

San Antonio Bexar County Soccer Public Facility Corporation
January 31, 2023
HBGCC Administrative Offices, Conference Room 1
900 E. Market Street, San Antonio, TX 78205

MEETING MINUTES

Members Present	Patricia Muzquiz Cantor, Director, Convention & Sports Facilities; Alex Lopez; Thomas Guevara, Chief of Staff, Bexar County Office of the County Manager
Members Absent	Dan Curry, Facilities Management Director, Bexar County
Others Present	<i>Lisa Biediger, City Attorney, City Attorney's Office; Monica Ramos, Assistant Director, Convention & Sports Facilities; Carisa Gamez, Contract Manager, Convention & Sports Facilities; Julio Garcia, Contract Coordinator, Convention & Sports Facilities; Bobby Perez, Vice President/General Counsel, Spurs Sports & Entertainment, Tim Holt, Managing Director of SAFC, Spurs Sports & Entertainment, Jose Lizardo, General Manager of Toyota Field, Spurs Sports & Entertainment, Amanda Cruz, Senior Accountant, Spurs Sports and Entertainment; Rene Gonzalez, Senior Partner, Garza/Gonzalez and Associates; Richard Galindo, Audit Manager, Garza/Gonzalez and Associates .</i>

Call to Order

Board Member Lopez called the meeting to order at 1:01 p.m. Board Liaison Javier Vasquez conducted roll call. Board Members Lopez, Cantor, and Guevara were present. Board Member Curry not present. We do have a quorum.

Approval of minutes for the meeting of September 23, 2022

A motion for approval of the September 23 meeting minutes was made by Board Member Lopez and seconded by Board Member Guevara. Motion passes.

Approval of the FY 2022 Financial Audit

Rene Gonzalez, Senior Partner, and Richard Galindo, Audit Manager with Garza/Gonzalez and Associates (SABC PFC) presented the FY 2022 Financial Audit. Mr. Gonzalez noted the 2022 San Antonio Bexar County Soccer Public Facility Corporation Year End draft report and Conduct of Audit Report were included in board packet. He stated there were minor edits pending for the draft report to include wording and total numbers to adjust but the essence of the report is ready for board to review.

Mr. Galindo presented financial statements for SABC PFC. First item is issuing a non-modified opinion. Once corrections are made, opinion and auditing numbers will not change. Also pending a couple of changes to the MDNA management discussion and analysis which will be completed.

Financial highlights include:

- The assets of the PFC exceeded the liabilities by \$14,337,625. A decrease from \$15,012,194 from the previous year.
- The net position of the PFC decreased from the previous year by \$674,569.
- Cash receipts consisted of facility access fees in the amount of \$73,744 and \$250,000 Year 6 MLS franchise reimbursement payment. Bank interest on the Reimbursement Fund amounted to \$41.
- Current receivables consist of \$250,000 for the Year 7 MLS franchise reimbursement payment, \$85,880 in Facility Access Fees, and \$111,020 in Rental Fees.

Disclosures: for 2022 the SABC PFC adopted GASB 87, which addressed lease agreements with San Antonio FC (SAFC). Due to GASB 87, governments are required to separate principal expected to receive and determine what interest portion of those payments will be. This process was also performed with the reimbursement fund which is the \$5 million that is due from SAFC for not securing an MLS franchise. Pursuant to Section 22.04 of the Agreement, in the event SAFC is unable to obtain a Major League Soccer (MLS) franchise by the end of the respective lease year below, the SAFC will make SABC PFC reimbursement payments totaling \$5 million over an 8-year period as noted below. 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 SAFC's share of MLS expansion contribution.

Fiscal Year	Lease Year	Amount
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>

In the current year, the SABC PFC adopted Government Accounting Standards Board Statement No. 87 Leases, which required the recognition of a lease receivable and a deferred outflow of resources for the Stadium lease. The payments due to the SABC PFC from the Lessee in subsequent years are as follows:

Year	Principal	Interest	Total
2023	\$ 250,648	\$ 107,559	\$ 358,207
2024	505,661	102,546	608,207
2025	765,774	92,433	858,207
2026	1,031,089	77,117	1,108,206
2027	1,051,711	56,485	1,108,206
2028-2032	1,461,003	80,031	1,541,034
2033-2035	312,055	12,565	324,620
Total	<u>\$ 5,377,941</u>	<u>\$ 528,746</u>	<u>\$ 5,906,687</u>

Bexar County approved a forgiveness of the reimbursement fund from the SAFC as of 9/30/22. The City of San Antonio has not approved forgiveness as of this SABC PFC Board meeting.

Board Member Lopez asked staff if the \$85K in Facility Access Fees and \$111K in Rental Fees had been received. Staff confirmed they had indeed been received. She also inquired if bank reconciliation process had been developed. Samantha Lara confirmed CSF Department Fiscal Administrator developed process and would be implemented in the new year. Board Member Lopez also inquired on status regarding receivables from SAFC due on 10th day of the month and inquired if there were process improvements enacted even though there were no official findings. Carisa Gamez stated she received commitment from Spurs Sport & Entertainment representatives they would be more proactive with payments. Jose Lizardo, General Manager of Toyota Field, Spurs Sports & Entertainment (SS&E) noted high turnover with staff contributed to this but SS&E would indeed make a more concerted effort with regards to payments.

Richard Galindo stated his office received full cooperation from staff during the audit.

Motion to accept the Audit was made by Board Member Guevara and seconded by Board Member Cantor, motion passed.

New Business

None

Meeting was adjourned at 1:13p.m.