAL OPTION SALES TAX [REFUNDING] REVENUE BOND,  
(STADIUM PROJECT), SERIES \_\_\_\_\_

CUSIP NO.

Maturity Date: January 1, \_\_\_\_

Dated Date: \_\_\_\_\_, \_\_\_\_

Interest Rate: \_\_\_\_\_%

Registered Owner:

Principal Amount:

DOLLARS

The Tampa Sports Authority (the "Issuer"), for value received, hereby promises to pay to the Registered Owner identified above, or his legal representatives or registered assigns, on the Maturity Date identified above (or earlier as hereinafter provided), but solely from the Pledged Revenues, as hereinafter defined, in the manner and to the extent set forth in the hereinafter defined Indenture, the Principal Amount identified above upon presentation and surrender hereof at the designated office of U.S. Bank National Association, as successor in interest to SunTrust Bank, or its successors, as Registrar and Paying Agent (the "Registrar"), and to pay, solely from the Pledged Revenues, in the manner and to the extent set forth in the Indenture, interest on the Principal Amount from the Dated Date, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum set forth above until payment of the Principal Amount, or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of July and the first day of January of each year, commencing on \_\_\_\_\_ 1, \_\_\_\_\_. Interest will be paid by check or draft mailed to the Registered Owner hereof (or if requested by wire transfer to the Registered Owner of One Million Dollars (\$1,000,000) or more in Principal Amount of the Bonds at such Owner's address as it appears on the registration books of the Issuer maintained by the Registrar at the close of business on the 15th day (whether or not a business day) of the month next preceding the Interest Payment Date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such Interest Payment Date, unless the Issuer shall be in default in payment of interest due on such Interest Payment Date.

In the event of any such default, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date on the special Interest Payment Date as established by the Registrar. The special record date shall be not more than fifteen (15) nor fewer than ten (10) days prior to the special interest date. The Registrar shall cause notice of the proposed payment, the special interest date and the special record date to be mailed not fewer than ten (10) days preceding the special record date to each person who was a Registered Owner of Bonds at the close of business on the fifteenth day preceding such mailing to such person's address as it appears on the register on such date. All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Indenture.

This Bond and the interest hereon are payable solely from and secured by a lien upon and pledge of the Pledged Revenues, as defined and in the manner and to the extent provided in the Second Amended and Restated Trust Indenture, dated as of January 6, 2015 between the Issuer and the Trustee, as supplemented from time to time (the "Indenture"). Reference is hereby made to the Indenture for the provisions, among others, relating to the terms of, lien on and security for the Bonds of this issue, the custody and application of the proceeds of the Bonds and the Pledged Revenues, the rights and remedies of the holders of the Bonds and the extent of and limitations on the Issuer's rights, duties and obligations, and the provisions permitting the issuance of Additional Bonds, to all of which provisions the owner hereof assents by acceptance of this Bond.

This Bond is one of an authorized issue of bonds designated "Tampa Sports Authority Local Option Sales Tax [Refunding] Revenue Bonds (Stadium Project), Series \_\_\_\_\_," in the original aggregate principal amount of \$\_\_\_\_\_, of like tenor and effect, except as to number, amount, date, maturity (unless all Bonds mature on the same date) and interest rate, issued to \_\_\_\_\_, pursuant to the authority of and in full compliance with the Act. This Bond is subject to all the terms and conditions of the Indenture.

[Insert Redemption Provisions

Notice of such redemption shall be given in the manner required by the Indenture.]

The registration of this Bond may be transferred upon the registration books upon delivery to the designated office of the Registrar, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner of this Bond or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number, federal employer identification number or taxpayer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Indenture enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered

Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same sources of funds. Neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the fifteen (15) days next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof has been selected for redemption. The Issuer and the Registrar may charge the Registered Owner of such Bond for the registration of every such transfer of a Bond sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Issuer) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

If any date for payment of the principal of, redemption premium, if any, or interest on this Bond shall not be a Business Day, then the date for such payment shall be the next Business Day and payment on such day shall have the same force and effect as if made on the nominal date of payment.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable hereto, and that the issuance of the Bonds of this Series does not violate any constitutional, statutory or charter limitation or provision.

**The Bonds, together with interest thereon, are not general or moral obligations of the Issuer and do not constitute an obligation, either general or special, of the State, the County, the City or any political subdivision thereof, but are limited obligations payable solely and only from the Pledged Revenues. It is further agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall in no event be payable from the general revenues of the Issuer and shall not constitute a debt, liability, general or moral obligation or a pledge of the faith or loan of credit of the County, the City, the State or any political subdivision of the State within the meaning of any constitutional or statutory provisions; the County, the City, the State nor any political subdivision thereof shall be liable thereon; nor in any event shall such Bonds or obligations be payable out of any funds or properties other than those of the Issuer, and then only to the extent herein provided. Neither the faith and credit nor the revenues or taxing power of the County, the City, the State or any political subdivision thereof, is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Issuer has no taxing power.**

This Bond shall not be deemed to constitute a debt or a pledge of the faith and credit of the Issuer, the County, the City, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, and it is expressly agreed by the Registered Owner of this Bond that such Registered Owner shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of any political subdivision of the State of Florida or taxation in any form on any real or

personal property for the payment of the principal of and interest on this Bond or for the payment of any other amounts provided for in the Indenture.

It is further agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon any real or tangible personal property of the Issuer, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Pledged Revenues, moneys on deposit in certain funds and accounts created under the Indenture and investment earnings thereon, all in the manner and to the extent provided in the Indenture. Neither the members of the Governing Body nor any person executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication endorsed hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the Tampa Sports Authority has issued this Bond and has caused the same to be signed by its Chairman and attested to and countersigned by the Secretary of the Issuer either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the first day of \_\_\_\_\_, \_\_\_\_.

TAMPA SPORTS AUTHORITY

(Seal)

By: \_\_\_\_\_  
Chairman

Attested and Countersigned:

By: \_\_\_\_\_  
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds designated in and executed under the provisions of the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as  
successor in interest to SunTrust Bank, as  
Trustee

(Date of Authentication)

\_\_\_\_\_

By \_\_\_\_\_

Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws of regulations:

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- \_\_\_\_\_  
(Cust.)

Custodian for \_\_\_\_\_  
under Uniform Transfer to Minors Act of \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned \_\_\_\_\_ (the "Transferor"), hereby sells, assigns and transfers unto \_\_\_\_\_ (the "Transferee")

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to register the transfer of the within Bond on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied. Identification Number of the Transferee is supplied.

**APPENDIX C-2**

**FORM OF INTERLOCAL AGREEMENT FOR STADIUM FINANCING  
WITH COUNTY**



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SECOND AMENDED AND RESTATED

INTERLOCAL AGREEMENT

FOR STADIUM FINANCING

BETWEEN

TAMPA SPORTS AUTHORITY

and

HILLSBOROUGH COUNTY, FLORIDA

Dated as of January 6, 2015

INTERLOCAL AGREEMENT  
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(This table of contents is not part  
of the Interlocal Agreement and is only  
for convenience of reference.)

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SECOND AMENDED AND RESTATED  
INTERLOCAL AGREEMENT FOR STADIUM FINANCING

This SECOND AMENDED AND RESTATED INTERLOCAL AGREEMENT FOR STADIUM FINANCING (the "Interlocal Agreement" or "Agreement"), is made as of this 6th day of January, 2015, by and between the TAMPA SPORTS AUTHORITY, an independent special district under the laws of the State of Florida (the "Authority") and HILLSBOROUGH COUNTY, FLORIDA, a political subdivision of the State of Florida (the "County").

WITNESSETH:

WHEREAS, the parties hereto originally entered into this Agreement as of June 1, 1997, to provide for the issuance of revenue Bonds (as herein defined) for the purpose of financing a new community stadium (the "Stadium"), a practice facility, certain demolition activities and other related facilities (collectively, the "Project"), to be owned by the Authority and located within the County; and

WHEREAS, it is the purpose and intent of this Agreement, the parties hereto and the Florida Interlocal Cooperation Act of 1969 ("Cooperation Act") to permit the Authority and the County to make the most efficient use of their respective powers, resources and capabilities by enabling them to cooperate on the basis of mutual advantage and thereby to provide the resources provided for herein in the manner that will best accord with the existing resources available to each of them and with geographic, economic, population and other factors influencing the needs and developments within their respective jurisdictions; and

WHEREAS, it is the purpose of the Cooperation Act to provide for a means by which the Authority and the County may exercise their respective powers, privileges and authorities which they share in common and which each might exercise separately; and

WHEREAS, the Florida Office of Trade, Tourism and Economic Development has certified the Project as a "facility for a retained professional sports franchise" as defined in Section 288.1162, Florida Statutes (the "Certification") and, therefore, the County is entitled to receive from the State of Florida sales tax revenues, pursuant to Section 212.20(6)(d)6.b., Florida Statutes, Section 288.1162, Florida Statutes, and other applicable provisions of law, in the amount of \$166,667 per month for thirty years from the date of the first payment (the "Sales Tax Revenues"), which first payment date shall be no later than sixty (60) days following the date of the certification; and

WHEREAS, the first payment of the Sales Tax Revenues was received by the Clerk of the Circuit Court of the County on February 4, 1997; and

WHEREAS, pursuant to an Interlocal Agreement for Distribution of Community Investment Tax Revenue, dated July 17, 1996 (the "Community Investment Interlocal Agreement"), by and among the City of Tampa, the City of Temple Terrace, the City of Plant City, the Hillsborough County School Board and the County, the Clerk of the Circuit Court of

the County is directed to apply a portion of the distributions of revenues from the local option infrastructure surtax authorized by Section 212.055(2), Florida Statutes, for the purpose of funding a community stadium and related infrastructure in the amounts set forth in Section 2(b) thereof for thirty years (the "Section 2(b) Revenues"); and

WHEREAS, in the manner hereinafter provided the County wishes to pay over to and pledge the Sales Tax Revenues and the Section 2(b) Revenues to the Authority for payment of the principal of and interest on the Sales Tax Bonds and the Local Option Sales Tax Bonds, respectively (as those terms are defined herein) and to meet certain other payment obligations herein described; and

WHEREAS, Section 2(b) Revenues in the amount shown on Schedule "A" attached hereto will be deposited in a capital improvement fund (the "Capital Improvement Fund") held by the Authority, all pursuant to a Stadium Agreement by and between the Authority and the Buccaneers Stadium Limited Partnership (the "Stadium Agreement"); and

WHEREAS, the County wishes to further assist the Authority in any operation and maintenance shortfalls by agreeing to budget and appropriate legally available non-ad valorem revenues to cover two-thirds of any such shortfalls of the Authority; and

WHEREAS, the acquisition and construction of the Project by the Authority complies with and has furthered the purposes of the County's plan of tourist development and will promote the influx of tourists to the County and thereby benefit the local economy, and will be of substantial benefit to the entire County and thereby serves a public purpose; and

WHEREAS, this Agreement was amended by the First Amendment to the June 1, 1997, Interlocal Agreement between the Authority and the County, and by the Second Amendment to the June 1, 1997, Interlocal Agreement for Stadium Financing dated as of December 22, 2003, between the Authority and the County, and was amended and restated by the Amended and Restated Interlocal Agreement for Stadium Financing between the Authority and the County dated December 6, 2006; and

WHEREAS, on the date hereof, the Authority has issued its \$\_\_\_\_\_ Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2015 and its \$\_\_\_\_\_ Florida Sales Tax Payments Refunding Revenue Bonds (Stadium Project), Series 2015; and

WHEREAS, the Authority and the County desire to amend and restate this Agreement, as previously amended and restated, in its entirety, to facilitate the issuance and delivery of such Bonds.

NOW, THEREFORE, in consideration of the mutual covenants of this Agreement, the Authority and the County agree as follows:

SECTION 1. Authority. This Agreement is entered into pursuant to the provisions of Section 163.01, Florida Statutes; Article VIII, Section 1 of the Constitution of the State of Florida;

Chapter 125, Florida Statutes; Chapter 96-520, Laws of Florida, Acts of 1996, Sections 212.20, 212.055(2) and 288.1162, Florida Statutes; and other applicable provisions of law.

SECTION 2. Definitions. Unless otherwise defined herein or in the preamble, all capitalized terms used herein shall have the meanings set forth in the Trust Indentures (defined below).

"Act" means Section 163.01, Florida Statutes; Article VIII, Section 1 of the Constitution of the State of Florida; Chapter 125, Florida Statutes; Chapter 96-520, Laws of Florida; Sections 212.20, 212.055(2) and 288.1162, Florida Statutes; and other applicable provisions of law.

"Bond Insurer" means the bond insurer or insurers with respect to the Sales Tax Bonds and the Local Option Sales Tax Bonds, if any, and its successors and assigns.

"Bonds" means, collectively, the Sales Tax Bonds and the Local Option Sales Tax Bonds.

"1977 Bonds" means the Authority's Refunding Revenue Bonds, Series 1977.

"1977A Bonds" means the Authority's Refunding Revenue Bonds, Series 1977A.

"Community Investment Interlocal Agreement" means the Interlocal Agreement for Distribution of Community Investment Tax Revenue, dated July 17, 1996, as amended by and among the County, the City of Tampa, the City of Temple Terrace, the City of Plant City and the Hillsborough County School Board.

"Local Option Sales Tax Bonds" means the bonds issued under the Local Option Sales Tax Indenture, including any refunding bonds.

"Local Option Sales Tax Indenture" means the Trust Indenture, dated as of June 1, 1997, as amended, restated and/or supplemented from time to time, by and between the Authority and the trustee named therein.

"Project Site" means the lands on which the Project is constructed together with easements appurtenant thereto, and such other lands and interests therein as may be added from time to time by the parties hereto.

"1977 Resolution" means the Authority's Resolution adopted June 1, 1977 relating to the issuance of the 1977 Bonds.

"1977A Resolution" means the Authority's Resolution adopted June 1, 1977 relating to the issuance of the 1977A Bonds.

"Sales Tax Bonds" means the bonds issued under the Sales Tax Indenture, including any refunding bonds.

"Sales Tax Indenture" means the Trust Indenture, dated as of June 1, 1997, as amended, restated and/or supplemented from time to time, by and between the Authority and the trustee named therein.

"Trust Indentures" means, collectively, the Sales Tax Indenture and the Local Option Sales Tax Indenture.

Words importing singular numbers shall include the plural number in each case and vice versa, and words importing persons shall include firms, corporations or other entities, including governments or governmental bodies.

SECTION 3. Covenants of the Authority. The Authority covenants and agrees with the County as follows:

A. Issuance of Other Obligations. The Authority will not issue any debt obligations payable from or secured by Sales Tax Revenues, Section 2(b) Revenues or Gross Revenues (as defined below), except as may be permitted in writing by the County and authorized under the terms of the Trust Indentures.

B. No Mortgage or Sale of Project. The Authority will not sell, mortgage, pledge or otherwise encumber the Project or the Project Site, or any interest therein, during the term of this Agreement. However, the Authority may sell or otherwise convey the Project and/or Project Site to the County.

SECTION 4. Covenants of the County.

A. From the date hereof, the County covenants and agrees with the Authority and the holders of the Sales Tax Bonds as follows:

(1) Obligation of County to Pay. Beginning on the date of issuance of the Sales Tax Bonds, the County hereby agrees to pay, promptly upon receipt, all Sales Tax Revenues distributable to it, to the trustee of the Sales Tax Bonds, on behalf of the Authority, and if no Sales Tax Bonds remain outstanding, to the Authority. The County hereby agrees to pay to the trustee of the Sales Tax Bonds for deposit in the Construction Fund established in the Sales Tax Indenture, on behalf of the Authority, all Sales Tax Revenues then on deposit with the Clerk of the Circuit Court of the County.

(2) Pledge. The County's obligation in subsection 1 immediately above shall be secured by an irrevocable first priority lien on the Sales Tax Revenues received by the County, such lien being in favor of the trustee of the Sales Tax Bonds for the benefit of the bondholders thereof. The County shall not voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, in each case, having a priority to or being on a parity with the lien securing the Sales Tax Bonds upon the Sales Tax Revenues, except to the extent permitted under the Sales Tax Indenture. The County hereby agrees to comply with Section 2.13 of the Sales Tax Indenture.

B. From the date hereof and until September 30, 2026, the County covenants and agrees with the Authority and the holders of the Local Option Sales Tax Bonds as follows:

(1) **Obligation of County to Pay.** Beginning on the date of issuance of the Local Option Sales Tax Bonds, the County hereby directs the Clerk of the Circuit Court of the County, on a monthly basis, to pay, from Section 2(b) Revenues,

First to the order of the trustee for the Local Option Sales Tax Bonds for deposit in the Revenue Fund pursuant to the Local Option Sales Tax Indenture, on behalf of the Authority, (i) an amount equal to the equal monthly share of the next interest payment on the Local Option Sales Tax Bonds, (ii) an amount equal to the equal monthly share of the next principal payment on the Local Option Sales Tax Bonds; (iii) an amount equal to the equal monthly share of the next fees and charges of the trustee, the paying agent and registrar, if any, accruing with respect to the Local Option Sales Tax Bonds, and (iv) an amount equal to the equal monthly share of any deficiency in the Accounts or Funds under the Local Option Sales Tax Indenture (provided however that for the 12-month period ending January 1, 2027, the Clerk of the Circuit Court of the County, shall, on a monthly basis, pay, from Section 2(b) Revenues, all 12 months of payments over the first 9 months of the year, on a level equal monthly basis); until there are sufficient funds then on deposit in the Debt Service Fund established under the Local Option Sales Tax Indenture equal to the sum of the next interest and/or principal payment, and the next fees and charges of the trustee, the paying Agent and the registrar, if any, with respect to the Local Option Sales Tax Bonds, and the Reserve Requirement shall be on deposit in the appropriate accounts in the Reserve Fund under the Local Option Sales Tax Indenture; payments required pursuant to the foregoing shall be increased or decreased each month to the extent required in the Local Option Sales Tax Indenture; and then

Second, to the Authority one-twelfth (1/12th) of the annual amount of deposits for the current fiscal year, to the Capital Improvement Fund as shown on Schedule "A" attached hereto, for deposit into the Capital Improvement Fund established pursuant to the Stadium Agreement; and then

Third, to the order of the trustee for the Local Option Sales Tax Indenture for deposit in the Revenue Fund pursuant to the Local Option Sales Tax Indenture, on behalf of the Authority one-twelfth (1/12th) of the annual amount of deposits for the current fiscal year as shown on Schedule "B" attached hereto;

provided, however, that the total amount of Section 2(b) Revenues so transferred to the trustee and to the Authority shall not exceed the annual amount for that year, as shown in Section 2(b) of the Community Investment Interlocal Agreement.



The payment obligations referred to above in the Second Paragraph and the Third Paragraph are junior and subordinate in all respects to the payment obligations referred to above in the First Paragraph.

(2) Direction. Pursuant to Section 2(b) of the Community Investment Interlocal Agreement, the County hereby irrevocably directs the distribution of such amounts of the Section 2(b) Revenues as provided herein for the purposes specified herein. The County shall not voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, in each case, having a priority to or being on a parity with the lien securing the Local Option Sales Tax Bonds upon the Section 2(b) Revenues, except to the extent permitted under the Local Option Sales Tax Indenture. The County hereby agrees to comply with Section 2.13 of the Local Option Sales Tax Indenture. The County hereby directs the distribution to the trustee for the Local Option Sales Tax Bonds, on behalf of the Authority, for deposit in the Construction Fund established in the Local Option Sales Tax Indenture, on the date of issuance of the Local Option Sales Tax Bonds, of all Section 2(b) Revenues then on deposit with the Clerk of the Circuit Court of the County.

C. Obligation of County to Pay for Operation and Maintenance Shortfalls.

(1) The County agrees that if the Authority sells the Bonds as provided above, the County will, subject to the terms, conditions, and limitations hereinafter contained, budget and appropriate Non-Ad Valorem Revenues (as defined below) and pay over such Non-Ad Valorem Revenues to the Authority, on or before the first day of each January and July of each year or any other payment schedule mutually agreed upon by the parties so long as any of the Bonds are outstanding, one-half of two-thirds of the amount, as shown by the Authority's then current annual budget, by which the Authority's Gross Revenues (as defined below), shall be less than the payments required to be made during the twelve-month period ending on the next October 1 for Current Expenses (as defined below). On or before November 1 in each year the Authority shall pay over to the County that amount (if any) by which the County's aggregate payments made during the twelve-month period preceding the last October 1 shall exceed two-thirds of the amount by which the Authority's actual Gross Revenues for such period were less than the Current Expenses for the twelve-month period ending on such October 1.

(2) The term "Gross Revenues" means the total of all of the receipts, revenues, and income (including operation and maintenance reserves) of the Authority of any kind and character from any and all sources whatsoever, excluding, however, (i) any payments received by the Authority from the County hereunder and the City of Tampa under a separate interlocal agreement executed in connection herewith, (ii) any moneys payable to the Authority under the Escrow Agreement in connection with the 1977A Bonds, (iii) any moneys, except for (a) ground rents and (b) surplus or other revenues available to the Authority for any purpose other than Special Purpose Facility

Bonds (as defined in the 1977 Resolution), derived from a Special Purpose Facility (as defined in the 1977 Resolution) until the Special Purpose Bonds for the Special Purpose Facility have been paid or provisions made for their full payment, and (iv) the proceeds from property damage and destruction insurance and the disposition of property.

(3) The term "Current Expenses" means the total of the amounts expended by the Authority for operation, maintenance, and ordinary current repairs of the Authority's Sports Facilities (as defined in the 1977 Resolution) all in accordance with generally accepted accounting principles; provided, however, there shall be excluded therefrom any amounts for depreciation and the total of any amounts expended by the Authority for the operation, maintenance, or ordinary current repairs of any Special Purpose Facility until the Special Purpose Bonds therefor shall have been paid or provisions made for their full payment and the Special Purpose Facility shall have become a part of the Sports Facilities.

(4) The payments to the Authority provided by (1) above shall be appropriated and expended out of legally available moneys of the County derived from sources other than the proceeds of ad valorem taxation ("Non-Ad Valorem Revenues"); provided, however, that such appropriation and expenditure from such sources in any year shall be reduced by any amounts which shall be appropriated and expended by the County for that purpose to the Authority in that year from any other available funds.

(5) Except for the liens and payment obligations described in Sections 4(A) and (B) above, nothing herein contained nor any action taken hereunder shall be construed or deemed as creating now or hereafter a lien of any kind and character upon any funds, income, or revenues now or hereafter held, collected, received, or anticipated by the County which would prevent or preclude the County at any time from pledging, obligating, or creating the specific liens upon such funds, income, or revenues as to the payment of any bonds, notes, or certificates of the County for any other purpose whatsoever, and any and all rights of the Authority and obligations of the County hereunder (except for the liens and payment obligations described in Sections 4(A) and (B) above), shall be subordinate thereto and subject to any pledge of specific funds, income, or revenues of the County heretofore or hereafter made to secure the payment of any bonds, notes, or certificates of the County heretofore or hereafter issued and subject to the provisions of any ordinance or resolution authorizing or providing for the issuance of any such bonds, notes, or certificates.

(6) The Board of County Commissioners of the County shall be furnished with a copy of all audits of the books and records of the Authority, shall have the right at any reasonable time to examine such books and records, and shall have the right to compel the efficient, prudent, and economical operation and management of the facilities of the Authority. The Board of County Commissioners of the County shall also be furnished monthly and quarterly with a copy of the Authority's Monthly Statement

of Income and Expenses and a copy of the Authority's Quarterly Financial Statement, respectively.

(7) Each year after the Authority shall complete preparation of its budget and thirty (30) days before adoption, or at least one Commission meeting before making any change therein after its adoption, which will have an appreciable effect upon the Authority's anticipated or actual net revenues, the Authority will submit same in its proposed form to the County. No later than twenty (20) days after submission of the proposed budget, or at any time of submission of a proposed change after adoption, the County may object that the budgeted expenditures should be less than those proposed, specifying those items which should be reduced. The Authority acknowledges that the County's obligation to fund operation and maintenance shortfalls, as set forth in Section 4(C)(1) hereof, is expressly conditioned upon the non-occurrence of an objection by the County to the Authority's budget. In all events, the County in reviewing the budget will adhere to and apply the provisions of the Trust Indentures. The Authority shall not expend any moneys for any purpose for which there is no appropriation or in excess of the appropriation therefor in its budget or change therein adopted in accordance with this section unless such expenditure will not have an appreciable effect upon the Authority's anticipated or actual net revenues.

D. Books and Records. The County shall keep separately identifiable financial accounts and data concerning the receipt of Sales Tax Revenues and Section 2(b) Revenues.

E. Reports and Annual Audits. The County shall, as soon as practicable after the end of each Fiscal Year, cause the books, records, accounts and data relating, to the Sales Tax Revenues, Section 2(b) Revenues and the Non-Ad Valorem Revenues for such fiscal year to be properly audited by an independent certified public accountant of recognized standing. A copy of the respective audited financial statements shall be available for inspection at the offices of the County without cost and shall be promptly furnished to the Authority and the Trustee upon request.

F. On or about the date of issuance of the Local Option Sales Tax Bonds, the Authority will establish an Operations and Maintenance Reserve Account (the "O&M Reserve Account"). The O&M Reserve Account shall be held by the Authority and funds on deposit therein shall be used to fund Current Expenses of the Authority from time to time to the extent Gross Revenues shall be insufficient. The O&M Reserve Account shall be initially funded by the Authority with legally available funds in an amount approved by the County Administrator and the Mayor of the City of Tampa. Unless otherwise directed by the City of Tampa and the County, amounts on deposit in the O&M Reserve Account shall be budgeted, appropriated and expended by the Authority to pay Current Expenses before the Authority calls upon the County and the City of Tampa to budget and appropriate their legally available non-ad valorem revenues to cure any such budgetary deficiency of the Authority.

SECTION 5. Remedies. Except for Section 4(C) hereof, the Bondholders and any trustee for the Bondholders may sue to protect and enforce any and all rights, granted or available to the County, the Authority or the Bondholders under this Agreement, or existing under the laws of the State of Florida or the United States of America, including the rights to the appointment of a receiver, and may take all steps to enforce and collect such funds and other charges as shall become delinquent to the full extent and in the manner permitted or authorized by the Trust Indentures and the laws of the State of Florida and the United States of America.

SECTION 6. Authorized Depositories. Pending immediate transfer to the trustee, all Sales Tax Revenues and Section 2(b) Revenues received by the County shall either (i) be deposited and maintained in one or more banks, trust companies, national banking associations, savings and loan associations, savings banks or other banking associations which are under Florida law qualified to be a depository of public funds, as may be determined by the entity maintaining possession and control of such funds and accounts or (ii) be deposited with the County.

SECTION 7. Contract with Authority; Assignment. The Authority and the County acknowledge that, except for Section 4(C) hereof, the bondholders and any Bond Insurer will rely on the pledges, covenants and obligations created pursuant to this Agreement, for the benefit of the bondholders, and such provisions of this Agreement shall be deemed to be and constitute a contract between the County, the Authority and the bondholders on the date of execution hereof by all parties and the filing of this Agreement in accordance with Section 9 hereof. The County hereby authorizes the Authority to pledge and assign its interests under Section 4(A) and (B) of this Agreement for the benefit of the bondholders in the manner as shall be provided by the Trust Indentures. The County and the Authority further acknowledge that any Bond Insurer is a third party beneficiary of this Agreement and agree that any Bond Insurer may exercise rights and remedies hereunder as subrogee or assignee of the bondholders.

SECTION 8. Term. Unless extended by mutual agreement of the County and Authority, or unless otherwise provided in this Agreement, this Agreement shall expire at such time as all payment obligations hereunder and under the Trust Indentures have been made.

SECTION 9. Filing and Effective Date. This Agreement shall become effective upon the occurrence of all of (a) the execution of this Agreement by the proper officers of the County and the Authority as of the date set forth above, (b) upon filing with the Clerk of the Circuit Court of Hillsborough County, Florida, as required by Section 163.01(11), Florida Statutes, and (c) upon the issuance of the Bonds of the Authority.

SECTION 10. No Impairment of Obligations of Contract. The County has incurred obligations under this Agreement based upon the covenant of the Authority to cause the Bonds to be issued and delivered in a timely manner to finance the Project. The County would not incur the obligations hereunder without the covenant and agreement of the Authority to issue such Bonds. The Authority has incurred its obligation under this Agreement based upon the covenants and pledge of the County. Therefore, it is necessary in order to avoid impairment of

the obligations of contract of the County and the Authority for the obligations hereunder to be and remain fully enforceable in the manner herein provided.

SECTION 11. Modification or Amendment.

A. Neither the Trust Indentures, nor any amendments or supplements thereto shall be adopted or later amended to have the effect of enlarging the obligations of the County hereunder or otherwise adversely affecting the rights or interests of the County, without the written consent thereto of the party adversely affected thereby and any Bond Insurer.

B. No modification or amendment of this Agreement or any agreement amendatory hereof or supplemental hereto materially adverse to the rights or interests of the Bondholders may be made without meeting the requirements of Section 10.02 of the Trust Indentures; but no modification shall permit a change that would (a) affect the unconditional promise of the County to collect, hold and transfer to the Trustee the County's Sales Tax Revenues, Section 2(b) Revenues or the County's covenant to budget, appropriate, hold and transfer to the Authority the Non Ad-Valorem Revenues, or (b) reduce such percentage of holders of the Bonds required above for such modifications or amendments, without the consent of all the bondholders and the Bond Insurer.

SECTION 12. Severability. If any one or more of the covenants, agreements or provisions of this Agreement should be held contrary to any express provision of law or contrary to any policy of expressed law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Agreement which shall remain fully enforceable.

SECTION 13. Controlling Law; Members of Authority and County Not Liable. All covenants, stipulations, obligations and agreements of the Authority and the County contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the Authority and the County, respectively, to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the governing body or agent or employee of the Authority or the County in its, his or their individual capacity, and neither the members of the governing body of the Authority or the County nor any official executing this Agreement shall be liable personally or shall be subject to any accountability by reason of the execution by the Authority or the County of this Agreement or any act pertaining hereto.

IN WITNESS WHEREOF, the parties hereto have entered into this Interlocal Agreement as of the day and year first above written.

HILLSBOROUGH COUNTY, FLORIDA

By: \_\_\_\_\_  
Chairman, Board of County  
Commissioners, Hillsborough  
County, Florida

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Clerk, Board of  
County Commissioners,  
Hillsborough County, Florida

TAMPA SPORTS AUTHORITY

By: \_\_\_\_\_  
Chairman

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Secretary

SCHEDULE "A"

<u>Fiscal Year</u>	<u>Annual Amount</u>
2006	\$2,500,000
2007	750,000
2008	750,000
2009	750,000
2010	750,000
2011	750,000
2012	750,000
2013	750,000
2014	750,000
2015	750,000
2016	750,000
2017	750,000
2018	750,000
2019	750,000
2020	750,000
2021	750,000
2022	750,000
2023	500,000

SCHEDULE "B"

<u>Fiscal Year</u>	<u>Annual Amount</u>
2015	\$ _____
2016	_____
2017	_____



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**APPENDIX C-3**

**COPY OF INTERLOCAL AGREEMENT WITH CITY**

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**INTERLOCAL AGREEMENT**

**BETWEEN**

**TAMPA SPORTS AUTHORITY**

**and**

**CITY OF TAMPA, FLORIDA**

**Dated as of June 1, 1997**

**Certified as true  
and correct copy**

INTERLOCAL AGREEMENT

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(This table of contents is not part  
of the Interlocal Agreement and is only  
for convenience of reference.)

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Certified as true  
and correct copy

## INTERLOCAL AGREEMENT

This INTERLOCAL AGREEMENT (the "Interlocal Agreement" or "Agreement"), is made as of this 1st day of June, 1997, by and between the TAMPA SPORTS AUTHORITY, a public agency politic and corporate (the "Authority") by Chapter 96-520, Laws of Florida, Acts of 1996, as amended, and the CITY OF TAMPA, FLORIDA, a municipal corporation of the State of Florida (the "City").

### W I T N E S S E T H:

WHEREAS, the parties hereto entered into this Agreement to provide for the issuance of revenue Bonds (as herein defined) for the purpose of financing a new sports stadium (the "Stadium"), to be publicly owned and operated by the Authority and located within the City and Hillsborough County (the "County"); and

WHEREAS, it is the purpose and intent of this Agreement, the parties hereto and the Florida Interlocal Cooperation Act of 1969 ("Cooperation Act") to permit the Authority and the City to make the most efficient use of their respective powers, resources and capabilities by enabling them to cooperate on the basis of mutual advantage and thereby to provide the facilities provided for herein in the manner that will best accord with the existing resources available to each of them and with geographic, economic, population and other factors influencing the needs and developments within their respective jurisdictions; and

WHEREAS, it is the purpose of the Cooperation Act to provide for a means by which the Authority and the City may exercise their respective powers, privileges and authorities which they share in common and which each might exercise separately; and

WHEREAS, the City wishes to assist the Authority in any operation and maintenance shortfalls by agreeing to budget and appropriate legally available non-ad valorem revenues to cover such shortfalls of the Authority; and

WHEREAS, the acquisition and construction of the Stadium by the Authority complies with and has furthered the purposes of the City's plan of tourist development and will promote the influx of tourists to the City and thereby benefit the local economy, and will be of substantial benefit to the entire City; and

NOW, THEREFORE, in consideration of the mutual covenants of this Agreement, the Authority and the City agree as follows:

SECTION 1. Authority. This Agreement is entered into pursuant to the provisions of Section 163.01, Florida Statutes; Article VIII, Sections 1 and 2 of the Constitution of the State of Florida; Chapter 166, Florida Statutes; Chapter 96-520, Laws of Florida, Acts of 1996, as amended; and other applicable provisions of law.

Certified as true and correct copy
---------------------------------------

SECTION 2. Definitions. Unless otherwise defined herein or in the preamble, all capitalized terms used herein shall have the meanings set forth below:

A. "Act" means Section 163.01, Florida Statutes; Article VIII, Sections 1 and 2 of the Constitution of the State of Florida; Chapter 166, Florida Statutes; Chapter 96-520, Laws of Florida, Acts of 1996, as amended; and other applicable provisions of law.

B. "Bonds" means the Authority's Florida Sales Tax Payments Revenue Bonds (Stadium Project), Series 1997, the Authority's Tourist Development Tax Revenue Bonds, Series 1997B, the Authority's Local Option Sales Tax Revenue Bonds (Stadium Project), Series 1997, and any other bonds of the Authority issued to finance the new community stadium and related infrastructure, and any additional bonds issued on a parity with any such series of bonds.

C. "Project Site" means the lands on which the Stadium is constructed, together with easements appurtenant thereto, and such other lands and interests therein as may be added from time to time by the parties hereto.

D. "1977 Bonds" means the Authority's Refunding Revenue Bonds, Series 1977.

E. "1977A Bonds" means the Authority's Refunding Revenue Bonds, Series 1977A.

F. "1977 Resolution" means the Authority's Resolution adopted June 1, 1977 relating to the issuance of the 1977 Bonds.

G. "1977A Resolution" means the Authority's Resolution adopted June 1, 1977 relating to the issuance of the 1977A Bonds.

Words importing singular numbers shall include the plural number in each case and vice versa, and words importing persons shall include firms, corporations or other entities, including governments or governmental bodies.

SECTION 3. Covenants of the Authority. The Authority covenants and agrees with the City as follows:

A. Issuance of Other Obligations. The Authority will not issue any debt obligations payable from or secured by Gross Revenues (as defined below), except as may be permitted in writing by the City.

B. No Mortgage or Sale of Stadium. The Authority will not sell, mortgage, pledge or otherwise encumber the Stadium or the Project Site, or any interest therein, during the term of this Agreement.

SECTION 4. Covenants of the City. From the date hereof and until the principal of, premium, if any, and interest on the Bonds are paid, or until the Bonds are fully defeased, the City covenants and agrees with the Authority as follows:

A. Obligation of City to Pay for Operation and Maintenance Shortfalls.

(1) The City agrees that if the Authority sells the Bonds as provided above and operates and maintains the Stadium the City will, subject to the terms, conditions, and limitations hereinafter contained, budget and appropriate Non-Ad Valorem Revenues (as defined below) and pay over such Non-Ad Valorem Revenues to the Authority, on or before the first day of each January and July of each year as long as any of the Bonds are outstanding, one-half of one-third of the amount, as shown by the Authority's then current annual budget (approved by the City), by which the Authority's Gross Revenues (as defined below), shall be less than the payments required to be made during the twelve-month period ending on the next October 1 for Current Expenses (as defined below). On or before November 1 in each year the Authority shall pay over to the City that amount (if any) by which the City's aggregate payments made during the twelve-month period preceding the last October 1 shall exceed one-third of the amount by which the Authority's actual Gross Revenues for such period were less than the Current Expenses for the twelve-month period ending on such October 1.

(2) The term "Gross Revenues" means the total of all of the receipts, revenues, and income (including operation and maintenance reserves) of the Authority of any kind and character from any and all sources whatsoever, excluding, however, (i) any payments received by the Authority from the City hereunder and the County under a separate interlocal agreement executed in connection herewith, (ii) any moneys payable to the Authority under the Escrow Agreement in connection with the 1977A Bonds, (iii) any moneys, except for (a) ground rents and (b) surplus or other revenues available to the Authority for any purpose other than Special Purpose Facility Bonds (as defined in the 1977 Resolution), derived from a Special Purpose Facility (as defined in the 1977 Resolution) until the Special Purpose Bonds for the Special Purpose Facility have been paid or provisions made for their full payment, and (iv) the proceeds from property damage and destruction insurance and the disposition of property.

(3) The term "Current Expenses" means the total of the amounts expended by the Authority for operation, maintenance, and ordinary current repairs of the Authority's Sports Facilities (as defined in the 1977 Resolution) all in accordance with generally accepted accounting principles;



provided, however, there shall be excluded therefrom any amounts for depreciation and the total of any amounts expended by the Authority for the operation, maintenance, or ordinary current repairs of any Special Purpose Facility until the Special Purpose Bonds therefor shall have been paid or provisions made for their full payment and the Special Purpose Facility shall have become a part of the Sports Facilities.

(4) The payments to the Authority provided by (1) above shall be appropriated and expended out of legally available moneys of the City derived from sources other than the proceeds of ad valorem taxation ("Non-Ad Valorem Revenues"); provided, however, that such appropriation and expenditure from such sources in any year shall be reduced by any amounts which shall be appropriated and expended by the City for that purpose to the Authority in that year from any other available funds.

(5) Nothing herein contained nor any action taken hereunder shall be construed or deemed as creating now or hereafter a lien of any kind and character upon any funds, income, or revenues now or hereafter held, collected, received, or anticipated by the City which would prevent or preclude the City at any time from pledging, obligating, or creating the specific liens upon such funds, income, or revenues as to the payment of any bonds, notes, or certificates of the City for any other purpose whatsoever, and any and all rights of the Authority and obligations of the City hereunder shall be subordinate thereto and subject to any pledge of specific funds, income, or revenues of the City heretofore or hereafter made to secure the payment of any bonds, notes, or certificates of the City heretofore or hereafter issued and subject to the provisions of any ordinance or resolution authorizing or providing for the issuance of any such bonds, notes, or certificates.

(6) The City shall be furnished with a copy of all audits of the books and records of the Authority, shall have the right at any reasonable time to examine such books and records, and shall have the right to compel the efficient, prudent, and economical operation and management of the facilities of the Authority. The City shall also be furnished monthly and quarterly with a copy of the Authority's Monthly Statement of Income and Expenses and a copy of the Authority's Quarterly Financial Statement, respectively.

(7) Each year after the Authority shall complete preparation of its budget and thirty (30) days before adoption, or at least one City Council meeting before making any change therein after its adoption, which will have an appreciable effect upon the Authority's anticipated or actual net revenues, the Authority will submit same in its proposed

form to the City. No later than twenty (20) days after submission of the proposed budget, or at any time of submission of a proposed change after adoption, the City may object that the budgeted expenditures should be less than those proposed, specifying those items which should be reduced. The Authority acknowledges that the City's obligation to fund operation and maintenance shortfalls, as set forth in Section 4(A)(1) hereof, is expressly conditioned upon the City's approval of the Authority's budget. The Authority shall not expend any moneys for any purpose for which there is no appropriation or in excess of the appropriation therefor in its budget or change therein adopted in accordance with this section unless such expenditure will not have an appreciable effect upon the Authority's anticipated or actual net revenues.

B. Reports and Annual Audits. The City shall, as soon as practicable after the end of each Fiscal Year, cause the books, records, accounts and data relating, to Non-Ad Valorem Revenues for such fiscal year to be properly audited by an independent certified public accountant of recognized standing. A copy of the respective audited financial statements shall be available for inspection at the offices of the City without cost and shall be promptly furnished to the Authority upon request.

C. On or about the date of issuance of the Local Option Sales Tax Bonds, the Authority will establish an Operations and Maintenance Reserve Account (the "O&M Reserve Account"). The O&M Reserve Account shall be held by the Authority and funds on deposit therein shall be used to fund Current Expenses of the Authority from time to time to the extent Gross Revenues shall be insufficient. The O&M Reserve Account shall be initially funded by the Authority with legally available funds in an amount approved by the County Administrator and the Mayor of the City. Unless otherwise directed by the City and the County, amounts on deposit in the O&M Reserve Account shall be budgeted, appropriated and expended by the Authority to pay Current Expenses before the Authority calls upon the County and the City to budget and appropriate their legally available non-ad valorem revenues to cure any such budgetary deficiency of the Authority.

SECTION 5. Direction. Pursuant to Section 2(b) of the Interlocal Agreement for Distribution of Community Investment Tax Revenue, dated July 17, 1996, by and among the City of Tampa, City of Temple Terrace, City of Plant City, the Hillsborough County School Board and Hillsborough County, as amended, the City hereby irrevocably directs the distribution of the amounts of the Local Option Sales Tax Revenues as provided in the Interlocal Agreement For Stadium Financing by and between Tampa Sports Authority and Hillsborough County for the purposes provided therein.

SECTION 6. Term. Unless extended by mutual agreement of the City and Authority, or unless otherwise provided in this Agreement, this Agreement shall expire at such time as the Bonds shall be fully paid or provisions shall be made for the payment of all of the Bonds.

SECTION 7. Filing and Effective Date. This Agreement shall become effective upon due execution and the filing with the Clerk of the Circuit Court of Hillsborough County, Florida, as required by Section 163.01(11), Florida Statutes, and upon the issuance of the Bonds of the Authority.

SECTION 8. No Impairment of Obligations of Contract. The City has incurred obligations under this Agreement based upon the covenant of the Authority to cause the Bonds to be issued and delivered in a timely manner to finance the Stadium. The City would not incur the obligations hereunder without the covenant and agreement of the Authority to issue such Bonds. The Authority has incurred its obligation under this Agreement based upon the covenant of the City. Therefore, it is necessary in order to avoid impairment of the obligations of contract of the City and the Authority for the obligations hereunder to be and remain fully enforceable in the manner herein provided.

SECTION 9. Modification or Amendment. No modification or amendment of this Agreement or any agreement amendatory hereof or supplemental hereto shall affect the City's covenant to budget and appropriate Non Ad-Valorem Revenues without the consent of the City.

SECTION 10. Severability. If any one or more of the covenants, agreements or provisions of this Agreement should be held contrary to any express provision of law or contrary to any policy of expressed law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Agreement which shall remain fully enforceable.

SECTION 11. Controlling Law; Members of City and Authority Not Liable. All covenants, stipulations, obligations and agreements of the City and the Authority contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City and the Authority, respectively, to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the governing body or agent or employee of the City or the Authority in its, his or their individual capacity, and neither the members of the governing body

Certified as true  
and correct copy

of the City or the Authority nor any official executing this Agreement shall be liable personally or shall be subject to any accountability by reason of the execution by the City or the Authority of this Agreement or any act pertaining hereto.

Certified as true  
and correct copy

IN WITNESS WHEREOF, the parties hereto have entered into this Interlocal Agreement as of the day and year first above written.

CITY OF TAMPA, FLORIDA

By [Signature]  
Mayor

(SEAL)

ATTEST:

Approved as to form and correctness:

[Signature: Janette Maiten]  
City Clerk

[Signature]  
City Attorney

TAMPA SPORTS AUTHORITY

By [Signature]  
Chairman

(SEAL)

ATTEST:

[Signature: A.R. Brown]  
Secretary

4265-28  
LAK-110884.7

State of Florida  
County of Hillsborough

This is to certify that the foregoing is a true and correct copy of Agreement 97-0755 on file on my office

Witness my hand and official seal this 18<sup>th</sup> day of November, 2005

[Signature: Sandra Marshall]  
CITY CLERK / DEPUTY CITY CLERK

**APPENDIX C-4**

**COPY OF COMMUNITY INVESTMENT INTERLOCAL AGREEMENT**

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9

INTERLOCAL AGREEMENT  
FOR DISTRIBUTION OF COMMUNITY INVESTMENT TAX REVENUE

This Interlocal Agreement (Agreement) is made and entered into as of this 17th day of July, 1996, without regard to the date signed by all parties, by and between the City of Tampa, the City of Temple Terrace, and the City of Plant City, all of which are municipal corporations organized and existing under the laws of the State of Florida within Hillsborough County (MUNICIPALITIES); the Hillsborough County School Board (SCHOOL BOARD), and Hillsborough County, a county and political subdivision of the State of Florida (COUNTY).

WITNESSETH:

WHEREAS, pursuant to Chapter 163, Florida Statutes, counties, cities, public authorities, and other political subdivisions have the authority to enter into Interlocal Agreements among and between themselves in order to make the most efficient use of their powers and enabling them to cooperate with other localities; and

WHEREAS, the COUNTY, SCHOOL BOARD, and MUNICIPALITIES agree that a thirty-year one-half cent Local Infrastructure Sales Surtax for Community Investment is necessary to meet their jurisdictions' requirements for critical future infrastructure needs; and

WHEREAS, this Agreement is authorized by Section 212.055(2), Florida Statutes, and other applicable laws; and

WHEREAS, The SCHOOL BOARD is responsible for the construction of schools and the provision of public education within the COUNTY and MUNICIPALITIES; and

WHEREAS, the parties agree that this Agreement is contingent upon the approval of the tax by the voters of Hillsborough County at a Referendum.

NOW, THEREFORE, in consideration of the premises and of the mutual benefits and in consideration of the covenants and agreements set forth herein, the parties hereto agree as follows:

SECTION 1. The COUNTY, MUNICIPALITIES, and SCHOOL BOARD each certify to the others that revenue and interest thereon received from the one-half cent Local Infrastructure Sales Surtax for

41071706

RICHARD AKE  
CLERK OF CIRCUIT COURT  
HILLSBOROUGH COUNTY

INTEROFFICE MAIL TO:  
BOCC RECORDS  
COUNTY CENTER - 12TH FL



Community Investment shall be expended by that jurisdiction only as permitted by Section 212.055(2), Florida Statutes, Hillsborough County Ordinance 96- and the ballot language of the September 3, 1996 Referendum. The SCHOOL BOARD, COUNTY, and MUNICIPALITIES further certify that the revenue received pursuant to this Agreement shall be used to supplement funds currently budgeted for infrastructure:

SECTION 2. The distributions of revenue of the Local Option Infrastructure Surtax for Community Investment during the thirty-year duration of the tax shall be as follows:

(a) In Fiscal Years 1997 through 2026, the SCHOOL BOARD shall receive disbursements in the amount of twenty five percent (25%) of the net proceeds of the Surtax revenue per year.

(b) Disbursements as subsequently directed by the COUNTY and City of Tampa shall be made for construction of a new Tampa Stadium in the following amounts:

FY 1997	\$10,490,000
FY 1998	10,490,000
FY 1999	13,360,000
FY 2000	12,860,000
FY 2001 - 2005	9,860,000
FY 2006	12,360,000
FY 2007 - 2022	10,610,000
FY 2023	10,360,000
FY 2024 - 2026	9,860,000

The above contains revenue to meet contingencies under that certain Term Sheet executed by the County, City of Tampa, Tampa Sports Authority, Tampa Bay Partnership, and National Football League dated May 3, 1996, as amended. Should these contingencies not occur and the contingency funds not be required under the Term Sheet, then such funds shall be distributed pursuant to Section 2 (c), below. The above disbursements are projected based upon interest rates and Federal tax law as of the date of the execution of this Agreement. Should there be a significant change in either impacting debt service costs for the new Tampa Stadium, the COUNTY and MUNICIPALITIES agree to negotiate an amendment to this Agreement to assure that all obligations under the Term Sheet or bond document are met.

(c) All revenue of the Surtax received in excess of the distributions in Section 2 (a) and (b) shall be distributed among the COUNTY and MUNICIPALITIES pursuant to the distribution formulae in Section 218.62, Florida Statutes.

SECTION 3. The Clerk of the Circuit Court of Hillsborough County shall receive the revenue of the Local Infrastructure Sales Surtax from the Department of Revenue and act as trustee of the

revenue and shall retain all revenue in a separate account until distributed pursuant to SECTION 2. above. Disbursements shall be made monthly on a pro-rated basis as received by the Clerk of Circuit Court.

SECTION 4. It is stipulated by the parties that this Agreement, regarding distribution of the Local Infrastructure Sales Surtax Revenue, complies with the Constitution and Statutes regarding dual taxation.

SECTION 5. The COUNTY, the MUNICIPALITIES, and the SCHOOL BOARD, each to the other, warrant and represent that the execution and delivery of this Agreement has been duly authorized by all appropriate actions of their respective governments, and that this Agreement has been otherwise executed and delivered by an authorized officer, as applicable.

SECTION 6. The parties agree that upon full execution of this Agreement, each will promptly execute and deliver such documents and instruments, and take such other actions as may be reasonably required, including compliance with applicable law, to carry out the purpose and intent of this Agreement. The parties further agree that they will comply with the public comment and public reporting requirements of Ordinance 96- , Section 4. (c).

SECTION 7. Any notices, or other documents required to be delivered under this Agreement shall be delivered to the following addresses:

Hillsborough County  
c/o Chairman  
Board of County Commissioners  
P.O. Box 1110  
Tampa, FL 33601

City of Temple Terrace  
c/o Mayor  
11250 No. 56th Street  
Temple Terrace, FL 33617

City of Tampa  
c/o Mayor  
306 E. Jackson Street  
Tampa, FL 33602

City of Plant City  
c/o Mayor  
P.O. Box C  
Plant City, FL 33564

Clerk of the Circuit Court  
c/o Clerk, Board of County Commissioners  
P.O. Box 1110  
Tampa, FL 33601

Hillsborough County School Board  
P.O. Box 3408  
Tampa, FL 33602

SECTION 8. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. This Agreement shall be construed equally against each party in recognition of the fact that each has had the opportunity of review and participation, by their respective counsel, in the preparation of this Agreement.

SECTION 9. If, for any reason, any portion of this Agreement is held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

SECTION 10. This Agreement is contingent upon approval of the Local Infrastructure Sales Surtax by the electorate at a Referendum to be held on September 3, 1996. This Agreement shall terminate upon receipt by each jurisdiction of its final distribution of the revenue of the tax pursuant to SECTION 2., above.

SECTION 11. This Agreement may only be amended in writing duly executed by the affected parties.

SECTION 12. This Agreement and any subsequent amendments thereto shall be filed with the Clerk of the Circuit Court of Hillsborough County as provided by Section 163.01 (11), Florida Statutes, and with the Director of the Florida Department of Revenue.

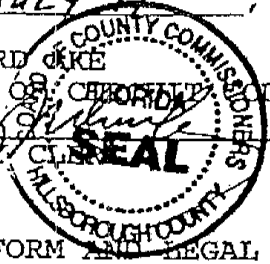
SECTION 13. This Agreement may be executed separately by the parties in two or more execution or "joinder" pages, all of which, together, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have respectively executed a Joinder Execution Page, which pages are attached to this Agreement and, by this reference, made a part hereof; the same being effective as of the date first above written.

JOINDER EXECUTION PAGE

TO BE ATTACHED AND INCORPORATED INTO THE INTERLOCAL AGREEMENT BETWEEN HILLSBOROUGH COUNTY, THE CITY OF TAMPA, THE CITY OF TEMPLE TERRACE, THE CITY OF PLANT CITY, AND THE HILLSBOROUGH COUNTY SCHOOL BOARD FOR COMMUNITY INVESTMENT TAX REVENUE, THE SAME BEING DATED AS OF JULY 17, 1996.

ATTEST: RICHARD ORKE  
CLERK OF CIRCUIT COURT  
By: [Signature]  
DEPUTY CLERK



HILLSBOROUGH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
By: [Signature]  
CHAIRMAN

APPROVED AS TO FORM AND LEGAL SUFFICIENCY  
BY: [Signature]  
ASSISTANT COUNTY ATTORNEY

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH  
THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND  
CORRECT COPY OF Interlocal Agreement  
Hillsborough County Bacc

WITNESS MY HAND AND OFFICIAL SEAL THIS  
6 DAY OF August 2004.  
RICHARD A. ORKE, CLERK  
BY: [Signature] D.C.

BOARD OF COUNTY COMMISSIONERS  
HILLSBOROUGH COUNTY FLORIDA  
DOCUMENT No. 96-1426

JOINDER EXECUTION PAGE

TO BE ATTACHED AND INCORPORATED INTO THE INTERLOCAL AGREEMENT BETWEEN HILLSBOROUGH COUNTY, THE CITY OF TAMPA, THE CITY OF TEMPLE TERRACE, THE CITY OF PLANT CITY, AND THE HILLSBOROUGH COUNTY SCHOOL BOARD FOR Community Acquisition by Revenue, THE SAME BEING DATED AS OF \_\_\_\_\_, 1996.

ATTEST:  
BY: Patricia A. Jones  
CITY CLERK

CITY OF TEMPLE TERRACE  
BY: Robert J. Hood  
MAYOR

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:  
BY: St. Louis  
ATTORNEY FOR THE CITY OF TEMPLE TERRACE

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH  
THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND  
CORRECT COPY OF Interlocal Agreement  
CITY of Temple Terrace  
WITNESS MY HAND AND OFFICIAL SEAL THIS  
6 DAY OF August 2004  
RICHARD AKE, CLERK  
BY: Ann Caraballo

JOINDER EXECUTION PAGE

TO BE ATTACHED AND INCORPORATED INTO THE INTERLOCAL AGREEMENT BETWEEN HILLSBOROUGH COUNTY, THE CITY OF TAMPA, THE CITY OF TEMPLE TERRACE, THE CITY OF PLANT CITY, AND THE HILLSBOROUGH COUNTY SCHOOL BOARD FOR COMMUNITY INVESTMENT TAX REVENUE, THE SAME BEING DATED AS OF \_\_\_\_\_, 1996.

ATTEST:

CITY OF TAMPA

By: *Gail A. Anderson*  
JANEYS MARTIN, CITY CLERK  
BY: CITY CLERK  
GAIL A. ANDERSON, DEPUTY CITY CLERK

By: *Dick A. Greco*  
DICK A. GRECO, MAYOR

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: *[Signature]*  
ATTORNEY FOR CITY OF TAMPA

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH  
THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND  
CORRECT COPY OF Interlocal Agreement  
CITY of Tampa

WITNESS MY HAND AND OFFICIAL SEAL THIS  
DAY OF August 2004  
RICHARD AXE, CLERK  
BY: *[Signature]*

JOINDER EXECUTION PAGE

TO BE ATTACHED AND INCORPORATED INTO THE INTERLOCAL AGREEMENT BETWEEN HILLSBOROUGH COUNTY, THE CITY OF TAMPA, THE CITY OF TEMPLE TERRACE, THE CITY OF PLANT CITY, AND THE HILLSBOROUGH COUNTY SCHOOL BOARD FOR Community Investment Tax Revenue, THE SAME BEING DATED AS OF \_\_\_\_\_, 1996.

ATTEST  
By: *Martina G. ...*  
CITY CLERK

CITY OF PLANT CITY  
By: *[Signature]*  
MAYOR

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: *[Signature]*  
ATTORNEY FOR THE CITY OF PLANT CITY

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH  
THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND  
CORRECT COPY OF Interlocal Agreement  
CITY of PLANT CITY  
WITNESS MY HAND AND OFFICIAL SEAL THIS  
6 DAY OF August 2004  
RICHARD AKE, CLERK  
BY: *[Signature]*

JOINDER EXECUTION PAGE

TO BE ATTACHED AND INCORPORATED INTO THE INTERLOCAL AGREEMENT BETWEEN HILLSBOROUGH COUNTY, THE CITY OF TAMPA, THE CITY OF TEMPLE TERRACE, THE CITY OF PLANT CITY, AND THE HILLSBOROUGH COUNTY SCHOOL BOARD FOR Community Investment Tax Revenue. THE SAME BEING DATED AS OF July 16, 1996.

ATTEST:  
BY: [Signature]  
CLERK

HILLSBOROUGH COUNTY SCHOOL BOARD  
BY: [Signature]  
CHAIRMAN

APPROVED AS TO FORM AND LEGAL SUFFICIENCY  
BY: [Signature]  
ATTORNEY FOR THE SCHOOL BOARD

inter.30

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH  
THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND  
CORRECT COPY OF Interlocal Agreement  
Hillsborough County  
School Board  
WITNESS MY HAND AND OFFICIAL SEAL THIS  
6 DAY OF August 2004  
RICHARD AKE, CLERK  
BY: [Signature]



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**APPENDIX D**

**FORM OF BOND COUNSEL OPINION**

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## FORM OF BOND COUNSEL OPINION

January 6, 2015

Tampa Sports Authority  
Tampa, Florida

Board of County Commissioners of  
Hillsborough County, Florida  
Tampa, Florida

Re:     \$\_\_\_\_\_ Tampa Sports Authority Local Option Sales Tax Refunding  
          Revenue Bonds (Stadium Project), Series 2015

Ladies and Gentlemen:

We have acted as Bond Counsel to Hillsborough County, Florida (the "County") in connection with the issuance by the Tampa Sports Authority (the "Authority") of its \$\_\_\_\_\_ Tampa Sports Authority Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2015 (the "Series 2015 Bonds") pursuant to the Act, as such term is defined in the Second Amended and Restated Trust Indenture dated as of January 6, 2015 (the "Trust Indenture") by and between the Authority and U.S. Bank National Association, as Trustee, and Resolution No. 14-01 adopted by the Authority on November 20, 2014 (the "Resolution"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Trust Indenture.

As to questions of fact material to our opinion, we have relied upon representations of the Authority contained in the Trust Indenture and in the certified proceedings, resolutions and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Steven A. Anderson, P.L., Counsel to the Authority, as to the due creation and valid existence of the Authority, the due adoption of the Resolution, the due execution and delivery

of the Trust Indenture and the compliance by the Authority with all conditions contained in resolutions of the Authority precedent to the issuance of the Series 2015 Bonds.

The Series 2015 Bonds are payable solely from and secured by a lien upon and pledge of the Pledged Revenues, as such term is defined, and in the manner and to the extent expressly provided, in the Trust Indenture. Pursuant to the terms, conditions and limitations contained in the Trust Indenture, the Authority has reserved the right to issue Additional Bonds in the future which shall have a lien on the Pledged Revenues equal to that of the Series 2015 Bonds.

The Series 2015 Bonds do not constitute a general obligation or indebtedness of the Authority, the County, the City of Tampa, Florida (the "City"), or of the State of Florida or any political subdivision or agency thereof, or a pledge of the faith and credit or taxing power of the Authority, the County, the City, the State of Florida or any political subdivision thereof. In no event shall the Series 2015 Bonds or the interest or premium thereon be payable out of any funds or property other than those of the Authority and then only to the extent of the Pledged Revenues, in the manner and to the extent expressly authorized by the Trust Indenture. The Authority has no taxing power.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Trust Indenture constitutes a valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

2. The Series 2015 Bonds are valid and binding limited obligations of the Authority enforceable in accordance with their terms, payable solely from the Pledged Revenues in the manner and to the extent provided in the Trust Indenture.

3. The Trust Indenture creates a valid lien upon the Pledged Revenues for the security of the Series 2015 Bonds and any Additional Bonds hereafter issued, all in the manner and to the extent provided in the Trust Indenture.

4. Interest on the Series 2015 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2015 Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The opinions set forth in the preceding two sentences are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, (the "Code") that must be satisfied subsequent to the issuance of the Series 2015 Bonds in order that the interest thereon be, and continue to be,

excludable from gross income for federal income tax purposes. The Authority has covenanted in the Trust Indenture to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2015 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2015 Bonds.

It is to be understood that the rights of the owners of the Series 2015 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement or any other offering material relating to the Series 2015 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2015 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2015 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Authority or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2015 Bonds or regarding the perfection or priority of the lien on the Pledged Revenues created by the Trust Indenture. Further, we express no opinion regarding federal income tax consequences arising with respect to the Series 2015 Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Delivery of this opinion to a non-client does not create an attorney-client relationship.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

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**APPENDIX E-1**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE  
OF THE ISSUER**



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## **CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Tampa Sports Authority (the "Issuer") in connection with the issuance by the Issuer of its \$ \_\_\_\_\_ Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2015 (the "2015 Bonds"). The 2015 Bonds are being issued pursuant to the Second Amended and Restated Trust Indenture dated as of January \_\_, 2015, by and between the Issuer and U.S. Bank National Association, as trustee for the 2015 Bonds (the "Trust Indenture"). Capitalized terms used but not otherwise defined herein shall have the same meaning as when used in the Trust Indenture unless the context would clearly indicate otherwise. The Issuer covenants and agrees as follows:

**SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE.** This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Series 2015 Bondholders and in order to assist the Underwriter of the 2015 Bonds in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 (the "Rule").

**SECTION 2. NATURE OF UNDERTAKING.** The Issuer, in accordance with the Rule, hereby covenants to provide or cause to be provided:

(a) to the Electronic Municipal Market Access system ("EMMA") as described in SEC Release No. 34-59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule and any other entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule, (i) annual financial information and operating data of the type described as "Annual Information" in Section 3(a) hereof for each Fiscal Year ending on or after September 30, 2014, not later than the following April 30, and (ii) when and if available, audited financial statements of the Issuer for each such Fiscal Year; and

(b) to EMMA and any other entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule in a timely manner not in excess of ten business days after the occurrence of any Specified Event described in Section 3(b) hereof (a "Specified Event"), notice of (i) any Specified Event described in Section 3(b) hereof, (ii) the Issuer's failure to provide the Annual Information on or prior to the date specified above, and (iii) any change in the accounting principles applied in the preparation of its annual financial statements, any change in its Fiscal Year, and the termination of the Issuer's continuing disclosure obligations.

The Issuer expects that audited annual financial statements will be prepared and will be available together with the Annual Information identified below. The accounting principles to be applied in the preparation of those financial statements will be generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board. In the event that the audited annual financial statements are not available by the date on which the Annual Information will be provided, the Issuer will provide unaudited financial statements by the date specified and audited financial statements when available.

**SECTION 3. ANNUAL INFORMATION AND SPECIFIED EVENTS.**

(a) The Issuer shall not be required to provide any operating data or annual financial information with respect to the Official Statement prepared for the 2015 Bonds. All annual financial information and operating data required to be provided pursuant to the Rule shall be provided by the County pursuant to its Continuing Disclosure Certificate.

(b) Specified Events shall include the occurrence of the following events, within the meaning of the Rule, with respect to the 2015 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2015 Bonds, or other material events affecting the tax status of the 2015 Bonds;
- (7) modifications to rights of the holders of the 2015 Bonds, if material;
- (8) any 2015 Bond calls, if material, and tender offers;

- (9) defeasances in whole or in part of the 2015 Bonds;
- (10) release, substitution, or sale of property securing repayment of the 2015 Bonds, if material;
- (11) any changes in the ratings assigned to the 2015 Bonds;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer);
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee.

The Authority may, from time to time, in its sole discretion, choose to provide notice of the occurrence of certain other events if, in the judgment of the Authority, such other events are material with respect to the 2015 Bonds, but the Authority does not specifically undertake to commit to provide any such additional notice of the occurrence of any material event except those events listed above. Any voluntary inclusion by the Authority of supplemental information that is not required hereunder shall not expand the obligations of the Authority hereunder and the Authority shall have no obligation to update such supplemental information or include it in any subsequent report.

**SECTION 4. REMEDIES; NO EVENT OF DEFAULT.** The Issuer agrees that its undertaking pursuant to the Rule set forth above is intended to be for the benefit of the holders and beneficial owners of the 2015 Bonds and shall be enforceable by any such holder or beneficial owner; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Issuer's obligations hereunder and any failure by the Issuer to comply with the provisions of this undertaking shall not be an event of default with respect to the 2015 Bonds under the Resolution.

**SECTION 5. SEPARATE BOND REPORT NOT REQUIRED; INCORPORATION BY REFERENCE.** The requirements of this Disclosure Certificate do not necessitate the preparation of any separate annual report addressing only the 2015 Bonds. These requirements may be met by the filing of a combined bond report or the Issuer's Comprehensive Annual Financial Report; provided, such report includes all of the required information and is available by April 30. Additionally, the Issuer may incorporate any information provided in any prior filing with EMMA or one of the Nationally Recognized Municipal Securities Information Repositories recognized by the SEC for purposes of the Rule or other information filed with the SEC or included in any final official statement of the Issuer; provided, such final official statement is filed with the MSRB.

**SECTION 6. DISSEMINATION AGENTS.** The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

**SECTION 7. TERMINATION.** The Issuer's obligations under this Disclosure Certificate shall cease (a) upon the legal defeasance, prior redemption, payment in full of all of the 2015 Bonds, or (b) when the Issuer no longer remains an Obligated Person with respect to the 2015 Bonds within the meaning of the Rule, or (c) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

**SECTION 8. AMENDMENTS.** The Issuer reserves the right to amend the provisions of this Disclosure Certificate as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or type of business conducted by the Issuer. Any such amendment shall be made only in a manner consistent with the Rule and any amendments and interpretations thereof by the SEC. Additionally, compliance with any provision of this Disclosure Certificate may be waived. Any such amendment or waiver will not be effective unless this Disclosure Certificate (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the

primary offering of the 2015 Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the Issuer shall have received either (a) a written opinion of bond or other qualified independent special counsel selected by the Issuer that the amendment or waiver would not materially impair the interests of holders or beneficial owners of the 2015 Bonds, or (b) the written consent to the amendment or waiver of the holders of at least a majority of the principal amount of the 2015 Bonds then outstanding. Annual Information containing any amended operating data or financial information shall explain, in narrative form, the reasons for any such amendment and the impact of the change on the type of operating data or financial information being provided. Additionally, in the year in which any change in accounting principles is made, the Issuer shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 9. OBLIGATED PERSONS.** If any person other than the Issuer or Hillsborough County, Florida becomes an Obligated Person (as defined in the Rule) relating to the 2015 Bonds, the Issuer shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Dated: \_\_\_\_\_, 2015

**TAMPA SPORTS AUTHORITY**

By: \_\_\_\_\_  
Chairman

ATTESTED:

By: \_\_\_\_\_  
Secretary

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**APPENDIX E-2**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE  
OF THE COUNTY**



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## **CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Hillsborough County, Florida (the "County") in connection with the issuance by the Tampa Sports Authority (the "Issuer") of its \$ \_\_\_\_\_ Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2015 (the "2015 Bonds"). The 2015 Bonds are being issued pursuant to the Second Amended and Restated Trust Indenture dated as of January \_\_, 2015, by and between the Issuer and U.S. Bank National Association, as trustee for the 2015 Bonds (the "Trust Indenture"). Capitalized terms used but not otherwise defined herein shall have the same meaning as when used in the Trust Indenture unless the context would clearly indicate otherwise. The County covenants and agrees as follows:

**SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE.** This Disclosure Certificate is being executed and delivered by the County for the benefit of the Series 2015 Bondholders and in order to assist the Underwriter of the 2015 Bonds in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 (the "Rule").

**SECTION 2. NATURE OF UNDERTAKING.** The County, in accordance with the Rule, hereby covenants to provide or cause to be provided:

(a) to the Electronic Municipal Market Access system ("EMMA") as described in SEC Release No. 34-59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule and any other entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule, (i) annual financial information and operating data of the type described as "Annual Information" in Section 3(a) hereof for each Fiscal Year ending on or after September 30, 2014, not later than the following April 30, and (ii) when and if available, audited financial statements of the County for each such Fiscal Year; and

(b) to EMMA and any other entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule in a timely manner not in excess of ten business days after the occurrence of any Specified Event described in Section 3(b) hereof (a "Specified Event"), notice of (i) any Specified Event described in Section 3(b) hereof, (ii) the County's failure to provide the Annual Information on or prior to the date specified above, and (iii) any change in the accounting principles applied in the preparation of its annual financial statements, any change in its Fiscal Year, and the termination of the County's continuing disclosure obligations.

The County expects that audited annual financial statements will be prepared and will be available together with the Annual Information identified below. The accounting principles to be applied in the preparation of those financial statements will be generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board. In the event that the audited annual financial statements are not available by the date on which the Annual Information will be provided, the County will provide unaudited financial statements by the date specified and audited financial statements when available.

**SECTION 3. ANNUAL INFORMATION AND SPECIFIED EVENTS.**

(a) Annual information to be provided by the County for the immediately completed Fiscal Year shall consist of information contained in the table entitled "Hillsborough County, Florida Historical Community Investment Tax Collections and Distributions by Priority" in the Official Statement prepared for the 2015 Bonds and presented in a manner consistent with the presentation in such Official Statement.

(b) Specified Events shall include the occurrence of the following events, within the meaning of the Rule, with respect to the 2015 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2015 Bonds, or other material events affecting the tax status of the 2015 Bonds;
- (7) modifications to rights of the holders of the 2015 Bonds, if material;

- (8) any 2015 Bond calls, if material, and tender offers;
- (9) defeasances in whole or in part of the 2015 Bonds;
- (10) release, substitution, or sale of property securing repayment of the 2015 Bonds, if material;
- (11) any changes in the ratings assigned to the 2015 Bonds;
- (12) bankruptcy, insolvency, receivership or similar event of the County (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County);
- (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee.

The County may, from time to time, in its sole discretion, choose to provide notice of the occurrence of certain other events if, in the judgment of the County, such other events are material with respect to the 2015 Bonds, but the County does not specifically undertake to commit to provide any such additional notice of the occurrence of any material event except those events listed above. Any voluntary inclusion by the County of supplemental information that is not required hereunder shall not expand the obligations of the County hereunder and the County shall have no obligation to update such supplemental information or include it in any subsequent report.

**SECTION 4. REMEDIES; NO EVENT OF DEFAULT.** The County agrees that its undertaking pursuant to the Rule set forth above is intended to be for the benefit of the holders and beneficial owners of the 2015 Bonds and shall be enforceable by any such holder or beneficial owner; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the County's obligations hereunder and any failure by the County to comply with the provisions of this undertaking shall not be an event of default with respect to the 2015 Bonds under the Resolution.

**SECTION 5. SEPARATE BOND REPORT NOT REQUIRED; INCORPORATION BY REFERENCE.** The requirements of this Disclosure Certificate do not necessitate the preparation of any separate annual report addressing only the 2015 Bonds. These requirements may be met by the filing of a combined bond report or the County's Comprehensive Annual Financial Report; provided, such report includes all of the required information and is available by April 30. Additionally, the County may incorporate any information provided in any prior filing with EMMA or one of the Nationally Recognized Municipal Securities Information Repositories recognized by the SEC for purposes of the Rule or other information filed with the SEC or included in any final official statement of the County; provided, such final official statement is filed with the MSRB.

**SECTION 6. DISSEMINATION AGENTS.** The County may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

**SECTION 7. TERMINATION.** The County's obligations under this Disclosure Certificate shall cease (a) upon the legal defeasance, prior redemption, payment in full of all of the 2015 Bonds, or (b) when the County no longer remains an Obligated Person with respect to the 2015 Bonds within the meaning of the Rule, or (c) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

**SECTION 8. AMENDMENTS.** The County reserves the right to amend the provisions of this Disclosure Certificate as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the County, or type of business conducted by the County. Any such amendment shall be made only in a manner consistent with the Rule and any amendments and interpretations thereof by the SEC. Additionally, compliance with any provision of this Disclosure Certificate may be waived. Any such amendment or waiver will not be effective unless this Disclosure Certificate (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the

primary offering of the 2015 Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the County shall have received either (a) a written opinion of bond or other qualified independent special counsel selected by the County that the amendment or waiver would not materially impair the interests of holders or beneficial owners of the 2015 Bonds, or (b) the written consent to the amendment or waiver of the holders of at least a majority of the principal amount of the 2015 Bonds then outstanding. Annual Information containing any amended operating data or financial information shall explain, in narrative form, the reasons for any such amendment and the impact of the change on the type of operating data or financial information being provided. Additionally, in the year in which any change in accounting principles is made, the County shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 9. OBLIGATED PERSONS.** If any person other than the County or the Issuer becomes an Obligated Person (as defined in the Rule) relating to the 2015 Bonds, the County shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Dated: \_\_\_\_\_, 2015

**HILLSBOROUGH COUNTY, FLORIDA**

By: \_\_\_\_\_  
County Administrator

ATTESTED: Pat Frank  
Clerk Circuit Court

By: \_\_\_\_\_  
Deputy Clerk

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