

**SABC SOCCER PFC**

San Antonio, Texas

**FINANCIAL STATEMENTS**

For The Year Ended September 30, 2021

***DRAFT***

SABC SOCCER PFC  
San Antonio, Texas

FINANCIAL STATEMENTS

For The Year Ended September 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board  
SABC Soccer PFC  
San Antonio, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the SABC Soccer PFC (the PFC) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise PFC's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the PFC'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 PFC'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 respective financial position of the PFC, as of September 30, 2021, and the respective changes in financial position for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 management discussion and analysis 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 managements 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 opinions on the financial statements that collectively comprise the PFC's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 combining financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

January 12, 2022

SABC SOCCER PFC  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

September 30, 2021

The SABC Soccer PFC (the PFC) presents the following discussion and analysis of the PFC's financial performance as of and for the year ended September 30, 2021. This discussion and analysis is intended to assist readers in focusing on significant financial issues and changes in the PFC's financial position. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements provided in this report.

**Financial Highlights**

- The assets of the PFC exceeded the liabilities by \$15,012,194.
- Total assets net of depreciation decreased over the previous year by \$829,606.
- Revenues from rent and facility access fees were \$113,486 and \$73,548, respectively.
- Receivables consist of \$250,000 for the MLS franchise reimbursement payment.

**Overview of the Financial Statements**

The PFC's annual report consists of two parts – *management's discussion and analysis* (this section) and the *basic financial statements*. The PFC presents its basic financial statements using the reporting model for special purpose governments engaged in business-type activities.

The Statement of Position, the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows, present information about the PFC as a whole to report the financial position and the results of its operations and cash flows.

The *notes to financial statements* provide additional information that is crucial in understanding the data provided in the financial statements.

Net Position

The PFC's combined net position on September 30, 2021, was \$15,012,194. Of this amount, \$14,334,136 is a net investment in capital assets while the remaining \$678,058 is restricted net assets.

For the fiscal year 2021, cash increased by \$165,934.00 or 63% over last year as the team rebounded from the pandemic. A receivable for \$250,000.00 was issued at year end for the MLS franchise reimbursement payment. Net position is restricted for Improvements and Maintenance and Capital Improvements under the terms of the lease agreement with SA FC. The decrease in the net position related to investment in capital assets resulted from stadium improvements and current year depreciation.

SABC SOCCER PFC  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

September 30, 2021

	<b>2021</b>	<b>2020</b>	<b>Change</b>
Current Assets	\$ 678,058	\$ 369,933	\$ 308,125
Noncurrent Assets, Net	14,334,136	15,471,867	(1,137,731)
<b>Total Assets</b>	<b>15,012,194</b>	<b>15,841,800</b>	<b>(829,606)</b>
Current Liabilities	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Position			
Net Investment in Capital Assets	14,334,136	15,471,867	(1,137,731)
Restricted	678,058	369,933	308,125
Unrestricted	-	-	-
<b>Total Net Position</b>	<b>\$ 15,012,194</b>	<b>\$ 15,841,800</b>	<b>\$ (829,606)</b>

**Capital Assets**

As noted below, the only change in current year Capital Assets was depreciation.

	<b>2021</b>	<b>2020</b>	<b>Change</b>
Land	\$ 3,980,000	\$ 3,980,000	\$ -
Capital Assets, Being Depreciated			
Stadium Facility	7,155,726	7,155,726	-
Improvements	9,348,822	9,348,822	-
<b>Total Capital Assets, Being Depreciated</b>	<b>16,504,548</b>	<b>16,504,548</b>	<b>-</b>
Less Accumulated Depreciation	(6,150,412)	(5,012,681)	(1,137,731)
<b>Total Capital Assets, Net</b>	<b>\$ 14,334,134</b>	<b>\$ 15,471,867</b>	<b>\$ (1,137,731)</b>

SABC SOCCER PFC  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

September 30, 2021

**Changes in Net Position**

As of September 30, 2021, the ending net position was \$15,012,194, a decrease of \$829,606. Facility expenses consisted of COVID-19 mitigation related purchases such as sneeze guards and touchless improvements in addition to audit and depreciation expenses. There was an increase in Facility Access Fee revenue in comparison to the previous year, which was impacted by the COVID-19 pandemic and a receivable for the MLS franchise reimbursement payment.

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b>Revenues</b>			
Contractual Reimbursements	\$ 250,000	\$ -	\$ 250,000
Rental Fee	113,486	105,877	7,609
Facility Access Fee	73,548	21,584	51,964
Total Revenues	<u>437,034</u>	<u>127,461</u>	<u>309,573</u>
<b>Expenses</b>			
Maintenance	116,509	-	116,509
Other Expenses	12,400	12,400	-
Depreciation	1,137,731	1,137,519	212
Total Expenses	<u>1,266,640</u>	<u>1,149,919</u>	<u>116,721</u>
Change in Net Position	(829,606)	(1,022,458)	192,852
Net Position - Beginning	<u>15,841,800</u>	<u>16,864,258</u>	<u>(1,022,458)</u>
Net Position - Ending	<u>\$ 15,012,194</u>	<u>\$ 15,841,800</u>	<u>\$ (829,606)</u>

**Other Information**

The PFC's bylaws require an annual budget. A budget for 2021 was presented and adopted on September 28, 2021. SAFC was not awarded an MLS franchise on or before the expiration of Year 6 Lease ending September 30, 2021. The SAFC is required to pay the PFC \$250,000 for Years 6, 7 and 8, \$500,000 for Year 9, \$750,000 for Year 10 and \$1,000,000 for Years 11, 12 and 13. If the SAFC acquires an MLS franchise before the expiration of any Lease Year during the Reimbursement Period, then SAFC shall not pay the PFC and any payment made to the PFC will be used to offset the MLS expansion contributions.

**Requests for Information**

This financial report is designed to provide a general overview of the PFC's position for all those with interest in the organization's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Carisa Gamez, Contract Manager, Convention and Sports Facilities, 900 East Market Street, San Antonio, TX 78205.

## **FINANCIAL STATEMENTS**

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SABC Soccer PFC  
San Antonio, Texas

Statement of Net Position

September 30, 2021

ASSETS

Current Assets:

Cash	\$	428,058
Receivables, Net		250,000

Total Current Assets 678,058

Noncurrent Assets:

Capital Assets:

Land		3,980,000
Stadium Facility		7,155,726
Improvements		9,348,822
Less Accumulated Depreciation		<u>(6,150,412)</u>

Total Noncurrent Assets 14,334,136

Total Assets \$ 15,012,194

LIABILITIES

Total Liabilities \$ -

NET POSITION

Net Investment in Capital Assets		14,334,136
Restricted		678,058
Unrestricted		<u>-</u>

Total Net Position \$ 15,012,194

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

SABC Soccer PFC  
San Antonio, Texas

Statement of Revenues, Expenses, and Changes in Fund Net Position

For The Year Ended September 30, 2021

OPERATING REVENUES	
Contractual Reimbursements	\$ 250,000
Rental Fee	113,486
Facility Access Fee	73,548
Total Operating Revenues	<u>437,034</u>
OPERATING EXPENSES	
Maintenance	116,509
Other Expenses	12,400
Depreciation	1,137,731
Total Operating Expenses	<u>1,266,640</u>
Operating Income (Loss)	<u>(829,606)</u>
Change in Net Position	<u>(829,606)</u>
Total Net Position - Beginning	<u>15,841,800</u>
Total Net Position - Ending	<u>\$ 15,012,194</u>

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

SABC Soccer PFC  
San Antonio, Texas

Statement of Cash Flows

For The Year Ended September 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Rent received from SA FC	\$ 219,363
Facility Access Fee received from SA FC	75,480
Payments for Maintenance	(116,509)
Payments for Other Operating Activities	<u>(12,400)</u>
Net Cash Provided by Operating Activities	<u>165,934</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for Capital Improvements	<u>-</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	165,934
Balances - Beginning of the Year	<u>262,124</u>
Balances - End of the Year	<u><u>\$ 428,058</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income (Loss)	(829,606)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Cash Flows Reported in Other Categories	
Depreciation	1,137,731
CHANGE IN ASSETS AND LIABILITIES	
(Increase) Decrease in Receivables	(250,000)
(Increase) Decrease in Rent Receivables	105,877
(Increase) Decrease in Facility Fees Receivables	1,932
Increase (Decrease) in Accrued Liabilities	<u>-</u>
Net Cash Provided by Operating Activities	<u><u>\$ 165,934</u></u>
Noncash	<u>\$ -</u>

The notes to financial statements form an integral part of this statement.

SABC SOCCER PFC  
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Entity

The SABC Soccer PFC (the PFC) was incorporated on December 17, 2015. The PFC is a nonprofit public corporation established under the Public Facility Corporation Act (Chapter 303, Texas Local Government Code, as amended) (the Act), to assist the City of San Antonio (the City) in financing public facilities (currently Toyota Field, STAR Complex, and parking lot, collectively the Stadium); acquiring, constructing, rehabilitating, renovating, repairing, equipping, furnishing, and placing in service public facilities; and, issuing related bonds.

The business of the PFC is conducted by a board of directors (the Board). The Board consists of a minimum four (4) Directors, each of whom is appointed by the City and at least one half of whom are recommended for appointment by Bexar County (the County). Accordingly, the PFC is considered a political subdivision of the State of Texas and follows the U.S. generally accepted accounting principles (GAAP) for state and local governments since the members of the board of directors are appointed by the City.

The PFC is considered a component unit of the City. The PFC is an organization as described in Internal Revenue Code Section 115(a). Accordingly, the PFC is exempt from federal income tax.

B. Basic Financial Statements

The PFC's prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) pronouncements. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The PFC presents its basic financial statements using the reporting model for special purpose governments engaged in business-type activities.

C. Annual Budget

The PFC's bylaws require the preparation of a proposed budget of expected revenues and proposed expenses for the coming fiscal year prior to the beginning of the fiscal year. A budget for 2021 was presented and adopted on September 28, 2021.

D. Measurement Focus and Basis of Accounting

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. With the accrual basis of accounting, revenue is recognized in the accounting period in which they are earned and become measurable, and expenses in the period in which they are incurred and become measurable.

SABC SOCCER PFC  
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents

The PFC has defined cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agents, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Accounts Receivable

Accounts receivable are comprised primarily of the Facility Rental and Facility Access Fees collected and remitted by the Stadium lessee, SA FC Management, L.L.C. (SA FC). No accounts receivable or allowances were recorded as of September 30, 2021.

3. Capital Assets

Capital assets include Land, Improvements and Stadium Facilities purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost and have a useful life of more than two years. Additions, improvements that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred since these amounts do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

4. Net Position

Net position is divided into three components:

- Net investment in capital assets
- Restricted, and
- Unrestricted

Net Investment in Capital Assets – This category represents the PFC’s total investment in capital assets net of related outstanding debt used to acquire or construct those assets and accumulated depreciation and amortization related to those capital assets.

Restricted net position – net position restricted by external constraints placed on net position use by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – net position that does not meet the definition of “restricted” or “net investment in capital assets” and may be used at the discretion of the Board for any lawful purpose of the PFC.

SABC SOCCER PFC  
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The net position shall be considered released from restriction, as expenses are incurred for the purpose of the restrictions. When an expense is made for a purpose for which amounts are available in multiple net position classifications, the restricted resources will be expensed before unrestricted net position.

5. In-Kind Revenues and Expenses

In-kind revenues and expenses are recognized in the financial statements in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). FASB ASC topic 958 requires the PFC to report in-kind revenues and expenses based on the presence of any restrictions or lack thereof. All of the PFC's in-kind contributions are considered unrestricted. In-kind contributions are measured and recorded as revenues at their cost to the third party, which approximates fair value. No in-kind is reported in the current year by the PFC.

6. Personnel

The PFC has no employees.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**II. CASH**

The PFC's funds are required to be deposited and invested under the terms of a depository contract. Under Texas State law, a bank serving as the depository must have a bond or in lieu thereof, deposited or pledged securities with the PFC or independent third-party agent, an amount equal to the highest daily balance of all deposits the PFC may have during the term of the depository contract, less applicable federal depository insurance (FDIC). The PFC had no pledged securities and deposits did not exceed the \$250,000 FDIC coverage for the fiscal year 2021.

**III. ACCOUNTS RECEIVABLE**

As of September 30, 2021, receivables consisted of \$250,000.00 for the MLS franchise reimbursement payment, as reported in the statement of Net Position. There is no allowance for doubtful accounts.

SABC SOCCER PFC  
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

**IV. RELATED PARTY TRANSACTIONS**

The City and the County are related parties to the PFC. Personnel and other costs related to the management of the SABC PFC are provided by the City and are not reflected in the financial statements. There were no current year monetary transactions with the City and the County.

**V. CAPITAL ASSETS**

As of September 30, 2021, capital assets consisted of the following:

	Balance September 30, 2020	Increases	Decreases	Balance September 30, 2021
Land	\$ 3,980,000	\$ -	\$ -	\$ 3,980,000
Capital Assets, Being Depreciated:				
Stadium Facility	7,155,726	-	-	7,155,726
Improvements	9,348,822	-	-	9,348,822
Total Capital Assets, Being Depreciated	<u>16,504,548</u>	<u>-</u>	<u>-</u>	<u>16,504,548</u>
Less Accumulated Depreciation for:				
Stadium Facility	(679,794)	(143,115)	-	(822,909)
Improvements	(4,332,887)	(994,616)	-	(5,327,503)
Total Accumulated Depreciation	<u>(5,012,681)</u>	<u>(1,137,731)</u>	<u>-</u>	<u>(6,150,412)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,491,8671</u>	<u>(1,137,731)</u>	<u>-</u>	<u>10,354,1361</u>
Total Capital Assets, Net	<u>\$ 15,471,867</u>	<u>\$ (1,137,731)</u>	<u>\$ -</u>	<u>\$ 14,334,136</u>

There was no impairment on the assets during the year.

**VI. INTERLOCAL AGREEMENT WITH THE CITY AND THE COUNTY**

On December 17, 2015, the PFC entered into an interlocal agreement with the County and the City relating to the ownership and operation of the Toyota field and other matters in connection therewith. The City and the County each invested \$9,000,000 in the PFC to enable it to acquire the Toyota Field consisting of real property and the stadium located in that property. Both the City and the County agreed that such property was to be permanently owned by the PFC and leased to be a professional soccer entity to ensure professional soccer is available to the Citizens of the City and the County.

As part of the agreement, the City agreed to pay the County an amount equal to one-half of all distributions, dividends, payouts, loans or other amount paid or made from the PFC to the City. The PFC agreed that any claw back payments received under its lease with SA FC Management LLC would be distributed equally to the City and the County. No such amounts were paid in the current year to the City and/or the County.

SABC SOCCER PFC  
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

**VII. SOCCER STADIUM FACILITY LEASE**

The PFC entered into a 20-year lease agreement (the Agreement) with SA FC Management, L.L.C. (SA FC, or Lessee), a Texas limited liability company, on December 21, 2015, for the use of the Stadium which was jointly purchased by the City and the County and owned by the PFC. The lease year ends on September 30 each year, and the lease term ends on September 30, 2035. Under the Agreement, SA FC will lease the Stadium from the PFC and (a) pay annual rent to the PFC; (b) collect and submit the Facility Access Fee assessed to all ticket purchases to the PFC; and (c) plan and perform repair, maintenance, and improvement work on the Stadium as approved by the Board.

Following the Lease commencement, in accordance with the Agreement, the City and the County each contributed \$500,000, and the Lessee, \$1,000,000 to the Initial Facilities Fund, to fund the costs associated with the initial mutually-agreed maintenance and improvements. All of the Initial Facilities Fund had been spent as of the beginning of the fiscal year 2018.

The PFC holds and administers funds for maintenance and improvement projects which are funded solely by the rent and the Facility Access Fee. An annual rental fee of \$100,000, subject to the annual Consumer Price Index increase, is due on or before September 30 of each Lease Year. The Lessee collects the Facility Access Fee, currently \$1.25 and subject to a \$0.25 increase every 7<sup>th</sup> year, on every paid ticket and submits it to PFC no later than the 10th day of the month following the event. These funds are equally deposited into the Improvements and Maintenance Fund and the Capital Reserve Fund. The City and County are not required to make any additional contributions or expenditures related to the Stadium. The Lessee retains all gross revenues of any kind for all events, including but not limited to, ticket sales, parking, sponsorship, advertising and concessions, except, PFC is entitled to 15% of all food and beverage concession gross revenues for food and beverage sold by Lessee or its concessionaire at *Community Events*, defined as up to 10 events benefitting the community and scheduled by PFC in any Lease Year, that exclude professional athletic or professional sporting events.

Section 7.04 of the Agreement provided for certain cross-termination provisions related to a separate lease between the City, and SA FC entered into on December 21, 2015, for the regional sports complex commonly known as STAR Soccer Complex located adjacent to the Stadium. In the event the STAR Lease is terminated, either party may terminate this Agreement upon 300 days' notice to the other party, whereupon the rights and obligations contained in the Agreement shall automatically terminate and be of no further force and effect. In the event the PFC does not exercise its right to terminate this Agreement within 180 days following the termination of the STAR Lease, the PFC's termination right pursuant to this section shall terminate and be of no further force and effect.

The SAFC is required to maintain specific coverages outlined pages 22 and 23 of the Lease. A copy of the insurance was provided during the audited. It should be noted that the SAFC is not in compliance of all insurance thresholds. The SAFC is lacking \$1M in Liquor Liability, \$1,000,000 in Workers Compensation and Property Insurance for physical damages to the leased premises, including all improvements and betterments less than \$21,000,000. This information was brought the attention of SAFC before the pandemic and recently during the audit. The SAFC will consult with their attorney and provide a response before January 14, 2022. Additionally, the insurance company must be authorized to do business in the State of Texas and have an A- or better rating by AM Best company and the PFC must be listed an additional insured. Both these requirements are being met.

SABC SOCCER PFC  
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

**VII. SOCCER STADIUM FACILITY LEASE (Continued)**

Pursuant to Section 22.04 of the Agreement, in the event SA FC is unable to obtain a Major League Soccer (MLS) franchise by the end of the respective lease year below, the SA FC will make PFC reimbursement payments totaling \$5 million over an 8-year period as noted below. The FY 2021 payment is set to be repaid in FY 2022. If the Lessee subsequently is awarded or acquires an MLS franchise, (i) if such award/acquisition occurs on or before the end of any lease year during the reimbursement period, Lessee is not required to pay the PFC any reimbursement payment for the lease year and any lease year thereafter; and any reimbursement payment paid to the PFC will offset against SA FC's share of MLS expansion contribution.

<u>Fiscal Year</u>	<u>Lease Year</u>	<u>Amount</u>
2019	4	\$ -
2020	5	-
2021	6	250,000
2022	7	250,000
2023	8	250,000
2024	9	500,000
2025	10	750,000
2026	11	1,000,000
2027	12	1,000,000
2028	13	1,000,000
Total		<u>\$ 5,000,000</u>

**VIII. COMMITMENTS AND CONTINGENCIES**

A. Contingent Liabilities

The PFC entered into various agreements as described in the financial statement footnotes. These agreements require compliance with terms and conditions specified in the various agreements and funds received could be subject to return. Any disallowed amounts resulting from such claims could become a liability of the PFC.

B. Litigation

The PFC's management is not aware of any litigation or claims against the PFC.

## **SUPPLEMENTAL STATEMENTS**

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## **Combining Statements**

SABC Soccer PFC  
San Antonio, Texas

Combining Statement of Net Position

September 30, 2021

	Purchase & Initial Facilities Fund	Reimbursement Fund	I&M Fund	Capital Reserve Fund	SABC Soccer PFC
<b>ASSETS</b>					
Current Assets:					
Cash	\$ -	\$ -	\$ 235,992	\$ 192,066	\$ 428,058
Receivables, Net	-	250,000	-	-	250,000
Total Current Assets	-	250,000	235,992	192,066	678,058
Noncurrent Assets:					
Capital Assets:					
Land	3,980,000	-	-	-	3,980,000
Stadium Facility	7,155,726	-	-	-	7,155,726
Stadium Improvements	8,856,416	-	182,955	309,451	9,348,822
Less Accumulated Depreciation	(5,964,647)	-	(54,547)	(131,218)	(6,150,412)
Total Noncurrent Assets	14,027,495	-	128,408	178,233	14,334,136
Total Assets	\$ 14,027,495	\$ 250,000	\$ 364,400	\$ 370,299	\$ 15,012,194
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payables	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	-	-	-	-	-
Total Liabilities	-	-	-	-	-
<b>NET POSITION</b>					
Net Investment in Capital Assets	14,027,495	-	128,408	178,233	14,334,136
Restricted	-	250,000	235,992	192,066	678,058
Unrestricted	-	-	-	-	-
Total Net Position	\$ 14,027,495	\$ 250,000	\$ 364,400	\$ 370,299	\$ 15,012,194

SABC Soccer PFC  
San Antonio, Texas

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

For The Year Ended September 30, 2021

	Initial Facilities Fund	Reimbursement Fund	I&M Fund	Capital Reserve Fund	SABC Soccer PFC
<b>OPERATING REVENUES</b>					
Contractual Reimbursements	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
Rental Fee	-	-	56,743	56,743	113,486
Facility Access Fee	-	-	36,774	36,774	73,548
<b>Total Operating Revenues</b>	<b>-</b>	<b>250,000</b>	<b>93,517</b>	<b>93,517</b>	<b>437,034</b>
<b>OPERATING EXPENSES</b>					
Maintenance	-	-	12,711	103,798	116,509
Other Expenses	-	-	12,400	-	12,400
Depreciation	1,078,757	-	19,363	39,611	1,137,731
<b>Total Operating Expenses</b>	<b>1,078,757</b>	<b>-</b>	<b>44,474</b>	<b>143,409</b>	<b>1,266,640</b>
<b>Operating Income (Loss)</b>	<b>(1,078,757)</b>	<b>250,000</b>	<b>49,043</b>	<b>(49,892)</b>	<b>(829,606)</b>
<b>Change in Net Position</b>	<b>(1,078,757)</b>	<b>250,000</b>	<b>49,043</b>	<b>(49,892)</b>	<b>(829,606)</b>
<b>Total Net Position - Beginning</b>	<b>15,106,252</b>	<b>-</b>	<b>315,357</b>	<b>420,191</b>	<b>15,841,800</b>
<b>Total Net Position - Ending</b>	<b>\$ 14,027,495</b>	<b>\$ 250,000</b>	<b>\$ 364,400</b>	<b>\$ 370,299</b>	<b>\$ 15,012,194</b>

SABC Soccer PFC  
San Antonio, Texas

Combining Statement of Cash Flows

For The Year Ended September 30, 2021

	Initial Facilities Fund	Reimbursement Fund	I&M Fund	Capital Reserve Fund	SABC Soccer PFC
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Rent received from SA FC	\$ -	\$ -	\$ 109,681	\$ 109,682	\$ 219,363
Facility Access Fee received from SA FC	-	-	37,740	37,740	75,480
Payments for Maintenance	-	-	(12,711)	(103,798)	(116,509)
Payments for Other Operating Activities	-	-	(12,400)	-	(12,400)
Net Cash Provided by Operating Activities	-	-	122,310	43,624	165,934
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Payments for Capital Improvements	-	-	-	-	-
Net Cash (Used) by Capital and Related Financing Activities	-	-	-	-	-
Net Decrease in Cash and Cash Equivalents	-	-	122,310	43,624	165,934
Balances - Beginning of the Year	-	-	113,682	148,442	262,124
Balances - End of the Year	\$ -	\$ -	\$ 235,992	\$ 192,066	\$ 428,058
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	(1,078,757)	250,000	49,043	(49,892)	(829,606)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Cash Flows Reported in Other Categories					
Depreciation Expense	1,078,757	-	19,363	39,611	1,137,731
<b>CHANGE IN ASSETS AND LIABILITIES</b>					
(Increase) Decrease in Rent Receivables	-	-	52,938	52,939	105,877
(Increase) Decrease in Facility Fees Receivables	-	-	966	966	1,932
Increase (Decrease) in Accrued Liabilities	-	-	-	-	-
(Increase) Decrease Receivables	-	(250,000)	-	-	(250,000)
Net Cash Provided by Operating Activities	\$ -	\$ -	\$ 122,310	\$ 43,624	\$ 165,934
Noncash	\$ -	\$ -	\$ -	\$ -	\$ -