

TAMPA SPORTS AUTHORITY
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
COMPLIANCE REPORTS

September 30, 2020

TAMPA SPORTS AUTHORITY

	<u>2020 to 2021</u>	<u>2019 to 2020</u>
<u>EXECUTIVE COMMITTEE</u>		
Chairman	Randy Larson	Luciano Prida, Jr.
Vice Chairman	Andrew Scaglione	Randy Larson
Secretary/Treasurer	Mark Woodard	Andrew Scaglione
<u>EX-OFFICIO</u>		
City Councilman	Hon. Orlando Gudes	Hon. Orlando Gudes
County Commissioner	Hon. Ken Hagan	Hon. Ken Hagan
<u>MEMBERS</u>		
	Don Defossett	Kalyn Brandewie
	John Jaeb	Don Defossett
	Vincent Marchetti	John Jaeb
	Tony Muniz	Vincent Marchetti
	Rev. Thomas Scott	Tony Muniz
	Luciano Prida, Jr.	Rev. Thomas Scott
		Mark Woodard

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INDEPENDENT AUDITORS' REPORT



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 Tampa Sports Authority as of and for the year ended September 30, 2020 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.

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 auditors' 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, 2020 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Tampa Sports Authority's 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated March 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 17, the Schedule of Tampa Sports Authority's Proportionate Share of Net Pension Liability for the Florida Retirement System and Health Insurance Subsidy Program on page 51, and the Schedule of Tampa Sports Authority's Contributions for the Florida Retirement System and Health Insurance Subsidy Program on page 52, 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 Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, and is also not a required part of the basic financial statements. Such 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 Federal Awards and 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 March 30, 2021, 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.

A handwritten signature in cursive script that reads "Benicio, Gordinier & Company, P.A." The signature is written in black ink and is positioned to the right of the date and location text.

Tampa, Florida
March 30, 2021

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, 2020, with selected comparisons to the prior year ended September 30, 2019. 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 Amalie Arena, Steinbrenner 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", St. Pete Times Forum or Tampa Bay Times Forum, renamed "Amalie Arena"), 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 thirty-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 funding, 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 30 years from its inception. The first 25% of the total CIT collections goes to build new schools, the next amount (7.81% in FY 2020) goes to the Sports Authority to pay the debt service on the Stadium bonds and provide capital, and the remainder 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, 8% of the total projected collections from the CIT were used to finance the Stadium (see Attachment I). The remainder (92%) 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 (8%) used to pay for the Stadium.

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 condominium 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 fiscal year 2020, the Sports Authority received \$1,922,454 from the City and County for the projected operating shortfall at Raymond James Stadium. While the funding agreement with the Buccaneers does not cover all costs for the Sports Authority, it is recognized within the Tampa Bay Community that the presence of the Buccaneers and the premier stadium facilities offered by Raymond James Stadium brings direct and indirect revenues to Tampa in the form of employment, sales tax revenue, and tourist dollars. These revenues more than offset annual shortfall amounts contributed by the County and the City.

In accordance with the terms of the 1996 Stadium Agreement between the Sports Authority and the Tampa Bay Buccaneers, the Buccaneers pay an annual rent of \$3,500,000 plus an 8% surcharge (capped at \$2.50) 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 \$2,866,212 in FY 2021. This means the County will pay approximately \$1,910,808 of this shortfall, and the City of Tampa will pay the remaining balance of approximately \$955,404.

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Additionally, during each contract year beginning February 1, the Sports Authority collected and paid 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. As part of the Stadium Renovation Agreement approved in December 2015 by the Tampa Sports Authority, Hillsborough County, and the City of Tampa, the aforementioned 50/50 revenue split was modified so that the Sports Authority receives 67% and the Buccaneers receive 33% of the revenues above \$2,000,000 up to \$3,500,000, any such revenues in excess of \$3,500,000 would be split with the Sports Authority receiving 50% and the Buccaneers receiving 50%. Revenues recognized by the Sports Authority from the Buccaneer split are summarized as follows:

<u>Fiscal Year</u>	<u>Revenue Recognized</u>
2006-2007	\$ 15,782
2007-2008	\$ -
2008-2009	\$ 135,536
2009-2010	\$ 482,909
2010-2011	\$ 127,418
2011-2012	\$ 756,527
2012-2013	\$ 690,237
2013-2014	\$ 148,666
2014-2015	\$ 571,665
2015-2016	\$ 730,677
2016-2017	\$ 1,189,186
2017-2018	\$ 905,738
2018-2019	\$ 2,050,575
2019-2020	\$ 827,731

The Stadium Renovation Agreement will prove to be impactful to the Sports Authority well beyond the outlined changes to the revenue sharing percentages. At the outset, the Stadium Renovation Agreement outlined the plans for an \$86.5 million renovation to Raymond James Stadium over the 2016 - 2018 NFL off-seasons. To summarize the agreement, the Buccaneers Football Stadium Limited Partnership ("BSLP") is responsible for a minimum of \$57.7 million of the total renovation amount, and the Sports Authority will be responsible for \$28.8 million, \$25.8 million of which was already a contractual obligation of the Sports Authority in the original 1996 Stadium Agreement. The Sports Authority reimbursed BSLP \$14.5 million when BSLP spent in excess of \$43.5 million for the 2016 projects and will reimburse BSLP \$14.3 million when BSLP spends in excess of \$43 million for 2017- 2019 projects, upon completion of the projects. As of the date of this report, \$1,683,975 is outstanding to be paid to BSLP. The Authority portion of these reimbursements were funded with the herein referenced \$25 million of bond refunding cash flow savings as well as the 4th Cent Tourist Development Tax financing. BSLP has spent in excess of \$165 million on the projects, well exceeding the \$43.5 minimum threshold.

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

There were a multitude of projects completed as a result of the Renovation Agreement; to name a few: an expansion of the existing video boards, a revamp of the sound systems, the addition of corner LED boards, a home team locker room and team store as well as main concourse improvements, press box and club renovation, HVAC improvements, security improvements, the addition of LED ribbon boards, and suite renovations.

The Sports Authority used the following revenue assumptions in arriving at a budgeted revenue for FY 2019-2020. These assumptions were based on historical data. Also, shown below are the actual numbers.

Operating revenue and budget compared to actual for FY 2019-2020:

	<u>Budget</u>	<u>Actual</u>
Professional football	\$ 4,882,393	\$ 4,573,399
College football	3,955,515	3,198,794
Concerts and motorsports	5,437,206	1,698,298
Other activities and events	6,021,186	3,331,777
Less Buccaneer and other splits	<u>(3,746,570)</u>	<u>(2,858,113)</u>
Totals	<u>\$ 16,549,730</u>	<u>\$ 9,944,155</u>

Actual operating revenue results did not meet budgeted revenue by approximately \$6,606,000 in fiscal year 2019-2020 due to cancelled events related to impacts from COVID-19.

Operating expenses and budget compared to actual for FY 2019-2020:

	<u>Budget</u>	<u>Actual</u>
Total Operating Expenses	<u>\$ 49,014,785</u>	<u>\$ 41,913,374</u>
Less non-cash expenses		
Amortization of leasehold interest	29,384,203	28,845,097
Depreciation and amortization	318,000	310,182
Pension expense accrual	<u>-</u>	<u>714,014</u>
Total non-cash expenses	<u>29,702,203</u>	<u>29,869,293</u>
Operating expenses impacting cash	<u>\$ 19,312,582</u>	<u>\$ 12,044,081</u>

Actual operating expenses impacting cash were approximately \$7,269,000 lower than budget amounts for the 2019-2020 fiscal year, resulting in the Sports Authority yielding net operating results \$663,000 better than originally budgeted.

The revenue and expense differentials were based upon the impacts of cancelled events and limited attendance due to the COVID-19 pandemic.

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Steinbrenner Field Renovation

On April 20, 2016, the Tampa Sports Authority, New York Yankees, and Hillsborough County entered into a Facility Renovation Agreement for the renovation of Steinbrenner Field. As part of this agreement the County and the TSA agreed to fund a portion of the project. TSA's funding obligation was directly dependent on TSA's ability to secure funding under Florida Statute 288.11631 (Retention of Major League Baseball spring training baseball franchises.) The renovations and improvements include new outfield concourses, the addition of group and social gathering areas, new shaded areas, improved entrances, concourses, locker rooms, seating, bathrooms, kitchen facilities, elevators, luxury suites, clubs, party decks, entertainment pavilion, gift shop and other amenities.

On December 28, 2016, the Tampa Sports Authority received certification under Florida Statute 288.11631 from the State of Florida Department of Economic Opportunity that it was eligible to receive funding for Steinbrenner Field in the amount of \$83,333 monthly for a period not to exceed 20 years. The funds received from this distribution have been pledged to the repayment of the Series 2017 Bonds.

As part of these renovations, the New York Yankees extended their license agreements for Steinbrenner Field and the Himes Player Development complex to December 31, 2046, an additional 20 years.

Management Activities

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.

The Sports Authority entered into an interlocal agreement with Hillsborough County, Florida during the year ended September 30, 2018 to manage the operations and maintenance of the Tournament Sportsplex of Tampa Bay (the "Sportsplex"). The Sportsplex is owned by the County and any operating shortfalls are funded by the County.

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, the three City of Tampa owned golf courses, and the Sportsplex.

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, deferred outflows, liabilities, deferred inflows, and net position of the Sports Authority.

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

A summarized comparison of the Sports Authority's assets, deferred outflows, liabilities, deferred inflows, and net position is as follows:

STATEMENTS OF NET POSITION

	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>
ASSETS			
Current assets	\$ 24,376,000	\$ 25,391,000	\$ 29,261,000
Noncurrent assets			
Capital related, net	232,744,000	254,252,000	268,735,000
Noncapital	<u>55,000</u>	<u>248,000</u>	<u>52,000</u>
Total assets	<u>257,175,000</u>	<u>279,891,000</u>	<u>298,048,000</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>1,980,000</u>	 <u>1,904,000</u>	 <u>2,085,000</u>
 LIABILITIES			
Current liabilities	20,939,000	29,900,000	30,169,000
Noncurrent liabilities	<u>90,218,000</u>	<u>101,135,000</u>	<u>111,917,000</u>
Total liabilities	<u>111,157,000</u>	<u>131,035,000</u>	<u>142,086,000</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>136,000</u>	 <u>343,000</u>	 <u>420,000</u>
 NET POSITION			
Invested in capital assets, net of related debt	132,782,000	132,627,000	135,356,000
Restricted net position	12,655,000	16,160,000	17,885,000
Unrestricted net position	<u>2,425,000</u>	<u>1,630,000</u>	<u>4,386,000</u>
	<u>\$ 147,862,000</u>	<u>\$ 150,417,000</u>	<u>\$ 157,627,000</u>

The Sports Authority's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$147.9 million at September 30, 2020, a \$2.5 million decrease from September 30, 2019. The largest portion of the Sports Authority's net position for the fiscal year ended September 30, 2020 relates to the funds invested in capital assets, Raymond James Stadium, Steinbrenner Field and the Amalie Arena, net of the related outstanding debt. Additionally, a large portion of the net position is comprised of the funds restricted for debt service and capital projects.

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.

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Following is a summarized comparison of the Statements of Revenues, Expenses, and Changes in Net Position for the years ended September 30, 2020, 2019 and 2018:

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>
Revenues			
Charges for services	\$ 9,944,000	\$ 11,537,000	\$ 11,165,000
Grants and contributions	15,682,000	15,731,000	15,646,000
Donated capital improvements	-	292,000	17,871,000
Subsidy contributions	1,923,000	1,101,000	2,189,000
Capital contributions	14,886,000	-	-
Investment income	99,000	352,000	217,000
Total revenues	<u>42,534,000</u>	<u>29,013,000</u>	<u>47,088,000</u>
Expenses			
Facility operations	7,597,000	8,885,000	9,327,000
General and administrative	4,462,000	4,144,000	3,473,000
Other expenses	700,000	643,000	716,000
Depreciation and amortization	29,155,000	18,872,000	18,710,000
Interest expense	3,175,000	3,679,000	4,093,000
Total expenses	<u>45,089,000</u>	<u>36,223,000</u>	<u>36,319,000</u>
Change in net position	(2,555,000)	(7,210,000)	10,769,000
Net position at beginning of year	<u>150,417,000</u>	<u>157,627,000</u>	<u>146,858,000</u>
Net position at end of year	<u>\$ 147,862,000</u>	<u>\$ 150,417,000</u>	<u>\$ 157,627,000</u>

Total revenues of the Sports Authority increased from \$29 million in FY2019 to \$42.5 million in FY2020 due to an increase in subsidy contributions. The increase is from the County's contribution towards the Raymond James Stadium renovations in accordance with the Stadium Renovation Agreement. Total expenses increased from \$36.2 million in FY2019 to \$45.1 million in FY2020 due to an increase in depreciation and amortization related to the Raymond James Stadium renovations.

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.

TAMPA SPORTS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The Debt Service Reserve Fund Forward Purchase Agreements provide for LBSF to act in a brokerage capacity, presenting specified investment instruments to the bond trustee who would then purchase the un-matured investment instruments and record ownership via book entry through the Depository Trust Corporation (DTC). In accordance with this agreement, the purchased investment instruments were scheduled to mature every six months on January 1st and July 1st of each year. Matured Investment Instruments were received without incident on July 1, 2008 and on January 2, 2009.

On September 15, 2008 it was announced that Lehman Brothers, including LBSF, would seek relief under Chapter 11 bankruptcy. As a result of the bankruptcy filing, LBSF failed to deliver new investment instruments in January 2010 and no further funds were invested through LBSF.

The refunding bond issuances, Florida Sales Tax Payments Refunding Revenue Bonds (Stadium Project), Series 2015 and Local Option Sales Tax Refunding Revenue Bonds (Stadium Project), Series 2015 did not fund a Debt Service Reserve Fund. The 2005 Reserve Funds (\$9,936,187 in total) on hand at the time of the refunding were used to downsize the 2015 refunding issuances.

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. 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. A total of approximately \$688,729 of lost earnings has been received from Lehman Brothers Holding, Inc. as of September 30, 2020.

Economic Factors and Next Years Budget

The impact of the COVID-19 pandemic is an ongoing driver for fiscal year 2021 and beyond. The Sports Authority's budget for fiscal year 2021 was prepared with the impact of COVID-19 factored into our numbers. Events held to date in fiscal year 2021 have been successful at reduced attendance levels, including an NFL and USF season, three Monster Jams as well as Super Bowl LV. Based upon progress with the vaccine, there are trends that indicate an ability for increased capacity in the second half of fiscal year 2021 and beyond. Should these trends continue, this will allow the Sports Authority to safely increase capacity at already scheduled events and will assist with the economics to allow touring concerts and special events to resume. The Sports Authority continues to work with local government and health partners to optimize the financial impact of events in a safe and responsible manner.

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 Distribution Schedule
(Amount in millions)

October 1, 2019 - September 30, 2020

Total CIT Revenue	Hillsborough County School Board	Sports Authority (Debt Service)	Sports Authority (Capital Maintenance)	Hillsborough County Board of County Commissioners	City of Tampa	City of Plant City	City of Temple Terrace
Allocation	25% of Total	Fixed Amount	Fixed Amount	73.82% of Excess	22.31% of Excess	2.29% of Excess	1.58% of Excess
\$123.96	\$30.99	\$8.93	\$0.75	\$61.61	\$18.48	\$1.90	\$1.30

The Community Investment Tax (CIT) is a half-percent sales tax approved by Hillsborough County voters in September 1996. The Community Investment Tax has generated over \$2.3 billion through September 30, 2020 to fund a wide range of improvements to benefit our community. The tax expires in 2027.

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

	<u>YEAR</u> <u>2020 to 2024</u>	<u>YEAR</u> <u>2025 to 2028</u>	<u>TOTAL</u>
Projected capital costs	<u>\$ 23,739,280</u>	<u>\$ 3,735,807</u>	<u>\$ 27,475,087</u>
Funds pledged from CIT	2,750,000	-	2,750,000
Stadium funds proceeds	-	-	-
Funds carried forward	7,217,541	-	7,217,541
Hillsborough County Contributions	<u>11,648,144</u>	<u>-</u>	<u>11,648,144</u>
Unfunded future capital costs	<u><u>\$ 2,123,595</u></u>	<u><u>\$ 3,735,807</u></u>	<u><u>\$ 5,859,402</u></u>

TAMPA SPORTS AUTHORITY
BASIC FINANCIAL STATEMENTS

September 30, 2020

Tampa Sports Authority
STATEMENT OF NET POSITION

September 30, 2020
(With comparative total for 2019)

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents (notes B5 and C)	\$ 19,585,949	\$ 19,324,098
Accounts receivable	4,186,932	5,230,759
Prepaid expenses and deposits	603,456	836,501
Total current assets	24,376,337	25,391,358
NON-CURRENT ASSETS		
Investments (note C)	54,889	247,694
Capital assets, net of depreciation (notes B8 and D)	4,627,079	4,770,542
Construction in process (note E)	5,294,000	428,848
Unamortized leasehold interest (note F)	222,823,002	249,052,431
Total non-current assets	232,798,970	254,499,515
 TOTAL ASSETS	 257,175,307	 279,890,873
DEFERRED OUTFLOWS OF RESOURCES (note B14)	1,980,003	1,904,173
CURRENT LIABILITIES		
Long-term debt due within one year (note G)	11,943,579	11,438,579
Accounts payable and accrued liabilities	1,134,796	2,292,826
Accrued construction costs payable	4,080,021	14,333,975
Accrued interest payable	1,274,436	1,433,906
Unearned revenue	2,506,361	401,406
Total current liabilities	20,939,193	29,900,692
LONG-TERM DEBT DUE AFTER ONE YEAR (note G)	84,127,610	96,071,174
PENSION LIABILITY (note I)	6,090,431	5,063,372
 TOTAL LIABILITIES	 111,157,234	 131,035,238
DEFERRED INFLOWS OF RESOURCES (note B15)	136,015	342,982
NET POSITION		
Invested in capital assets and unamortized leasehold interest, net of related debt	132,781,926	132,627,397
Restricted		
Capital projects (note C)	4,553,909	8,216,993
Debt service (note C)	8,101,066	7,748,367
Excess surcharge funds (notes C and J)	-	194,109
Total restricted	12,654,975	16,159,469
Unrestricted	2,425,160	1,629,960
 TOTAL NET POSITION	 \$ 147,862,061	 \$ 150,416,826

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, 2020
(With comparative total for 2019)

	<u>2020</u>	<u>2019</u>
Operating revenues		
Charges for services	\$ 9,944,155	\$ 11,536,968
Total operating revenues	<u>9,944,155</u>	<u>11,536,968</u>
Operating expenses		
Facility operations	7,596,666	8,885,015
General and administrative	4,461,532	4,144,338
Real estate taxes	654,668	602,807
Other operations	45,226	40,448
Depreciation and amortization of capital assets	<u>310,182</u>	<u>304,686</u>
Operating expenses before amortization of leasehold interest	13,068,274	13,977,294
Amortization of leasehold interest	<u>28,845,097</u>	<u>18,567,552</u>
Total operating expenses	<u>41,913,371</u>	<u>32,544,846</u>
Total operating loss	<u>(31,969,216)</u>	<u>(21,007,878)</u>
Non-operating revenues (expenses)		
Investment income	98,929	351,639
Grants and contributions	15,682,158	15,730,643
Interest expense	(3,175,228)	(3,679,045)
Gain (loss) on disposal of assets	<u>(193)</u>	<u>1,817</u>
Total non-operating revenues	<u>12,605,666</u>	<u>12,405,054</u>
Change in net position before capital grants and other contributions	<u>(19,363,550)</u>	<u>(8,602,824)</u>
Capital grants and other contributions		
Subsidy contributions	1,922,456	1,100,613
Capital contributions	14,886,329	-
Donated capital improvements	-	292,467
Total capital grants and other contributions	<u>16,808,785</u>	<u>1,393,080</u>
Change in net position	(2,554,765)	(7,209,744)
Net position at beginning of year	<u>150,416,826</u>	<u>157,626,570</u>
Net position at end of year	<u>\$ 147,862,061</u>	<u>\$ 150,416,826</u>

The accompanying notes are an integral part of this statement.

Tampa Sports Authority
STATEMENT OF CASH FLOWS

For the year ended September 30, 2020
(With comparative total for 2019)

	2020	2019
Cash flows from operating activities		
Cash received from customers	\$ 13,092,937	\$ 11,976,413
Cash payments to vendors for goods and services	(9,722,883)	(9,786,550)
Cash payments to employees for services	(3,246,181)	(3,398,944)
Net cash provided (used) by operating activities	123,873	(1,209,081)
Cash flows from non-capital financing activities		
Operating grants received	15,682,158	15,730,643
Operating subsidy received	1,922,456	1,100,613
Net cash provided by non-capital financing activities	17,604,614	16,831,256
Cash flows from capital and related financing activities		
Acquisition of capital assets and leasehold interests	(17,901,686)	(5,355,959)
Principal payments on debt	(10,250,000)	(9,305,000)
Interest payments on debt	(4,493,014)	(4,982,036)
Capital contributions received	14,886,329	-
Net cash used by capital and related financing activities	(17,758,371)	(19,642,995)
Cash flows from investing activities		
Investment income	98,929	351,639
Net sales proceeds (purchases) of investments	192,806	(195,501)
Net cash provided by investing activities	291,735	156,138
Net increase (decrease) in cash and cash equivalents	261,851	(3,864,682)
Cash and cash equivalents at beginning of year	19,324,098	23,188,780
Cash and cash equivalents at end of year	\$ 19,585,949	\$ 19,324,098

Tampa Sports Authority
STATEMENT OF CASH FLOWS - CONTINUED

For the year ended September 30, 2020
(With comparative total for 2019)

	2020	2019
Reconciliation of operating loss to net cash provided (used) by operating activities		
Operating loss	<u>\$ (31,969,216)</u>	<u>\$ (21,007,878)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation and amortization of capital assets	310,182	304,686
Amortization of leasehold interest	28,845,097	18,567,552
Changes in assets and liabilities		
(Increase) decrease in		
Accounts receivable	1,043,827	179,840
Prepaid expenses and deposits	233,045	(175,270)
Increase (decrease) in		
Accounts payable and accrued liabilities	(1,158,030)	(66,846)
Deferred revenue	2,104,955	259,605
Pension liability and deferrals	714,013	729,230
Total adjustments	<u>32,093,089</u>	<u>19,798,797</u>
Net cash provided (used) by operating activities	<u><u>\$ 123,873</u></u>	<u><u>\$ (1,209,081)</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Tampa Sports Authority
NOTES TO FINANCIAL STATEMENTS

September 30, 2020

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.

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

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 provision 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, 2020

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) consisting of fourteen 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 14 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, 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. Amalie Arena Ownership

In order to avoid the inclusion of the Amalie Arena (the "Arena") 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 Arena, until then owned by the Sports Authority. In essence, 100% of the total square footage of the Arena and the underlying land was transferred to the County.

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

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE A - ORGANIZATION AND REPORTING ENTITY - Continued

Pursuant to a lease agreement entered into on December 30, 2004, the County leases the Arena to the Sports Authority for a term ending on June 30, 2027. The Sports Authority subleased the Arena 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 Arena to the County and lease-back to the Sports Authority will not have a material effect on the Sports Authority's operations of the Arena, 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 Arena, the County did not assume responsibility for any of the outstanding bond issues, which remain an obligation of the Sports Authority.

4. George M. Steinbrenner Field Ownership

In order to avoid the inclusion of George M. Steinbrenner Field and the spring training facilities (the "Baseball Facilities") 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, New York Yankees Partnership, and the Sports Authority entered into an interlocal agreement dated January 14, 1994 to, in effect, allow the County ownership rights of the Baseball Facilities, until then owned by the Sports Authority. Pursuant to the interlocal agreement, as amended, the Sports Authority manages the Baseball Facilities.

5. 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").

The Sports Authority entered into an interlocal agreement with Hillsborough County during the year ended September 30, 2018 to manage the operations and maintenance of the Hillsborough County Tournament Sports Complex (the "Sportsplex"), the Sportsplex is owned by the County.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

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. Measurement Focus and Basis of Accounting

The Sports Authority's financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). 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. The measurement focus is on the determination of net income and capital maintenance. All Sports Authority financial transactions are grouped in one major fund type, the 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.

The basic financial statements include certain prior-year summarized information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles.

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 position. Net position is segregated into invested, restricted, and unrestricted components. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating 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.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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. Capital and Other Grants

Grants, defined as contributions from governmental entities which are restricted by the grantor for capital acquisitions, construction, or payments on debt maturities, are reported as non-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 fair value, 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, 2020 are shown net of allowances for doubtful accounts. The Sports Authority has set their allowance for doubtful accounts at zero as of September 30, 2020.

7. Investments

The Sports Authority invested in a high-quality bond fund and local government surplus trust funds during the year. The Sports Authority follows the guidelines of GASB Statement No. 72, *Fair Value Measurements and Applications and Investments* are recorded at fair value or amortized cost. 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 non-operating income 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.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributed capital assets are valued at their estimated fair value on the date of donation.

9. Amortization

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. Debt Service Payments

Debt service payments of principal are recorded at the time funds are disbursed to the paying agent while interest is recorded in the period it relates to. Funds disbursed to the paying agent are no longer under the control of the Sports Authority and cannot be retrieved by the Sports Authority. In effect, debt service payments of principal will not be recorded until paid, but interest will be recorded and accrued for the amount due through September 30, 2020.

11. Bond Premiums and Discounts

Bond premiums and discounts are amortized over the life of the related bond issued, which approximates the effective interest method. Bond premiums and discounts are presented as an addition and a reduction, respectively, to the bond payable balances.

12. Compensated Absences

The Sports Authority 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 sick days a year. Annual leave (vacation days) are accrued up to 320 hours during an employee's term of active employment. Sick leave accrual is based on established TSA Employment Policies.

Approximate amounts owed under the plan were \$212,000 and are recorded in accounts payable and accrued liabilities in the Statement of Net Position at September 30, 2020.

13. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, the information about the fiduciary net position of the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program Cost-Sharing Multiple Employer Defined Benefit Pension Plans ("pension plans") and additions to/deductions from the pension plans, fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

14. Deferred Outflows of Resources

The deferred outflows of resources total \$1,980,003 at September 30, 2020 resulting from refunding of revenue bonds and the changes related to the pensions.

Deferred Outflows of Resources on refunding of revenue bonds is the difference between the reacquisition price and the net carrying amount of refunded bonds. It is presented on the statement of net position at September 30, 2020 as a deferred outflow of resources in the amount of \$189,055. The net deferred refunding losses are being amortized over the remaining life of the refunding revenue bonds.

The Deferred Outflows of Resources from pension-related items resulting from pension contributions after the actuarial measurement date and other proportionate share changes of the pension liability. These totaled \$1,790,948 for the year ended September 30, 2020.

15. Deferred Inflows of Resources

The Deferred Inflows of Resources from pension-related items resulting from the differences between expected and actual earnings on pension investments. This totaled \$136,015 for the year ended September 30, 2020.

16. Operating Revenues and Expenses

The Sports Authority's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operations and maintenance of Raymond James Stadium and adjacent properties. All other revenues and expenses are reported as non-operating revenues and expenses.

17. Restricted Funds

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

18. Budgets and Budgetary Accounting

The Sports Authority follows the following procedures in establishing budgetary data:

The Sports Authority's operating budget is recommended by the Finance and Budget Committee of the Sports Authority's governing board. The budget is typically based on the previous year's budget plus an adjustment for inflation. The budget is then approved by the Sports Authority's governing board.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Sports Authority's projected capital costs budget is recommended by the Finance and Budget Committee of the Sports Authority's governing board. The budget is typically based on the estimated costs of repairs and replacement of the Stadium Property through 2028.

19. 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.

20. Reclassifications

Certain amounts from the September 30, 2019 financial statements have been reclassified to confirm the current year presentation.

NOTE C - CASH AND INVESTMENTS

1. Deposits

The Sports Authority deposits non-bond cash in qualified public depositories.

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 Sports Authority deposits approximated \$21,035,000, and the total carrying amounts of its deposits (unrestricted and restricted) approximated \$19,566,000 at September 30, 2020.

The difference between the Sports Authority's book amount and bank amount is due to outstanding checks, transfers, and deposits in transit in its demand accounts.

Restricted cash, cash equivalents and investments held by the Sports Authority totaled \$16,120,464 and represent amounts that are restricted through debt covenants and agreements for the payment of \$4,524,923 in capital project purchases, \$9,404,488 for debt service payments and \$2,191,053 in funds received in advance for COVID-19 mitigation expenses.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE C - CASH AND INVESTMENTS - Continued

2. Cash on Hand

The Sports Authority had cash on hand in its petty cash and event change funds totaling approximately \$20,000 at September 30, 2020.

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, or any other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.
- b. Securities and Exchange Commission registered money market funds with the highest quality rating from a nationally recognized rating agency.
- c. Direct obligations of the United States Treasury.
- d. Obligation of United States Government agencies and instrumentalities.
- e. Negotiable direct obligations of, or obligations where the principal and interest are unconditionally guaranteed by the United States Government.
- f. Interest bearing time deposits or savings accounts in qualified public depositories, as defined in Florida Statute 280.02.
- g. 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.
- h. Prime commercial paper with the highest credit quality rating from a nationally recognized agency.
- i. Tax exempt obligations rated "AA" or higher and issued by state and local governments.
- j. Other investment vehicles authorized by a resolution adopted by the Sports Authority's Board, provided such investments are authorized investments for the City of Tampa or Hillsborough County by law or ordinance.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE C - CASH AND INVESTMENTS - Continued

The Sports Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The following table set forth by level, within the fair value hierarchy, the Sports Authority's investments at fair value as of September 30, 2020:

	Fair Value	Level 1	Level 2	Level 3
Money market accounts	\$ 336	\$ -	\$ 336	\$ -
0-2 year high quality bonds	54,553	-	54,553	-
	<u>\$ 54,889</u>	<u>\$ -</u>	<u>\$ 54,889</u>	<u>\$ -</u>

NOTE D - CAPITAL ASSETS

Capital assets at September 30, 2020 is summarized as follows:

	Balance September 30, 2019	Additions	Dispositions	Balance September 30, 2020
Capital assets not being depreciated				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Capital assets being depreciated				
Buildings and improvements	6,500,604	42,387	-	6,542,991
Furniture, fixtures and equipment	2,667,884	124,332	-	2,792,216
Total capital assets being depreciated	<u>9,168,488</u>	<u>166,719</u>	<u>-</u>	<u>9,335,207</u>
Less accumulated depreciation				
Buildings and improvements	2,392,468	141,852	-	2,534,320
Furniture, fixtures and equipment	2,025,478	168,330	-	2,193,808
Total accumulated depreciation	<u>4,417,946</u>	<u>310,182</u>	<u>-</u>	<u>4,728,128</u>
Capital assets, net of depreciation	<u>\$ 4,770,542</u>	<u>\$ (143,463)</u>	<u>\$ -</u>	<u>\$ 4,627,079</u>

Depreciation expense charged to the Sports Authority operations for capital assets of the primary government was \$310,182 for the year ended September 30, 2020.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE E - CONSTRUCTION IN PROCESS

Construction in process at September 30, 2020 is summarized as follows:

	Balance September 30, 2019	Additions	Transfers	Balance September 30, 2020
Construction in process	\$ 428,848	\$ 5,294,000	\$ (428,848)	\$ 5,294,000

In July 2020 the Sports Authority executed an interlocal agreement with the County for COVID-19 Mitigation Related and Recommended Building Modifications/Equipment/Supplies Purchases for Raymond James Stadium (“COVID-19 Agreement”) for costs up to \$10,465,000. Construction costs, included in construction in process, totaling \$3,238,185 were funded by the COVID-19 Agreement and are also included as capital contributions on the statement of revenues, expenses, and changes in net position for the year ended September 30, 2020.

NOTE F - UNAMORTIZED LEASEHOLD INTEREST

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.

The ownership of the Amalie Arena 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. This leasehold interest has been amortized on a straight-line basis as of January 2005 over the 22.5 year life of the lease.

The Sports Authority manages George M. Steinbrenner Field and the spring training facilities (“Baseball Facility”). On April 26, 2016 the New York Yankees Facility Renovation Agreement (“Renovation Agreement”) was adopted between the Sports Authority, New York Yankees Partnership, and Hillsborough County, Florida to secure renovation plans for the Baseball Facility.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE F - UNAMORTIZED LEASEHOLD INTEREST - Continued

The following is the activity related to the Sports Authority's leasehold interest for the year ended September 30, 2020:

	Balance September 30, 2019	Additions	Dispositions	Balance September 30, 2020
Leasehold interest				
Raymond James Stadium	\$ 339,566,581	\$ 2,615,668	\$ -	\$ 342,182,249
Amalie Arena	79,782,956	-	-	79,782,956
Steinbrenner Field	13,109,122	-	-	13,109,122
	<u>432,458,659</u>	<u>2,615,668</u>	<u>-</u>	<u>435,074,327</u>
Less accumulated amortization				
Raymond James Stadium	129,403,704	24,640,987	-	154,044,691
Amalie Arena	52,302,177	3,545,912	-	55,848,089
Steinbrenner Field	1,700,347	658,198	-	2,358,545
	<u>183,406,228</u>	<u>28,845,097</u>	<u>-</u>	<u>212,251,325</u>
Leasehold interest, net	<u>\$ 249,052,431</u>	<u>\$ (26,229,429)</u>	<u>\$ -</u>	<u>\$ 222,823,002</u>

Amortization expense for the year ended September 30, 2020 was \$28,845,097.

NOTE G - LONG-TERM DEBT

The following summarizes the long-term debt activity related to the Sports Authority's bonds for the year ended September 30, 2020:

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020	Due within one year
Bonds payable	<u>\$ 107,509,753</u>	<u>\$ -</u>	<u>\$ (11,438,564)</u>	<u>\$ 96,071,189</u>	<u>\$ 11,943,579</u>

Bonds payable by the Sports Authority at September 30, 2020 consist of the following:

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

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 5.75% (Arena Project)	\$ 1,480,000	\$ 7,810,000	\$ 9,290,000
\$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)	510,000	3,435,000	3,945,000
\$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% to 8.02% (Arena Project)	150,000	1,115,000	1,265,000
\$63,020,000, Local Option Sales Tax Refunding Revenue Bonds, Series 2015, due in annual installments, commencing in 2018, through 2027; interest at 4.00% to 5.00% (Stadium Project)	6,470,000	43,970,000	50,440,000
\$19,240,000, Florida Sales Tax Payments Refunding Revenue Bonds, Series 2015, due in semi-annual installments through January 1, 2027; interest at 3.00% to 5.00% (Stadium Project)	1,605,000	9,985,000	11,590,000
\$13,590,000, Taxable Florida State Sales Tax Payments Refunding Revenue Bonds, Series 2017, due semi-annual installments through January 1, 2037; interest at 1.48% to 4.17% (George M. Steinbrenner Spring Training Facility Renovation)	<u>540,000</u>	<u>11,595,000</u>	<u>12,135,000</u>
Total principal	10,755,000	77,910,000	88,665,000
Less, unamortized bond discount	(14,106)	(96,487)	(110,593)
Plus, unamortized bond premium	<u>1,202,685</u>	<u>6,314,097</u>	<u>7,516,782</u>
TOTAL	<u>\$ 11,943,579</u>	<u>\$ 84,127,610</u>	<u>\$ 96,071,189</u>

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE G - LONG-TERM DEBT - Continued

Debt maturities and related interest payments at September 30, 2020 for the Sports Authority consist of the following:

Year ending September 30,	Principal	Interest	Total
2021	\$ 10,755,000	\$ 3,968,887	\$ 14,723,887
2022	11,290,000	3,428,234	14,718,234
2023	11,855,000	2,858,166	14,713,166
2024	12,445,000	2,261,060	14,706,060
2025	13,055,000	1,646,837	14,701,837
2026-2030	23,330,000	2,346,383	25,676,383
2031-2035	4,065,000	822,741	4,887,741
2036-2037	1,870,000	78,832	1,948,832
Total	<u>\$ 88,665,000</u>	<u>\$ 17,411,140</u>	<u>\$ 106,076,140</u>

All of the Authority's long-term debt arose through public offerings.

1. Special Purpose Bonds, State of Florida Sales Tax Payments, Series 1995

The Special Purpose Bonds, State of Florida Sales Tax Payments, Series 1995 are secured by the pledged payments of special Tourist Development Tax and County Non-Ad Velorem Revenues by the County, under the Interlocal Agreement. The bonds were used to finance the acquisition of land in Tampa, Florida, and the cost of construction, installation, and equipping a multi-purpose arena thereon, and related improvements to the arena. The bond is payable semiannually with principal and interest payments due on October 1 and April 1. The Series 1995 bond bears interest at a rate between 3.65% and 5.75% with a final maturity of October 1, 2025. The bond agreement requires that funds be deposited into a sinking fund monthly at amounts which will fully fund the next succeeding principal and interest payments when due.

In the event of default, the bond holders have the right to take whatever action necessary to collect the amounts due.

The Authority was in compliance with all significant requirements of the bond agreement as of September 30, 2020.

2. Special Purpose Bonds, City of Tampa, Florida, Guaranteed Parking Revenue, Series 1995

The Special Purpose Bonds, City of Tampa, Florida, Guaranteed Parking Revenue, Series 1995 are secured by a pledge of and lien upon the disbursement fund, which was created by the indenture of trust agreement to hold payments received from the city in relation to the guaranteed parking revenue. The bonds were used to finance the acquisition of land in Tampa, Florida, and the cost of construction, installation, and equipping a multi-purpose arena thereon, and related improvements to the arena.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE G - LONG-TERM DEBT – Continued

The bond is payable semiannually with principal and interest payments due on October 1 and April 1. The Series 1995 bond bears interest at a rate between 3.95% and 6.10% with a final maturity of October 1, 2026. The bond agreement requires that funds be deposited into a sinking fund monthly at amounts which will fully fund the next succeeding principal and interest payments when due..

In the event of default, the bond holders have the right to take whatever action necessary to collect the amounts due.

The Authority was in compliance with all significant requirements of the bond agreement as of September 30, 2020.

3. Special Purpose Bonds, City of Tampa, Florida, Surcharge Loan Revenue, Series 1995

The Special Purpose Bonds, City of Tampa, Florida, Surcharge Loan Revenue, Series 1995 are secured by a pledge of and lien upon the disbursement fund, which was created by the indenture of trust agreement to hold payments received from the city in relation to the surcharge loan revenue. The bonds were used to finance the acquisition of land in Tampa, Florida, and the cost of construction, installation, and equipping a multi-purpose arena thereon, and related improvements to the arena. The bond is payable semiannually with principal and interest payments due on October 1 and April 1. The Series 1995 bond bears interest at a rate between 7.14% and 8.02% with a final maturity of October 1, 2026. The bond agreement requires that funds be deposited into a sinking fund monthly at amounts which will fully fund the next succeeding principal and interest payments when due.

In the event of default, the bond holders have the right to take whatever action necessary to collect the amounts due.

The Authority was in compliance with all significant requirements of the bond agreement as of September 30, 2020.

4. Local Option Sales Tax Refunding Revenue Bonds, Series 2015

The Local Option Sales Tax Refunding Revenue Bonds, Series 2015 are secured by 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, and moneys deposited in funds and accounts established under the trust indenture, and investment earnings thereon. The bonds were used to refund the Local Option Sales Tax Refunding Revenue Bonds, series 2005, and to finance certain improvements to Raymond James Stadium. The bond is payable semiannually with principal and interest payments due on January 1 and July 1. The Series 2015 bond bears interest at a rate between 4% and 5% with a final maturity of January 1, 2027. The bond agreement requires that funds be deposited into a sinking fund monthly at amounts which will fully fund the next succeeding principal and interest payments when due.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE G - LONG-TERM DEBT – Continued

In the event of default, the bond holders have the right to take whatever action necessary to collect the amounts due.

The Authority was in compliance with all significant requirements of the bond agreement as of September 30, 2020.

5. Florida Sales Tax Payments Refunding Revenue Bonds, Series 2015

The Florida Sales Tax Payments Refunding Revenue Bonds, Series 2015 are secured by Sales Tax Revenues distributable to the Authority, moneys deposited in funds and accounts established under the trust indenture, and investment earnings thereon. The bonds were used to refund the Florida Sales Tax Payments Revenue Bonds, Series 2005, and to finance certain improvements to Raymond James Stadium. The bond is payable semiannually with principal and interest payments due on January 1 and July 1. The Series 2015 bond bears interest at a rate between 3% and 5% with a final maturity of January 1, 2027. The bond agreement requires that funds be deposited into a sinking fund monthly at amounts which will fully fund the next succeeding principal and interest payments when due.

In the event of default, the bond holders have the right to take whatever action necessary to collect the amounts due.

The Authority was in compliance with all significant requirements of the bond agreement as of September 30, 2020.

6. Taxable Florida State Sales Tax Payments Refunding Revenue Bonds, Series 2017

The Taxable Florida State Sales Tax Payments Refunding Revenue Bonds, Series 2017 are secured by Sales Tax Revenues distributable to the Authority, moneys deposited in funds and accounts established under the trust indenture, and investment earnings thereon. The bonds were used to finance improvements to the George M. Steinbrenner Field. The bond is payable semiannually with principal and interest payments due on January 1 and July 1. The Series 2017 bond bears interest at a rate between 1.48% and 4.17% with a final maturity of January 1, 2037. The bond agreement requires that funds be deposited into a sinking fund monthly at amounts which will fully fund the next succeeding principal and interest payments when due.

In the event of default, the bond holders have the right to take whatever action necessary to collect the amounts due.

The Authority was in compliance with all significant requirements of the bond agreement as of September 30, 2020.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE H - OPERATING LEASES

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

NOTE I - DEFINED BENEFIT PENSION PLANS

Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program Cost-Sharing Multiple Employer Defined Benefit Pension Plans

All permanent employees of the Sports Authority participate in the Florida Retirement System Pension Plan and Other State-Administered Systems (the "System"), administered by the State of Florida Department of Management Services, Division of Retirement (the "Division"). Detailed information about the plans is provide in the CAFR which is available online or by contacting the Division (see additional financial and actuarial information).

As required by Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68"), this financial statement includes the allocation of the collective net pension liability and associated pension expense, deferred outflows of resources and deferred inflows of resources for the Sports Authority in the system's cost-sharing, multiple employer defined benefit plans:

- The Florida Retirement System ("FRS") Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a nonintegrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE I - DEFINED BENEFIT PENSION PLANS - Continued

- The Retiree Health Insurance Subsidy (“HIS”) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Benefits Provided

For employees in FRS, benefits are computed on the basis of age, average final compensation and service credit. Regular class and senior management class employees who were enrolled in the FRS prior to July 1, 2011 and retire at or after age 62 with at least six years of credited service, or 30 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, based on their final average compensation of their five highest fiscal years of pay for each year of credited service.

Employees enrolled on or after July 1, 2011 and who retire at or after age 65 with at least eight years of credited service, or 33 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, as explained above based on their eight highest fiscal years of pay. Using their date of enrollment as a basis, vested employees with less than the minimum years of service may retire before the minimum age and receive reduced retirement benefits. A post-retirement health insurance subsidy is also provided to eligible retired employees through the FRS defined benefit, in accordance with Florida Statutes.

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program (“DROP”). This program allows eligible employees to defer receipt of monthly retirement benefit payments, while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE I - DEFINED BENEFIT PENSION PLANS - Continued

Employer Contributions

Starting on July 1, 2011, Chapter 2011-68 of the Laws of Florida required members of the FRS not enrolled in DROP to contribute 3% of their salary to their retirement. Governmental employers are required to make contributions to the FRS based on statewide contribution rates. The plan year 2020 contribution rate applied to regular employee salaries was 8.47%, including 1.66% for a post-retirement health insurance subsidy ("HIS"). The plan year 2021 contribution rate is 10.00%, which includes 1.66% for HIS. The plan year 2020 contribution rate applied to senior management salaries was 25.41%, including 1.66% HIS. The plan year 2021 contribution rate is 27.29%, which includes 1.66% for HIS. The plan year 2020 contribution rate applied to the salaries of the employees in DROP was 14.60%, including 1.66% for HIS. The plan year 2021 contribution rate is 16.98%, which includes 1.66% for HIS.

The Sports Authority's actual contributions to the FRS for the plan year ended June 30, 2020 were \$349,215. The Sports Authority's actual contributions to the HIS for the plan year ended June 30, 2020 were \$72,448.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the Sports Authority reported a liability of \$6,090,431 for its proportionate share of the net pension liability of the FRS and HIS. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sports Authority's proportion of the net pension liability was based on a projection of the Sports Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating organizations, actuarially determined.

At June 30, 2020, the Sports Authority's proportion of the FRS was 0.0105 percent, which was a decrease of 0.0002 from its proportion measured as of June 30, 2019. At June 30, 2020, the Sports Authority's proportion of the HIS was 0.0126 percent, which was an increase of 0.0002 from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the Sports Authority recognized pension expense of approximately \$714,000.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE I - DEFINED BENEFIT PENSION PLANS - Continued

At September 30, 2020, the Sports Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 237,137	\$ (1,184)
Changes of assumptions	989,731	(89,257)
Net difference between projected and actual earnings on pension plan investments	272,458	-
Changes in proportion differences between Sports Authority's contributions and proportionate share of contributions	163,516	(45,574)
Sports Authority's contributions subsequent to the measurement date	<u>128,106</u>	<u>-</u>
Total	<u>\$ 1,790,948</u>	<u>\$ (136,015)</u>

The \$128,106 reported as deferred outflows of resources related to pensions resulting from Sports Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ending</u>	
2021	\$ 329,069
2022	464,237
2023	377,205
2024	243,436
2025	85,149
Thereafter	<u>27,731</u>
	<u>\$ 1,526,827</u>

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE I - DEFINED BENEFIT PENSION PLANS - Continued

Actuarial Assumptions

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table.

The following changes in actuarial assumptions occurred in 2020:

- FRS: The long-term expected rate of return was decreased from 6.90% to 6.80%.
- HIS: The municipal bond rate used to determine total pension liability was decreased from 3.50% to 2.21%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE I - DEFINED BENEFIT PENSION PLANS - Continued

The long-term expected rate of return assumption of 6.80 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.30 percent, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2020 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.80 percent reported investment return assumption differs from the 7.00 percent investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

Asset Class	Target Allocation	Annual Arithmetic Return	Compounded Annual (Geometric) Return
Cash	1.0%	2.2%	1.2%
Fixed income	19.0%	3.0%	3.5%
Global equity	54.2%	8.0%	17.1%
Real estate (property)	10.3%	6.4%	11.7%
Private equity	11.1%	10.8%	25.7%
Strategic investments	4.4%	5.5%	6.9%

Discount Rate

The discount rate used to measure the total pension liability was 6.80% for FRS and 2.21% for HIS as of June 30, 2020. For FRS, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor.

Sensitivity of the Sports Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Sports Authority's proportionate share of the net pension liability calculated using the discount rate of 6.80% for FRS and 2.21% for HIS, as well as what the Sports Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE I - DEFINED BENEFIT PENSION PLANS - Continued

FRS Net Pension Liability		
1% Decrease	Current Discount Rate	1% Increase
5.80%	6.80%	7.80%
\$ 7,274,178	\$ 4,555,381	\$ 2,284,630

HIS Net Pension Liability		
1% Decrease	Current Discount Rate	1% Increase
1.21%	2.21%	3.21%
\$ 1,774,450	\$ 1,535,050	\$ 1,339,103

The aggregate amounts of net pension liability, deferred inflows of resources related to pensions, deferred outflows of resources related to pensions, and pension expense for the Sports Authority as of September 30, 2020 are as follows:

	FRS	HIS	Total
Deferred outflows of resources related to pensions	\$ 1,397,292	\$ 393,656	\$ 1,790,948
Net pension liability	4,555,381	1,535,050	6,090,431
Deferred inflows of resources related to pensions	42,014	94,001	136,015
Pension expense	977,668	163,835	1,141,503

Additional Financial and Actuarial Information

Additional audited financial information supporting the Schedules of Employer Allocations and the Schedules of Pension Amounts by Employer is located in the Florida Retirement System Pension Plan and Other State-Administered Systems CAFR for the fiscal year ended June 30, 2020 and 2019. The system's CAFR and the actuarial valuation reports referenced herein are available online at:

http://www.dms.myflorida.com/workforce_operations/retirement/publications

The system's CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
 Division of Retirement
 Research and Education Section
 P.O. Box 9000
 Tallahassee, Florida 32315-900
 850-488-5706 or toll free at 877-377-1737

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - REVENUE SHARING AND TICKET SURCHARGE REVENUE

Under the terms of an agreement between the Sports Authority and Buccaneers Football Stadium Limited Partnership (the "BSLP"), as amended in December 2015, the Sports Authority and the BSLP agreed to share revenues as follows:

- Buccaneers events - 100% of revenues to go to the Buccaneers
- Non-Buccaneer events - First \$2,000,000 to go to the Buccaneers; 33% of excess revenues above \$2,000,000 up to \$3,500,000 go to the Buccaneers; and 67% of excess revenues above \$2,000,000 up to \$3,500,000 go to the Sports Authority; revenues in excess of \$3,500,000 are split 50/50 between the Buccaneers and 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, 2020 was \$2,793,010. 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 \$827,731 during the year ended September 30, 2020, based on the activity from February 1, 2019 through January 31, 2020. No amounts have been accrued in the financial statements for the Sports Authority's share of revenue earned from February 1, 2020 through September 30, 2020.

Additionally, under the 1996 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, 2020, \$194,109 was drawn from the excess surcharge fund due to actual surcharge collection shortfalls. The balance in the excess surcharge fund was \$0 at September 30, 2020.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE K - 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 \$15,577,976 of the Sports Authority's non-operating revenues.

The Sports Authority also receives an annual payment from the Buccaneers Stadium Limited Partnership of \$3,500,000 as a guaranteed payment, \$1,930,000 guaranteed as ticket surcharges and, as applicable, a percentage 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 L - MANAGEMENT ACTIVITIES

1. Golf Course Operations

The Sports Authority and the City entered into an agreement on February 28, 1993, stipulating the terms and conditions for the Sports Authority to manage three City-owned Golf Courses (the "Golf Course Management Agreement") which has been amended seven times.

Under the terms of the amended agreement dated February 2000, the Sports Authority is to receive, within 45 days after its fiscal year end, one percent of the Golf Courses' gross revenue, as defined, as a management fee to be paid only from the Golf Courses' surplus revenues, defined as net revenues less any debt service installment then due. These management fees have been waived for the fiscal year ended September 30, 2020.

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, exceed gross revenue realized from the operations of the Golf Courses.

2. Sportsplex Operations

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 Hillsborough County Tournament Sports Complex (the "Sportsplex").

Under the terms of the agreement, the Sports Authority is to submit, by July 1 of each year, an annual plan for the subsequent fiscal year. The County will fund any budgeted shortfalls and any approved capital expenditures. Additionally, the County provided \$750,000 in start up funds to the Sportsplex.

Tampa Sports Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE M - 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, 2020, insurance coverage was not reduced from coverage levels in place as of September 30, 2019. No settlements have exceeded coverage levels in place during the past three fiscal years.

NOTE N - COMMITMENTS AND CONTINGENCIES

The Sports Authority was involved in several legal actions and disputes at September 30, 2020. No actions exist which, in management's opinion, would have a material effect on the Sports Authority's financial position.

NOTE O - RISKS AND UNCERTAINTIES

In March 2020, COVID-19 was declared a pandemic by the World Health Organization. The Sports Authority'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

Tampa Sports Authority

SCHEDULE OF TAMPA SPORTS AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR THE FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM

Last Seven Fiscal Years

Florida Retirement System (FRS) Defined Benefit Pension Plan

Sports Authority Year Ending September 30,	Plan Sponsor Measurement Date June 30,	Sports Authority's Proportion of the FRS Net Pension Liability	Sports Authority's Proportionate Share of the FRS Net Pension Liability	Sports Authority's Covered Employee Payroll	Sports Authority's proportionate share of the Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2020	2020	0.010510%	\$ 4,555,381	\$ 4,363,735	104.39%	78.85%
2019	2019	0.010674%	\$ 3,676,063	\$ 4,146,697	88.65%	82.61%
2018	2018	0.010674%	\$ 3,215,211	\$ 3,688,889	87.16%	84.26%
2017	2017	0.010582%	\$ 3,131,243	\$ 3,484,638	89.86%	83.89%
2016	2016	0.010677%	\$ 2,695,959	\$ 3,295,236	81.81%	84.88%
2015	2015	0.010404%	\$ 1,343,763	\$ 3,100,199	43.34%	92.00%
2014	2014	0.010648%	\$ 649,687	\$ 3,108,354	20.90%	96.09%

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Sports Authority Year Ending September 30,	Plan Sponsor Measurement Date June 30,	Sports Authority's Proportion of the HIS Net Pension Liability	Sports Authority's Proportionate Share of the HIS Net Pension Liability	Sports Authority's Covered Employee Payroll	Sports Authority's proportionate share of the Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2020	2020	0.012572%	\$ 1,535,050	\$ 4,363,735	35.18%	3.00%
2019	2019	0.012399%	\$ 1,387,309	\$ 4,146,697	33.46%	2.63%
2018	2018	0.011266%	\$ 1,192,447	\$ 3,688,889	32.33%	2.15%
2017	2017	0.010935%	\$ 1,169,179	\$ 3,484,638	33.55%	1.64%
2016	2016	0.010674%	\$ 1,244,046	\$ 3,295,236	37.75%	97.00%
2015	2015	0.010219%	\$ 1,042,148	\$ 3,100,199	33.62%	0.50%
2014	2014	0.010456%	\$ 977,633	\$ 3,108,354	31.45%	0.99%

Notes:

1) The amounts presented for each fiscal year were determined as of the Plan fiscal year measurement date of June 30th.

2) The Sports Authority implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including restatement as of September 30, 2014. Information for prior years is not available.

Tampa Sports Authority

SCHEDULE OF TAMPA SPORTS AUTHORITY'S CONTRIBUTIONS FOR THE FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM

Last Seven Fiscal Years

Florida Retirement System (FRS) Defined Benefit Pension Plan

Sports Authority Year Ending September 30,	FRS Contractually Required Contribution	FRS		FRS Contribution Deficiency (Excess)	Sports Authority's Covered Employee Payroll	FRS Contributions as a Percentage of Covered Payroll
		Contributions in Relation to the Contractually Required Contribution	Contractually Required Contribution			
2020	\$ 349,215	\$ 349,215	\$ -	\$ 4,363,735	8.00%	
2019	\$ 342,517	\$ 342,517	\$ -	\$ 4,146,697	8.26%	
2018	\$ 292,160	\$ 292,160	\$ -	\$ 3,688,889	7.92%	
2017	\$ 275,483	\$ 275,483	\$ -	\$ 3,484,638	7.91%	
2016	\$ 260,376	\$ 260,376	\$ -	\$ 3,295,236	7.90%	
2015	\$ 253,648	\$ 253,648	\$ -	\$ 3,100,199	8.18%	
2014	\$ 233,237	\$ 233,237	\$ -	\$ 3,108,354	7.50%	

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Sports Authority Year Ending September 30,	HIS Contractually Required Contribution	HIS		HIS Contribution Deficiency (Excess)	Sports Authority's Covered Employee Payroll	HIS Contributions as a Percentage of Covered Payroll
		Contributions in Relation to the Contractually Required Contribution	Contractually Required Contribution			
2020	\$ 72,448	\$ 72,448	\$ -	\$ 4,363,735	1.66%	
2019	\$ 68,835	\$ 68,835	\$ -	\$ 4,146,697	1.66%	
2018	\$ 61,236	\$ 61,236	\$ -	\$ 3,688,889	1.66%	
2017	\$ 57,869	\$ 57,869	\$ -	\$ 3,484,638	1.66%	
2016	\$ 54,713	\$ 54,713	\$ -	\$ 3,295,236	1.66%	
2015	\$ 39,062	\$ 39,062	\$ -	\$ 3,100,199	1.26%	
2014	\$ 35,818	\$ 35,818	\$ -	\$ 3,108,354	1.15%	

Notes:

- 1) The amounts presented for each fiscal year were determined as of the Plan fiscal year measurement date of June 30th.
- 2) The Sports Authority implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including restatement as of September 30, 2014. Information for prior years is not available.

OTHER SUPPLEMENTARY INFORMATION

Tampa Sports Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

For the year ended September 30, 2020

Federal/State Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA # or State CSFA #	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
Federal				
<u>U.S. Department of the Treasury</u>				
Indirect Program				
Passed-through Hillsborough County, Florida				
Coronavirus Relief Fund	21.019	N/A	\$ 3,238,185	\$ -
Total Coronavirus Relief Fund			3,238,185	-
Total U.S. Department of the Treasury			3,238,185	-
Total expenditures of federal awards			3,238,185	-
State				
<u>Florida Department of Revenue</u>				
Indirect Projects				
Passed through Hillsborough County, Florida				
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise				
	73.016			
\$28,790,000 1995 Special Purpose Bonds, State of Florida Sales Tax Payments Series		N/A	1,994,838	-
\$19,240,000 Florida Sales Tax Payments Refunding Revenue Bonds, Series 2015		N/A	1,990,650	-
\$13,590,000 Taxable Florida Sales Tax Payments Revenue Bonds, Series 2017		N/A	988,401	-
Total CSFA # 73.016 - Indirect Project			4,973,889	-
Total expenditures of state financial assistance			4,973,889	-
Total expenditures of federal awards and state financial assistance			\$ 8,212,074	\$ -

Tampa Sports Authority

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

September 30, 2020

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the Federal and State grant activity of the Sports Authority, respectively, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and 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 Federal programs and State projects 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 and projects. 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 - INDIRECT COSTS

The Sports Authority did not allocate costs to the federal award program or state financial assistance project. All costs charged to the project were direct costs. The Sports Authority has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE D - UNEXPENDED FUNDS

Funds from the Florida Department of Revenue through CSFA # 73.016, *Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise* that are passed-through Hillsborough County, Florida to the Sports Authority may exceed project expenditures during the same fiscal year. The Sports Authority maintains these excess funds in a restricted capital projects account to be used in future periods for project related activity. Unexpended excess funds received totaled \$26,386 for the year ended September 30, 2020. Total unexpended funds received and held to date totaled approximately \$865,000 through September 30, 2020.

Funds from Hillsborough County, Florida (the "County") for CFDA #21.019 *Coronavirus Relief Fund* received in advance of expenditures totaled \$2,191,053 at September 30, 2020 and are not included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

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*

TAMPA SPORTS AUTHORITY

September 30, 2020



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

Board of Directors
Tampa Sports Authority

We have audited, 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 Tampa Sports Authority (the "Sports Authority") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sports Authority's basic 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 Sports Authority'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 Sports Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sports Authority'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Sports Authority's Response to Finding

The Sports Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs as well as the corrective action plan. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 cursive script that reads "Bruce, Gardner & Company, P.A." The signature is written in black ink and is positioned to the right of the date and location information.

Tampa, Florida
March 30, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

TAMPA SPORTS AUTHORITY

September 30, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Board of Directors
 Tampa Sports Authority

Report on Compliance for Each Major Federal Program And State Project

We have audited the Tampa Sports Authority's (the "Sports Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Sports Authority's major federal programs and state projects for the year ended September 30, 2020. The Sports Authority's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations, and terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Sports Authority's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")* and Chapter 10.550 *Rules of the Auditor General*. Those standards, the Uniform Guidance and Chapter 10.550 *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Sports Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Sports Authority's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Sports Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the 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 Sports Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project, and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550 *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sports Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or 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 federal program or 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 federal program or 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 result of that testing based on the requirements of the Uniform Guidance and Chapter 10.550 *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Tampa, Florida
March 30, 2021



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

TAMPA SPORTS AUTHORITY

September 30, 2020

Tampa Sports Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? X yes no
 Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards and State Projects

Internal control over major federal programs and 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 federal programs and state projects: Unmodified

Any audit findings disclosed that are to be reported in accordance with Section 2 CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General? yes X no

Identification of major programs:

Federal Program or Cluster

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.019	Coronavirus Relief Fund

State Project

<u>CSFA 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 - federal programs and state projects \$ 750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance (not applicable to State Projects)? yes X no

Tampa Sports Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

September 30, 2020

Section II - Financial Statement Findings

Finding 2020-001: Material Weakness in Internal Control Related to Financial Reporting

Criteria:

Management is responsible for establishing and maintaining an effective system of internal controls over financial reporting that provides that a material misstatement would be prevented or detected and corrected on a timely basis.

Condition

Revenue recognition on unexpended funds advanced to the Sports Authority during the fiscal year were not classified as unearned as all conditions were not met of the *Interlocal Agreement Between Hillsborough County and Tampa Sports Authority for Covid-19 Mitigation Related and Recommended Building Modifications/Equipment/Supplies Purchases For Raymond James Stadium* .

Cause:

The financial reporting process did not detect and recognize advanced, but unexpended funds, as unearned revenue until all conditions for revenue recognition were met.

Effect:

As of September 30, 2020, capital contributions were overstated by \$2,191,053 on the statement of activities, and liabilities (unearned revenue) were understated on the statement of financial position by the same amount.

Recommendation:

Policies and procedures should to be updated to address the recordkeeping and financial reporting process for new revenue sources that may fall outside the course of normal operations.

Management's Response:

Management concurs with the recommendation.

Section III - Federal Program and State Project Findings and Questioned Costs

No matters were reported for the year ended September 30, 2020 and there were no prior year audit findings to be reported. Accordingly, a summary schedule 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, 2020



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

Board of Directors
Tampa Sports Authority

Report on the Financial Statements

We have audited the financial statements of the Tampa Sports Authority, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 30, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reports and Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an Examination Conducted in Accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 30, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior year findings nor corrective actions disclosed in the preceding audit report.



Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The required information is disclosed in the Note A to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Tampa Sports Authority 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.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Tampa Sports Authority. 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)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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, and other granting agencies, Board of Directors of the Tampa Sports Authority, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Tampa, Florida
March 30, 2021



INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES

TAMPA SPORTS AUTHORITY

September 30, 2020



RIVERO, GORDIMER & COMPANY, P.A.

Member
 American Institute of Certified Public Accountants
 Florida Institute of Certified Public Accountants

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**INDEPENDENT ACCOUNTANTS' REPORT ON
 COMPLIANCE WITH THE REQUIREMENTS
 OF SECTION 218.415, FLORIDA STATUTES**

Board of Directors
 Tampa Sports Authority

Report on Compliance

We have examined the Tampa Sports Authority's investment policy compliance with the requirements of Section 218.415, Florida Statutes, regarding the investment of surplus funds, during the year ended September 30, 2020. Management is responsible for Tampa Sports Authority's compliance with those requirements. Our responsibility is to express an opinion on Tampa Sports Authority's compliance based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and, accordingly, included examining, on a test basis, evidence about the Tampa Sports Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Tampa Sports Authority's compliance with specified requirements.

Opinion

In our opinion, Tampa Sports Authority complied in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Purpose

This report is intended solely for the information and use of the Tampa Sports Authority and the Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

Tampa, Florida
 March 30, 2021

