

**STADIUM AUTHORITY OF THE CITY OF PITTSBURGH  
Pittsburgh, Pennsylvania**

**Report on Audit of Financial Statements**

**For the Year Ended March 31, 2009**

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

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March 31, 2009

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INDEPENDENT AUDITOR'S REPORT

To the Members of Board of the  
Stadium Authority of the City of Pittsburgh  
Pittsburgh, Pennsylvania

We have audited the accompanying statement of net assets of the Stadium Authority of the City of Pittsburgh (Authority) as of March 31, 2009 and the related statements of revenues and expenses, changes in deficiency in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Information for the year ended March 31, 2008, is presented for comparative purposes only and was extracted from the financial statements for that year, which we audited. Our report dated July 24, 2008, expressed an unqualified opinion on those statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

July 16, 2009

*McGee Maruca & Associates, P.C.*

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

Statement of Net Assets

March 31,

Assets

	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and cash equivalents	\$ 1,900,535	\$ 2,048,335
Receivable – Allegheny Regional Asset District funding	105,000	205,000
Other receivable	224,716	201,525
Interest receivable	13,703	1,902
Prepaid insurance	12,973	8,096
Note receivable – current portion	<u>250,000</u>	<u>240,000</u>
Total current assets	<u>2,506,927</u>	<u>2,704,858</u>
Fixed assets:		
Building	27,009,205	27,009,205
HOV improvements	2,241,369	2,241,369
Less: accumulated depreciation	<u>( 1,967,175)</u>	<u>( 1,235,910)</u>
Net fixed assets	<u>27,283,399</u>	<u>28,014,664</u>
Restricted assets:		
Development fund	2,457,082	2,971,206
Loan collateral	2,517,308	0
Insurance escrow	45,301	48,628
Replacement reserve	179,055	115,526
Reserve/loans escrow	<u>272,514</u>	<u>894,462</u>
Total restricted assets	<u>5,471,260</u>	<u>4,029,822</u>
Notes receivable, less current portion	<u>1,651,745</u>	<u>1,817,985</u>
Total assets	<u>\$36,913,331</u>	<u>\$36,567,329</u>

See the accompanying notes to the financial statements.

**Liabilities**

	<u>2009</u>	<u>2008</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 122,291	\$ 208,533
Accrued interest payable	25,000	34,167
Current portion of long-term debt	426,559	397,301
Current portion of long-term payable to the City of Pittsburgh	<u>2,425,000</u>	<u>2,220,000</u>
Total current liabilities	2,998,850	2,860,001
 Long-term loans payable	 20,342,847	 20,771,782
 Long-term payable to the City of Pittsburgh	 0	 2,425,000
 Grants from the City of Pittsburgh	 <u>22,775,168</u>	 <u>22,775,168</u>
 Total liabilities	 <u>46,116,865</u>	 <u>48,831,951</u>
 Deficiency in net assets:		
Capital contributed	45,024,557	45,024,557
Accumulated deficit	<u>(54,228,091)</u>	<u>(57,289,179)</u>
Total deficiency in net assets	<u>( 9,203,534)</u>	<u>(12,264,622)</u>
	 <u>\$36,913,331</u>	 <u>\$36,567,329</u>

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

Statements of Revenues and Expenses

For the Years Ended March 31,

	<u>2009</u>	<u>2008</u>
Revenues:		
Parking	\$3,737,576	\$3,757,653
Other	21,214	50,161
Interest	<u>98,207</u>	<u>266,123</u>
Total revenues	<u>3,856,997</u>	<u>4,073,937</u>
Expenses:		
Salary reimbursement	47,566	32,566
Administrative	207,730	32,354
Operations and development	1,387,990	1,281,272
Insurance	53,589	83,252
Interest	1,852,961	2,073,170
Trustee and bond related fees	15,008	19,956
Amortization and depreciation	<u>731,264</u>	<u>731,264</u>
Total expenses	<u>4,296,108</u>	<u>4,253,835</u>
Excess of expenses over revenues before nonoperating revenue	(439,111)	(179,898)
Nonoperating revenue (expense):		
Easement Revenue	5,764	0
Interest income on SEA loan	45,026	0
Other Income	1,905	7,238
Development fund expense	(497,452)	0
Gain on Sale of Land	2,700,539	0
Allegheny Regional Asset District Grant	<u>2,535,000</u>	<u>2,530,000</u>
Excess of revenues over expenses	<u>\$4,351,671</u>	<u>\$2,357,339</u>

See accompanying notes to the financial statements.

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

Statement of Changes in Deficiency in Net Assets

For the Years Ended March 31,

	<u>Capital Contributed</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Deficiency in assets, March 31, 2007	\$ 43,101,469	\$(57,197,469)	\$(14,096,000)
Capital transferred to the Sports and Exhibition Authority	0	( 2,449,049)	( 2,449,049)
Excess of revenues over expenses	0	2,357,339	2,357,339
State grants for garage construction	<u>1,923,088</u>	<u>0</u>	<u>1,923,088</u>
Deficiency in assets, March 31, 2008	45,024,557	(57,289,179)	(12,264,622)
Capital transferred to the Sports and Exhibition Authority	0	(1,290,583)	(1,290,583)
Excess of revenues over expenses	0	4,351,671	4,351,671
State grants for garage construction	<u>0</u>	<u>0</u>	<u>0</u>
Deficiency in assets, March 31, 2009	<u>\$ 45,024,557</u>	<u>\$(54,228,091)</u>	<u>\$( 9,203,534)</u>

See accompanying notes to the financial statements.

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

Statement of Cash Flows

For the Years Ended March 31,

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Parking	\$ 3,737,576	\$ 3,757,653
Other	(1,977)	( 35,482)
Interest	<u>86,406</u>	<u>281,938</u>
Total receipts	3,822,005	4,004,109
Salaries	( 47,566)	( 32,566)
Administrative	( 207,730)	( 32,354)
Operations and development	( 1,474,227)	( 2,282,597)
Insurance	( 58,466)	( 81,548)
Trustee and bond related fees	<u>( 15,008)</u>	<u>( 19,956)</u>
Total cash provided by operating activities	<u>2,019,008</u>	<u>1,555,088</u>
Cash flows from noncapital financing activities:		
Grants from the Allegheny Regional Asset District	<u>2,635,000</u>	<u>2,615,000</u>
Total cash provided by non-capital activities	<u>2,635,000</u>	<u>2,615,000</u>
Cash flows from capital and related financing activities:		
Grant and loan proceeds	0	1,923,088
Principal payments of long-term debt	( 2,619,677)	( 2,305,917)
Payments to SEA	( 1,290,583)	( 2,159,840)
Interest paid on long-term debt	<u>( 1,862,128)</u>	<u>( 2,063,170)</u>
Net cash provided in capital and related financing activities	<u>( 5,772,388)</u>	<u>( 4,605,839)</u>
Cash flows from investment activities:		
(Deposits) withdrawals to development funds	514,124	( 686,203)
Purchase of fixed assets	0	( 1,370,924)
(Deposits) withdrawals to insurance escrow	3,327	( 16,187)
Deposits to replacement reserve	( 63,529)	( 63,324)
Deposit loan collateral	( 2,517,308)	0
Sale of land	2,700,539	0
Other	( 288,521)	0
(Deposits) withdrawals to reserve loans	<u>621,948</u>	<u>1,676,284</u>
Net cash used in investment activities	<u>970,580</u>	<u>( 460,354)</u>
Net increase (decrease) in cash and cash equivalents	( 147,800)	( 896,105)
Cash and cash equivalents at beginning of year	<u>2,048,335</u>	<u>2,944,440</u>
Cash and cash equivalents at end of year	<u>\$ 1,900,535</u>	<u>\$ 2,048,335</u>



STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

Statement of Cash Flows, continued

For the Years Ended March 31,

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Excess (deficit) of revenues over expenses before		
Nonoperating revenue	\$( 439,111)	\$( 179,898)
Adjustments to reconcile change in net assets		
to net cash provided (used) by operating activities:		
Amortization/Depreciation	731,264	731,264
Interest on debt	1,852,961	2,073,170
Changes in operating assets and liabilities:		
Other receivables	( 23,191)	( 92,880)
Accounts payable and accrued expenses	( 86,242)	( 994,087)
Prepaid insurance	( 4,872)	1,704
Interest receivable	<u>( 11,801)</u>	<u>15,815</u>
Total cash provided by operating activities	<u>\$ 2,019,008</u>	<u>\$ 1,555,088</u>

See accompanying notes to the financial statements.

# STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

## Notes to the Financial Statements

March 31, 2009

(1) **Organization**

The Stadium Authority of the City of Pittsburgh (Authority) was organized on July 1, 1965 to provide increased commerce and prosperity, and to promote educational, cultural, physical, civic, social and moral welfare to the general public.

The Authority was responsible for the management of Three Rivers Stadium (Stadium) located in the City of Pittsburgh. The Stadium was home to the Pittsburgh Pirates (Pirates) and Pittsburgh Steelers (Steelers) professional sports teams and was also utilized for various concerts and other events until it was razed in February 2001. Subsequent to the razing of the Stadium, the Authority is responsible for the development of the land between two newly constructed stadiums. (See Note 5.) A portion of that land was conveyed to the Sports & Exhibition Authority (SEA) for construction of infrastructure. The remaining land was retained by the Authority to be developed according to a master development plan. The Authority has entered into an option agreement dated September 23, 2003 (the "Option Agreement") with a joint venture of the Steelers and Pirates (North Shore Developers, L.P.) for the development of a portion of that land. The Authority has constructed a public parking garage on a portion of that land. Pending development the remaining land is used for surface parking.

The Authority is reported as a discretely presented component unit in the City financial statements. The Authority's component unit status is due to the City's appointment of Authority Board members. The board of directors (Board) of the Authority is appointed by the Mayor of the City. The Board is responsible for all the activities and operations of the Authority.

(2) **Summary of Significant Accounting Policies**

A summary of significant accounting policies applied by management in the preparation of the accompanying financial statements follows:

(a) **Basis of Preparation**

The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when an obligation has been incurred. The financial statement format and presentation reflects the Authority's role as an enterprise fund. The statements are maintained in accordance with generally accepted accounting principles and practices for government authorities.

In accordance with Statement of Governmental Accounting Standards No. 34, the Authority has elected not to apply Statements of Financial Accounting Standards and related interpretations issued on or before November 30, 1989.

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

Notes to the Financial Statements, continued

March 31, 2009

(2) **Summary of Significant Accounting Policies, continued**

(b) **Management Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) **Cash and Cash Equivalents**

The Authority considers all investments acquired with an original maturity of 120 days or less to be cash equivalents.

(d) **Restricted Assets**

Restricted assets consist of certain receivables created as a result of agreements between the Authority and a third party that operates the Stadium parking areas.

Restricted assets also include the portion of the Development Funds from net parking revenue deposits which can only be used for certain eligible expenses as outlined in the Option Agreement.

The restricted assets also include \$496,870 of escrow reserves relating to the ERECT and SIF loans. Additionally, \$2,517,308 is held as loan collateral.

(3) **Cash and Cash Equivalents**

The Authority's policy is to maintain all cash deposits in qualified public depositories and is authorized to invest in securities of the United States government, other instruments that are collateralized by United States government securities, repurchase agreements subject to certain restrictions and other debt instruments set forth by the office of the State Treasurer of the Commonwealth of Pennsylvania. These types of investments are held by the purchasing bank in the Authority's name. The Authority's investment activities are governed by the Commonwealth of Pennsylvania, bond covenants, and trust agreements, where applicable.

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

Notes to the Financial Statements, continued

March 31, 2009

(3) **Cash and Cash Equivalents, continued**

The following is a summary of the fair value of the Authority's cash and cash equivalents at March 31:

	<u>2009</u>	<u>2008</u>
Unrestricted cash and cash equivalents:		
Cash	\$ 358,421	\$ 446,188
Money market funds	57,362	85,152
Certificate of deposit	<u>1,484,752</u>	<u>1,516,995</u>
	<u>\$1,900,535</u>	<u>\$2,048,335</u>
Restricted cash and cash equivalents:		
Money Market funds	\$ 496,870	\$1,058,616
Certificate of deposit	<u>2,517,308</u>	<u>0</u>
	<u>\$3,014,178</u>	<u>\$1,058,616</u>

Interest Rate Risk – Although the Authority does not have a formal investment policy, it limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All Authority investments have short term maturities.

Credit Risk – The Authority is subject to credit risk on investments. The maximum amount of loss the Authority would incur, if any, if the parties failed to perform on their obligation is limited to the amount recorded in the financial statements. The Authority does not hold any type of collateral on these investments.

Concentration of Credit Risk – The Authority places no limit on the amount that may be invested in any one issuer. Currently the Authority maintains its cash and cash equivalent balances at four banks. Deposits that exceed \$250,000 constitute federally uninsured amounts. At March 31, 2009, \$735,376 of the Authority's cash and cash equivalent deposits were insured under federal insurance programs, with the balance of the cash and cash equivalents uninsured and uncollateralized. Credit risk is low however, as a majority of the uninsured and uncollateralized balance is in either a bank money market product that invests in government backed securities or a certificate of deposit.

# STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

## Notes to the Financial Statements, continued

March 31, 2009

(4) **Land**

The Authority's balance sheet does not include any value for land as it was conveyed to the Authority by the Urban Redevelopment Authority of Pittsburgh (the "URA"). Under generally accepted accounting principles the Authority would report this land at its cost basis. The Authority's original cost basis of this land is \$0. Pursuant to the Option Agreement the Authority is developing the land by selling parcels. There is approximately 400,000 square feet of land being developed, which was originally divided into 12 parcels. Per the Option Agreement the agreed sale price per square foot ranges from \$8 to \$15, for a total approximate agreed sales price value of \$4 million. The Authority had sold one parcel for approximately \$500,000 during fiscal year 2004, a second and third parcel for a combined total of \$455,000 during fiscal year 2005 and a fourth and fifth parcel for approximately \$1.3 million during fiscal year 2009. In 2009 adjustments to the parcels were made resulting in the number of parcels being decreased from 12 to 11. The agreed sales price value of the remaining land is approximately \$2.3 million. Additionally in 2009 Parcel 6, which was not part of the original Option Agreement, was sold for approximately \$1.4 million.

(5) **Development Fund**

In connection with the development of the land between Heinz Field and PNC Park (Option Area) the Authority has entered into the Option Agreement. In accordance with the Option Agreement, the Authority deposits certain parking revenues in team development funds maintained by the SEA. Pursuant to the Option Agreement, these funds are transferred to the teams as development occurs. For the current year ended, \$354,519 was deposited to the team development funds.

In accordance with the Agreement Regarding Parking Revenues, section 2, (see Note 10) and the Option Agreement, section 5.9, the Authority also deposits certain parking revenues and land sale revenues in the Authority development fund also maintained by the SEA. Pursuant to the Agreement Regarding Parking Revenues and the Option Agreement those funds are used for garages and other development costs.

(6) **Building**

Property and equipment is recorded at cost. Repair and maintenance costs which do not increase the useful lives of the assets are charged to operations as incurred. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Buildings and improvements	40 years
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Depreciation expense for the year ended March 31, 2009 was \$731,264.

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

Notes to the Financial Statements, continued

March 31, 2009

(7) **Long-Term Debt**

On December 18, 1985, an irrevocable trust was established to defease the previously issued Stadium Authority 1971 Series A and 1982 Series B Bonds. Neither the trust, which has sufficient amounts on deposits to retire the Series A and B Bonds, nor the obligation is included in the Authority's balance sheet. The amount of these outstanding defeased bonds at March 31, 2009 and 2008 is \$6,795,000 and \$8,775,000, respectively. The irrevocable trust was funded from the net proceeds of the Guaranteed Stadium Refunding Bonds, Series 1985 (Series 1985 Bonds), which were issued December 18, 1985 in the principal amount of \$32,405,000. (See Note 8.)

Long-term debt consists of the following loans at March 31, 2009:

Employee Real Estate Construction Fund (ERECT)	\$16,274,230
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The ERECT loan has a 25 year amortization and a 10 year term. Principal was due on the loan beginning August 2007; interest is payable at a rate of 7.5%.

Strategic Investment Fund (SIF)	3,245,176
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The SIF loan has a 15-year amortization and a 10-year term. Principal was due on the loan beginning August 2007; interest is payable at a rate of 6.5%.

Infrastructure Development Program (IDP)	<u>1,250,000</u>
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The IDP Loan was received as a lump sum on August 22, 2005. It has a term of 20 years with a 2% interest rate. Interest payments are made semi-annually on June 1 and December 1 beginning in 2009. The first principal payment will be December 1, 2011 and annually thereafter. The last payment will be December 1, 2028.

Total	20,769,406
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Less current portion	( 426,559)
	<u>\$20,342,847</u>

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

Notes to the Financial Statements, continued

March 31, 2009

(7) **Long-Term Debt, continued**

Scheduled maturities and principal payments on the three loans for the next five years are as follows:

2009	\$ 426,559
2010	457,982
2011	574,616
2012	611,323
2013	<u>18,698,926</u>
	<u>\$20,769,406</u>

(8) **Long-Term Payable to the City of Pittsburgh**

On June 17, 1992, the Authority entered into an agreement with the City to restructure the Series 1985 Bonds. Under the agreement, the City issued bonds and certain bond proceeds were escrowed for repayment of the Authority's Series 1985 Bonds in return for the Authority making future payments to the City. The funds to be provided to the City are recorded by the Authority as an obligation payable to the City. The payments required to be made by the Authority subsequent to the restructuring approximate the outstanding debt service requirements under the Series 1985 Bonds. As security for the restructured obligations, the Authority granted a security interest in the receipts and revenues of the Authority as defined in the agreement.

The payments due the City, based on the agreement, are as follows as of March 31, 2009:

		Amount Due to City
		Related to
<u>March 1,</u>	<u>Interest Rate</u>	<u>Series 1985 Bonds</u>
2010	9.0%	\$ <u>2,425,000</u>
		\$ <u>2,425,000</u>

(9) **Grants from the City of Pittsburgh**

Under the terms of an agreement dated July 1, 1965, and amended on various dates through June 17, 1992, the City made total grants of \$22,775,168 to the Authority to cover the excess of the aggregate costs of operations and maintenance of the Stadium and debt service on the Stadium bonds over the total funds available to the Authority for those purposes, to be repaid if funds are available. The City does not include the \$22,775,168 in grants as a receivable on its audited financial statements, due to the unlikelihood of collection.

# STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

## Notes to the Financial Statements, continued

March 31, 2009

### (10) Related Party

The Authority entered into a Cooperation and Support Agreement with the SEA, the City of Pittsburgh, the County of Allegheny and the Allegheny Regional Asset District (the District) dated May 6, 1999. The agreement requires the District to provide grant payments to the Authority through 2010 at an aggregate amount in each calendar year that closely matches the timing and amounts due with respect to the Long Term Payable to the City of Pittsburgh (see Note 8.) The Authority has directed and the District has agreed that the District makes these payments directly to the City. The District grant payments are recorded as non-operating revenue in the period that the District authorizes the amounts for distribution, provided the amounts to be paid are collectible. The District approved grants to be distributed to the Authority of \$2,535,000 for calendar year 2009, and the Authority recorded grant revenue of the same amount for the year ended March 31, 2009.

In July 1999, as amended in February 2002, the Authority and SEA entered into a support agreement pursuant to which the SEA guarantees the payments due to the city with respect to the Long Term Payable to the City of Pittsburgh (see Note 8) which are paid from amounts due from the District, as described above.

On January 15, 2001, the SEA issued the "Sports & Exhibition Authority of Pittsburgh and Allegheny County Parking Revenue Bonds, Series of 2001" (the Parking Bonds). In connection with the issuance by the SEA of the Parking Bonds, the Authority entered into a security agreement (the Agreement Regarding Parking Revenues) with the SEA, the Trustee for the Parking Bonds, Alco Parking, the Steelers and the Pirates. In the security agreement the Authority pledges a portion of its revenues from certain parking lots to help secure the Parking Bonds.

In October 2002, the Authority entered into an agreement to loan the SEA up to \$4,000,000, of which only \$2,400,000 was drawn. Interest accrues on the note at 2.5% and is payable in semi-annual installments on January 15 and July 15. Annual principal payments began on January 15, 2004 and range from \$215,000 to \$270,000 ending on January 15, 2013. The Authority credits the SEA for all unpledged parking and license agreement revenue earned with respect to the lots between Heinz Field and PNC Park up to \$1,542,014. On December 22, 2008 the Stadium Authority Board increased the amount of eligible credits to \$1,994,944. The Authority recorded credits of approximately \$156,240 and \$289,209 to the SEA during the years ended March 31, 2009 and 2008, respectively, which reduced the note receivable. The outstanding balance at March 31, 2009 is \$701,745.



STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

Notes to the Financial Statements, continued

March 31, 2009

(10) **Related Party, continued**

On May 12, 2005, the Authority agreed to lend \$1,200,000 to the SEA for capital cash flow purposes of the Convention Center. The monies will be repaid to the Stadium Authority when the SEA receives Act 71 funding for reimbursement of \$10 million expended for costs incurred to date related to the Convention Center hotel. Interest will be paid to the Stadium Authority at a rate equivalent to what its operating account would have earned over the term of the loan. The rate as of March 31, 2009 is .58%.

(11) **Leases**

On March 23, 1989, the Authority entered into an agreement with the Commonwealth of Pennsylvania (PennDOT) to lease certain property near Heinz Field and PNC Park to be used for public parking. The term of the lease is 21 years and is renewable for four additional 10-year periods. The Authority expensed \$54,700 and \$63,817 respectively related to this agreement for each of the years ended March 31, 2009 and 2008.

The Authority entered into a lease agreement with Alco Parking for certain parcels of the Authority's land to be used for parking lots. The original lease term was a 40-year period, which began April 1, 1970. ALCO has exercised its option to extend the term of the lease for four consecutive additional periods of 10 years each. The lease contains provisions for fixed rental and additional rentals based on various factors as specified in the lease agreement. The Authority expensed \$25,500 and \$42,500 respectively for required routine maintenance for each of the years ended March 31, 2009 and 2008.

Future minimum lease requirements for the Authority for both PennDOT and Alco Parking are as follows (assuming renewal of the PennDOT lease):

2010	\$ 88,700
2011	88,700
2012	<u>88,700</u>
	<u>\$266,100</u>

(12) **Conditional Receivable**

Pursuant to the Agreement Regarding Parking Revenues whereby the Authority's parking lot revenues are pledged for debt service on the SEA's Parking Bonds (\$7,230,891 for the period April 2001 through March 31, 2009), those revenues are to be re-paid to the Authority in the event of "excess pledged revenue." The excess is to be distributed based upon which lot or garage the revenue is derived from and its priority. The Authority is the last priority in each case; therefore the repayment of subsidy to the Authority of \$7,230,891 is uncertain and not recorded on the balance sheet.