

HILLSBOROUGH COUNTY TOURNAMENT SPORTS COMPLEX,
AS MANAGED BY THE TAMPA SPORTS AUTHORITY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

September 30, 2020

TABLE OF CONTENTS

Independent Auditors' Report	1 - 3
Basic Financial Statements	4
Balance Sheet - General Fund	5
Statement of Revenues, Expenditures and Changes in Fund Balance	6
Notes to Financial Statements	7 - 13
Required Supplementary Information	14
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual	15
Compliance Reports	16
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17 - 19

INDEPENDENT AUDITORS' REPORT



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Cesar J. Rivero, in Memoriam (1942-2017)	

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 Hillsborough County Tournament Sports Complex, as managed by the Tampa Sports Authority (the "Sportsplex"), as of and for the year ended September 30, 2020 and the related notes to the 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.

Auditors' 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 Sportsplex, as of September 30, 2020 and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the financial statements present only the Hillsborough County Tournament Sports Complex, as managed by the Tampa Sports Authority, and do not purport to, and do not, present fairly the financial position of Hillsborough County, Florida or Tampa Sports Authority as of September 30, 2020, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles in the United States of America requires that the budgetary comparison information on page 14 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 financials 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 State 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 and opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021, on our consideration of the Sportsplex'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 Sportsplex's internal control over financial reporting and compliance.



Tampa, Florida
March 30, 2021

BASIC FINANCIAL STATEMENTS

Hillsborough County Tournament Sports Complex,
As Managed by the Tampa Sports Authority

BALANCE SHEET - GENERAL FUND

September 30, 2020

ASSETS

Cash and cash equivalents	\$ 768,948
Accounts receivable	10,523
Inventory	5,546
Prepaid expenses and deposits	<u>2,800</u>

TOTAL ASSETS 787,817

LIABILITIES

Accounts payable	8,758
Accrued liabilities	25,163
Unearned revenue	86,960
Event deposits	<u>15,065</u>

TOTAL LIABILITIES 135,946

FUND BALANCES

Nonspendable	
Inventories and prepaid items	8,346
Assigned	
Capital	40,802
Unassigned	<u>602,723</u>

TOTAL FUND BALANCES \$ 651,871

The accompanying notes are an integral part of this statement.

Hillsborough County Tournament Sports Complex,
As Managed by the Tampa Sports Authority

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the year ended period ended September 30, 2020

Operating revenues and contributions	
Charges for services	
Football	\$ 48,138
Soccer	203,640
Lacrosse	22,707
Field hockey	50,048
Other events	5,459
Concession sales	115,803
Sponsorships	20,000
Total charges for services	465,795
Operating contributions	598,957
Total operating revenues and contributions	1,064,752
Operating expenditures	
Cost of goods sold	28,555
General and administrative	406,970
Operating and maintenance	607,068
Total operating expenditures	1,042,593
Total operating income	22,159
Non-operating revenues (expenditures)	
Capital contributions	179,823
Capital outlay	(225,325)
Total non-operating revenues (expenditures)	(45,502)
Change in fund balance	(23,343)
Fund balance at beginning of period	675,214
Fund balance at end of period	\$ 651,871

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Hillsborough County Tournament Sports Complex,
As Managed by the Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - ORGANIZATION AND REPORTING ENTITY

The Hillsborough County Tournament Sports Complex (the "Sportsplex") is owned by Hillsborough County, Florida (the "County") and is maintained and operated by the Tampa Sports Authority (the "Authority") under an interlocal management services agreement between the County and the Authority. The Sportsplex physical assets are included in the assets of the governmental activities of the County. The operations of the Sportsplex are recorded in separate books and records maintained by the Authority. These financial statements only include the operations of the Sportsplex as managed by the Authority, and do not purport to, and do not, present fairly the financial position of the County or the Authority as of September 30, 2020 and the changes in its financial position, or, where applicable, its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

The Sportsplex is an outdoor multi-sport championship facility designed to bring elite tournaments to the Tampa Bay area. The Sportsplex can accommodate a wide range of events, including soccer, football, lacrosse, rugby, field hockey and cricket, on 15 full size multi-purpose athletic fields.

The Sportsplex began operating in August 2018 when construction of the facility was substantially complete, and the Authority commenced management operations.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The capital assets of the Sportsplex are recorded in the County's governmental activities. These financial statements are prepared on the modified accrual basis of accounting similar to that prescribed for the general operations of state and local governments. The purpose of the modified accrual basis of accounting is to measure the flows of current financial resources. Under the modified accrual basis of accounting, revenues are recognized in the period in which they are available and measurable, and expenses are recognized in the period in which the related liability is incurred. These financial statements are prepared to present only fund financial statements. Accordingly, due to the omission of the government-wide financial statements and related disclosures, including a management's discussion and analysis, these financial statements do not constitute a complete presentation of the financial position for the period then ended in accordance with accounting principles generally accepted in the United States of America for governmental entities.

2. Fund Accounting

The operations of the Sportsplex are recorded in a general fund. General funds are used to account for all financial resources of the general government, except those required to be accounted for in other funds. All Sportsplex financial transactions are grouped in one major fund type, a governmental fund.

Hillsborough County Tournament Sports Complex,
As Managed by the Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental funds 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 a government's general operations and the basic services it provides.

The measurement focus is based upon the determination of changes in financial position. Governmental fund information helps determine whether financial resources that can be spent in the near future to finance a government's programs have increased or decreased.

All other revenues are non-operating. 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 non-operating.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of checking accounts, collectively designated as demand deposits. Cash deposits are carried at cost. The Sportsplex 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 fair value, which approximates market value. There were no cash equivalents at September 30, 2020.

5. Accounts Receivable

The Sportsplex records accounts receivable at the estimated net realizable value. Accordingly, accounts receivable at September 30, 2020 are shown net of allowances for doubtful accounts. The Sportsplex has set their allowance for doubtful accounts at zero as of September 30, 2020.

6. Inventory

Inventory consisting of foods and beverages for resale are valued at costs, which approximated market, using the first-in/first-out method.

7. Compensated Absences

The Sportsplex provides for compensated absences through an employee benefit plan. 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 established policies of the Authority. Approximate amounts owed under the plan were \$14,000 and are recorded in accrued liabilities on the Balance Sheet at September 30, 2020.

Hillsborough County Tournament Sports Complex,
As Managed by the Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Fund Balance and Spending Policies

In accordance with GASB Statement No. 54 – *Fund Balance Reporting for Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned and unassigned. The following are the definitions of fund balance classifications:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of the other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the board, by establishment of an ordinance. Commitments may be modified or removed by the board by amending or repealing an ordinance.

Assigned – Amounts that are intended by the board to be used for specific purposes but are neither restricted nor committed. The board has not granted any specific individual the authority to assign amounts, thus assignments may be made only by the board.

Unassigned – All other spendable amounts. The general fund is the only fund that may report a positive unassigned fund balance amount.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Sportsplex's policy is to first use restricted net position then unrestricted net position.

9. Operating Revenues and Expenses

The Sportsplex's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operations and maintenance of the Hillsborough County Tournament Sports Complex. Revenues are earned through rental of the Sportsplex facilities, sales of food and beverage, and contributions through sponsorships.

Hillsborough County Tournament Sports Complex,
As Managed by the Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. Capital and Operating Contributions

Contributions from the County which are restricted for capital acquisitions, construction, or payments on debt maturities, are reported as non-operating capital contributions. Contributions from the County which are for operation costs are reported as operating contributions.

11. 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.

NOTE C - CASH AND CASH EQUIVALENTS

1. Deposits

The Sportsplex deposits cash in qualified public depositories ("QPD"). The deposits are insured by the Federal Deposit Insurance Corporation (the FDIC) up to \$250,000 per institution with the remaining deposits being 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. Losses to public depositors are supported by the sale of pledged securities, and if necessary, by assessments against other qualified public depositories.

The bank balances of the Sportsplex deposits approximated \$756,000, and the total carrying amounts of its deposits approximated \$769,000 at September 30, 2020. The difference between the Sportsplex's book amount and bank amount is due to outstanding checks, transfers, and deposits in transit in its demand accounts. All of the September 30, 2020 bank balances of the Sportsplex were covered by the FDIC and were held in QPD accounts.

2. Cash on Hand

The Sportsplex had cash on hand in its petty cash and event change funds totaling approximately \$19,500 at September 30, 2020.

Hillsborough County Tournament Sports Complex,
As Managed by the Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE D - MANAGEMENT AGREEMENT

The Sports Authority and the County entered into an agreement on March 21, 2018, stipulating the terms and conditions for the Sports Authority to manage the operations of the Sportsplex (the "Sportsplex Management Agreement").

Under the terms of the agreement, the County shall be responsible for any operating shortfalls realized by the Sportsplex. An operating shortfall exists when operating expenses exceed gross revenue realized from operation of the Sportsplex. The Sportsplex Management Agreement may be terminated by either party by providing at least 180 days advance written notice.

NOTE E - DEFINED BENEFIT PENSION PLANS

Employees of the Sportsplex participate in the Florida Retirement System (the "FRS"), a multiple-employer cost sharing defined benefit retirement plan or defined contribution retirement plan, and the Retiree Health Insurance Subsidy (HIS) Program, administered by the Florida Department of Administration, Division of Retirement. Contributions to the FRS and HIS for the employees of the Sportsplex are passed through and paid at the same rates as the Sports Authority. Due to this arrangement, the Sportsplex's proportionate share of the net pension liability and related pension amounts are included in the employer portion allocations reported to the Sports Authority by the Florida Department of Administration, Division of Retirement.

No amounts have been allocated or recognized by the Sportsplex for its proportionate share of the net pension liability and related pension amounts recognized by the Sports Authority as of September 30, 2020. The Sportsplex's contributions to FRS and HIS for the year ended September 30, 2020 were \$48,518.

NOTE F - CAPITAL OUTLAY

The tangible personal property used by the Sportsplex is reported as capital assets in the statement of financial position as part of the basic financial statements of the County. Upon acquisition, such assets are recorded as capital outlays in the Sportsplex's financial statements and are capitalized at cost in the capital asset accounts of the County. The Sportsplex maintains custodial responsibility for the capital assets used by the Sportsplex. Below are capital outlays during the year ended September 30, 2020:

Sports equipment	\$	119,434
Machinery & equipment		65,115
Land improvements		3,011
COVID-19 mitigation improvements		37,765
		<hr/>
	\$	<u>225,325</u>

Hillsborough County Tournament Sports Complex,
As Managed by the Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE G - RISK MANAGEMENT

The Sportsplex is exposed to various risk 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. No settlements have exceeded coverage levels in place during the year ended September 30, 2020.

NOTE I - RISKS AND UNCERTAINTIES

In March 2020, COVID-19 was declared a pandemic by the World Health Organization. The Sportsplex's operations have been impacted due to the temporary closure of its facilities resulting in the cancellation and postponement of events due to social distancing initiatives. It is expected that these impacts may continue for some time, however these impacts may be muted with recent positive trends based upon vaccinations. Overall, the full financial impact cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Hillsborough County Tournament Sports Complex,
As Managed by the Tampa Sports Authority

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL

For the year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 504,106	\$ 504,106	\$ 465,795	\$ (38,311)
Operating contributions	598,957	598,957	598,957	-
Total operating revenues	<u>1,103,063</u>	<u>1,103,063</u>	<u>1,064,752</u>	<u>(38,311)</u>
Expenditures				
Cost of goods sold	33,800	33,800	28,555	5,245
General and administrative	452,803	452,803	406,970	45,833
Operating and maintenance	616,460	616,460	607,068	9,392
Total operating expenses	<u>1,103,063</u>	<u>1,103,063</u>	<u>1,042,593</u>	<u>60,470</u>
Change in fund balance - operations	<u>-</u>	<u>-</u>	<u>22,159</u>	<u>22,159</u>
Capital contributions	-	-	179,823	179,823
Capital outlay	<u>-</u>	<u>-</u>	<u>(225,325)</u>	<u>(225,325)</u>
Change in fund balance - capital	<u>-</u>	<u>-</u>	<u>(45,502)</u>	<u>(45,502)</u>
Fund balance at beginning of period	<u>-</u>	<u>-</u>	<u>675,214</u>	<u>-</u>
Fund balance at end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 651,871</u>	<u>\$ (23,343)</u>

The budgeted amounts presented above is for the period of October 1, 2019 through September 30, 2020. Capital contributions and outlays were not included in the operating budget presented above and are reported for the year ended September 30, 2020.

COMPLIANCE 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*

HILLSBOROUGH COUNTY TOURNAMENT SPORTS COMPLEX,
AS MANAGED BY THE TAMPA SPORTS AUTHORITY

September 30, 2020



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

Board of Directors
 Hillsborough County Tournament Sports Complex

We have audited, in accordance with the 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, the financial statements of the Hillsborough County Tournament Sports Complex, as managed by the Tampa Sports Authority (the "Sportsplex") as of September 30, 2020 and for the year end , and the related notes to the financial statements, and have issued our report thereon dated March 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sportsplex's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sportsplex's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sportsplex's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sportsplex'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 "Buico, Gardiner & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida
March 30, 2021