



**2016-2017 FUNDING AGREEMENT BETWEEN THE CITY OF ORLANDO,
THE DOWNTOWN DEVELOPMENT BOARD,
TANGERINE SPORTS ASSOCIATION, INC. AND
FLORIDA CITRUS SPORTS EVENTS, INC.**

THIS AGREEMENT is entered into this _____ day of _____ 2016, by and between the **CITY OF ORLANDO**, a Florida municipal corporation established under the laws of the State of Florida (hereinafter referred to as “the City”) with a principal address of 400 South Orange Avenue, Orlando, Florida 32801, the **Downtown Development Board**, (hereinafter referred to as the “DDB”), a body corporate and an agency of the City of Orlando, created by referendum in December, 1972, under Chapter 71-810, Laws of Florida, the Orlando Central City Neighborhood Development Board Act, codified in Chapter 18 of the Charter of the City of Orlando (“Act”), **Tangerine Sports Association, Inc.** (“TSA”), a not-for-profit Florida corporation and Florida Citrus Sports Events, Inc. (“FCSE”), a not-for-profit Florida corporation (TSA and FCSE are hereinafter together referred to as “the Agency”), with a principal address of One Citrus Bowl Place, Orlando, Florida 32805-2576.

WITNESSETH

WHEREAS, the Agency has applied to the City and DDB for a donation of funds in order to provide such services and/or programs as are set forth in Exhibit “A” attached hereto (hereinafter “Services”) and incorporated herein by this reference; and

WHEREAS, the City and DDB have determined that there is a public need for such Services in order to promote the general health, welfare and/or safety of the community and that the provision of such Services is in the best interests of the City and DDB, and, to that end, the City and DDB have appropriated funds to be donated to the Agency for such Services; and

WHEREAS, the Agency has available the necessary qualified and trained personnel, facilities, materials and supplies to perform such Services as set forth in this Agreement; and

WHEREAS, the City and the DDB desires to enter into an agreement with the Agency whereby the Agency will receive and disburse said funds of the City and DDB for the purpose of providing the Services in accordance with the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises, the mutual covenants, and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **INCORPORATION OF RECITALS.** The recitals set forth above are true and correct and are incorporated herein and made a part of this Agreement.

2. **FUNDING.** The City has appropriated the total sum of Fifty Thousand Dollars and 00/100 (\$50,000.00) and the DDB has appropriated the total sum of Ten Thousand Dollars and 00/100 (\$10,000.00) for the period commencing October 1, 2016, and ending September 30, 2017, to be administered and disbursed by the Agency solely for the purposes set forth herein (hereinafter "Funds").

3. **PAYMENTS.** Under the terms and conditions of this Agreement, the City and the DDB agree to contribute the Funds to the Agency in two payments: one payment of \$50,000.00 and a second payment of \$10,000.00 by February 28, 2017. Payment by the City and DDB shall be contingent upon the following:

- (a) receipt and approval by the City and DDB of the reports specified in Paragraph 4 of this Agreement;
- (b) inclusion of the audit provisions in sub-recipient agreements as set forth in Paragraph 7 of this Agreement;
- (c) compliance with such other reporting and administrative requirements specifically set forth in Exhibit "B" of this Agreement; and
- (d) continuing faithful performance of all of the provisions of this Agreement by the Agency.

4. **PERFORMANCE MEASURES; PROGRESS AND FINANCIAL REPORTS.** The City and DDB shall use the Performance Measures listed in Exhibit "C" to determine the effectiveness of the Services provided by the Agency. The Agency agrees to submit progress and financial reports in accordance with the schedule in Exhibit "B", which shall be consistent with the Services and Performance Measures, and shall detail the expenditure of the Funds and any additional contributions. Failure to comply with the requirement for submission of such reports shall constitute grounds for termination of this Agreement and may result in the ineligibility of the Agency to receive contributions from the City and DDB. Completion of reporting requirements and submission of audited financial statements for the prior year are a prerequisite to receipt of funding under this Agreement.

5. **NONPROFIT STATUS.** The Agency shall maintain its corporate, non-profit status in the State of Florida throughout the term of this Agreement. If the Agency should, during the term of this Agreement, lose its corporate or non-profit status, it shall immediately notify the City within ten (10) days of the event. Upon such an event, the City and DDB reserve the right to immediately terminate this Agreement and discontinue distribution of Funds to the Agency.

6. **NONDISCRIMINATION.** The Agency agrees to provide the Services without regard to race, color, creed, sex, age, national origin, disability, sexual orientation or marital status and in compliance with Chapter 57 of the Code of the City of Orlando, Title VII of the Civil Rights act of 1964 as amended, and any and all other applicable federal, state or local laws,

rules or regulations, whether presently existing or hereafter promulgated. The Agency agrees that compliance with this provision constitutes a condition to continued receipt of Funds.

The Agency agrees that all contractors, subcontractors, or others with whom it arranges to provide services to participants or employees in connection with any of its programs and activities are not discriminating against those participants or employees in violation of this provision. Upon receipt of evidence of such discrimination, the City and DDB reserve the right to immediately terminate this Agreement.

7. **ACCOUNTING AND AUDIT.** The Agency shall also provide to City and DDB Financial Statements and Supplemental Information in the same form as set forth on Exhibit "D" for the years ending March 31, 2016 and 2015. The Agency shall utilize and maintain records regarding receipt and disbursement of the Funds. Such records shall be specific to the Services and shall be open to inspection and audit by the City and DDB or by the City's and DDB's designee during normal business hours during the term hereof and for a period of three (3) years after the termination of this Agreement. Any cost incurred by the Agency as a result of a City/DDB audit shall be the sole responsibility of and shall be borne by the Agency. In addition, should the Agency provide any or all of the Funds to sub-recipients, then and in that event the Agency shall include in written agreements with such sub-recipients a requirement that records of the sub-recipient be open to inspection and audit by the City and DDB or the City's and DDB's designee to the same extent as those of the Agency.

8. **MONITORING.** The Agency shall permit the City and DDB to review the Agency's records and facilities for the Services, and/or interview the Agency's clients or employees in order to ensure compliance with the terms of this Agreement. The Agency shall, to assist monitoring of its program, provide to the City and DDB or the City's and DDB's designee access to client records for the Services as the City and DDB may deem necessary to ensure compliance with the terms of this Agreement.

9. **TERM.** Unless earlier terminated, this Agreement shall remain in effect for the period commencing October 1, 2016 and terminating September 30, 2017.

10. **TERMINATION.** This Agreement may be terminated by either party at any time, with or without cause, upon no less than forty-five (45) days notice in writing to the other party. Said notice shall be delivered by certified mail or in person to the business address of the party upon whom such notice is served. Notwithstanding the foregoing, City and DDB shall be responsible for payment of Services delivered prior to the termination effective date.

11. **INDEMNIFICATION.** The Agency agrees to indemnify and save harmless the City and DDB from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions and cost of actions, including attorneys' fees for trial and on appeal, of any kind and nature arising or growing out of or in any way connected with the performance of this Agreement by the Agency, and the Agency's performance of the Services.

12. **DEFAULT.** The following shall constitute an Event of Default under this Agreement:

- (a) Agency's failure to provide the Services in accordance with the terms and conditions of this Agreement;
- (b) Agency makes a material representation in any certification or communication submitted by the Agency to the City or DDB in an effort to induce the contribution of the Funds or the administration thereof that is later determined by the City or DDB to be false, misleading, or incorrect in any material manner; or
- (c) Agency's failure to comply with any of the terms and conditions in this Agreement.

Upon the occurrence of any Event of Default, or any other breach of this Agreement, the City and DDB shall have the authority to terminate this Agreement and discontinue the Funds and/or exercise all rights and remedies available to it under the terms of this Agreement under statutory law, or under common law.

13. **NO WAIVER.** The continued performance by either party hereto, pursuant to the terms of this Agreement, after an Event of Default shall not be deemed a waiver of any rights by the City and DDB. Furthermore, the waiver of any default by the City or DDB shall in no event be construed as a waiver of rights with respect to any other default, past or present.

14. **CONSTRUCTION; SEVERABILITY.** This Agreement shall be construed in accordance with the laws of the State of Florida. It is agreed by and between the parties that if any covenant, condition or provision contained in this Agreement is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect the validity of any other covenants, conditions or provisions herein contained.

15. **NONASSIGNABILITY.** The Agency may not assign its rights hereunder without the prior written consent of the City and DDB. Failure to comply with this section may result in immediate termination of this Agreement.

16. **NO JOINT VENTURE.** It is mutually understood and agreed that nothing contained in this Agreement is intended, or shall be construed, as in any way creating or establishing the relationship as partner or joint ventures between the parties hereto or as constituting the Agency as the agent or representative of the City or DDB for any purpose or in any manner whatsoever.

17. **VENUE.** Any litigation occurring as a result of this Agreement shall be held in the courts of Orange County, Florida and shall be governed by the laws of the State of Florida. The Agency agrees to notify the City and DDB of an occurrence of any incident or action filed against the agency, such as but not limited to, lawsuits, injuries, or allegations of abuse or neglect.

18. **INSURANCE.** The Agency shall have in force the following insurance coverage, and shall provide Certificates of Insurance to the Director of the Economic Development Department, or his/her designee, within ten (10) days of the effective date of this Agreement to verify such coverage. The insurance coverage shall contain a provision which

forbids any cancellation, changes or material alterations in the coverage without providing 30 days written notice to the City and DDB:

- (a) Commercial General Liability -- The Agency shall provide commercial general liability coverage for all operations including, but not limited to, Contractual, Products and Completed Operations, and Personal Injury. The limits will not be less than \$500,000 Combined Single Limit (CSL) bodily injury and property damage, or its equivalent. The City of Orlando shall be named as an additional insured.
- (b) Commercial Automobile Liability -- The Agency shall provide coverage for all owned, non-owned and hired vehicles utilized in the performance of this Agreement for limits of not less than \$500,000 Combined Single Limit (CSL) bodily injury and property damage, or its equivalent.
- (c) Workers' Compensation -- The Agency shall provide Workers' Compensation coverage for all employees at the site location and, in case any work is subcontracted, will require the subcontractor to provide Workers' Compensation for all its employees. The limits will be statutory for Workers' Compensation and \$100,000 for Employer's Liability.
- (d) Employee's Honesty Insurance -- The Agency shall provide not less than \$10,000 coverage limit. The City of Orlando shall be named as an additional insured.

19. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof; any representations or statement heretofore made with respect to such subject matter, whether verbal or written, are merged herein. No other agreement, whether verbal or written, with regard to the subject matter hereof shall be deemed to exist. This Agreement may only be modified in writing, signed by both parties.

20. **NOTICE.** Any notices to be delivered hereunder shall be in writing and be deemed to be delivered when (i) hand delivered to the person hereinafter designated, or (ii) deposited in the United States Mail, addressed to a party at the addresses set forth opposite the party's name below, or at such other address as the applicable party shall have specified, from time to time, by written notice to the other party delivered in accordance herewith:

City: City of Orlando
Director, Economic Development Department
P.O. Box 4990
Orlando, Florida 32802
(with a copy to City Attorney's Office)

Agency: Steve Hogan, CEO
Tangerine Sports Association, Inc.

One Citrus Bowl Place
Orlando, Florida 32805-2576
shogan@fcssports.com

IN WITNESS WHEREOF, the parties hereto have executed these presents and have set their hands and seals the day and year first above written.

CITY OF ORLANDO, FLORIDA

By: _____
Mayor/Mayor Pro Tem

ATTEST:

Orlando City Clerk

APPROVED as to form and legality,
for the use and reliance of the
City of Orlando, Florida only.
_____, 2016.

Assistant City Attorney
City of Orlando

STATE OF FLORIDA
COUNTY OF ORANGE

PERSONALLY APPEARED before me, the undersigned authority,
_____, [] well known to me or [] who has produced
his/her _____ as identification, and known to me to be the
Mayor/Mayor Pro Tem of the City of Orlando, and acknowledged before me that he/she executed
the foregoing instrument on behalf of the City of Orlando as its true act and deed, and that he/she
was duly authorized to do so.

WITNESS my hand and official seal this ___ day of _____, 2016.

NOTARY PUBLIC
Print Name: _____
My Commission Expires:

DOWNTOWN DEVELOPMENT BOARD

By: _____
Chairman

ATTEST:

Executive Director

APPROVED as to form and legality,
for the use and reliance of the
DDB only.
_____, 2016.

Assistant City Attorney
City of Orlando

STATE OF FLORIDA
COUNTY OF ORANGE

PERSONALLY APPEARED before me, the undersigned authority,
_____, [] well known to me or [] who has produced
his/her _____ as identification, and known to me to be the
Chairman of the Downtown Development Board, and acknowledged before me that he/she
executed the foregoing instrument on behalf of the Downtown Development Board as its true act
and deed, and that he/she was duly authorized to do so.

WITNESS my hand and official seal this ___ day of _____, 2016.

NOTARY PUBLIC
Print Name: _____
My Commission Expires:

TANGERINE SPORTS ASSOCIATION, INC.

By: _____
President
Federal ID No. 59-1058144

STATE OF FLORIDA
COUNTY OF ORANGE

Personally appeared before me, the undersigned authority, _____, well known to me and by me to be the _____ of _____, and acknowledged before me that they executed the foregoing instrument on behalf of _____, as its true act and deed, and that they were duly authorized so to do. He/she is personally known to me or has produced as identification and did/did not take an oath.

WITNESS my hand and official seal in the County and State last aforesaid this ____ day of _____, 2016.

NOTARY PUBLIC
Print Name: _____
My Commission Expires: _____

EXHIBIT "A"

Funding Request for the City of Orlando Prepared by Florida Citrus Sports Submitted Thursday, August 11, 2016

About Florida Citrus Sports

Florida Citrus Sports is a 501(c)3 not-for-profit membership organization dedicated to increasing community spirit and pride, promoting tourism, stimulating economic development and ultimately benefiting charities, educational institutions and the quality of life in Orlando through its signature events, which include the Camping World Kickoff, Buffalo Wild Wings Citrus Bowl, Russell Athletic Bowl and Florida Citrus Parade. Through its Foundation, Florida Citrus Sports gives back to the Orlando community with programs focused on disadvantaged children, including a free summer camp program, partnership with Lift Orlando and "Day for Kids" events that connect local youth with players from participating bowl teams. In 2016, the FCSports Foundation mission will continue focused on stimulating transformative change in the area closest to Camping World Stadium, which was rated among the poorest in Central Florida according to the Orlando Business Journal.

Funding Request

For its 2016-17 fiscal year, Florida Citrus Sports, on behalf of Agency is requesting \$60,000.00 in funding from the City of Orlando and Downtown Development Board for support of two of those signature events: The Russell Athletic Bowl (operated by TSA) and the Florida Citrus Parade (operated by FCSE).

Services Provided – Event Exposure & Marketing

For the requested funding, the City of Orlando and Downtown Development Board will jointly receive the following from Florida Citrus Sports:

- Four (4) :10 promotional mentions featuring the City of Orlando during the Russell Athletic Bowl telecast. The Russell Athletic Bowl will be broadcast live from the Camping World Stadium in Downtown Orlando on December 28, 2016.
- One (1) Citrus Float entry in the Florida Citrus Parade. The parade takes place through the streets of Downtown Orlando (typically Orange Avenue, Anderson Street and Rosalind Avenue) on December 29, 2016.
- One (1) minute of television exposure (with anchor/broadcast talent voiceover) for the above Citrus Float during the syndicated television broadcast of the Florida Citrus Parade. The parade broadcast typically airs between December 31 and January 3 in markets across the country and beyond. This minute of exposure will also include a message from the City of Orlando.
- One (1) :30 second television commercial during the syndicated Florida Citrus Parade broadcast.

Additionally, the Buffalo Wild Wings Citrus Bowl, Russell Athletic Bowl and Florida Citrus Parade provide Orlando with combined television exposure valued at nearly \$6.5 million according to a 2013 Joyce Julius report.

Budget & Planned Expenditures

FCSports' primary funding sources are ticket sales (including local support) and sponsorship revenue for its various events, including television revenue for the bowl games.

The Russell Athletic Bowl (TSA) projects gross revenue of \$7.4 million against expenses of \$7.362 million for a net income of \$48,000 in 2016, an approximate \$200,000 decrease from 2015 due primarily to increased payouts to teams. The Florida Citrus Parade (FCSE) projects gross revenue of \$436,000 against expenses of \$509,000 for a net deficit of \$73,000 in 2016, worse than 2015 by approximately \$40,000 due primarily to a shift in sponsor revenue.

The organization receives no other public money for its own operations on an annual basis.

EXHIBIT “B”

A progress report on the items specified in Exhibit “A” is due in the City of Orlando Economic Development on February 15, 2017, and should include information on services provided with City of Orlando.

The report should also document the supporting contributions and additional “pass through” contributions to the Florida Citrus Sports Association in accordance with paragraphs two and four of the agreement.

Mail or Fax the progress report to:

City of Orlando
Economic Development Department
P.O. Box 4990
Orlando, Florida 32801
Attn: Economic Development Director

Phone: (407) 246-2821

Fax: (407) 246-2848

EXHIBIT “C”

Florida Citrus Sports

City of Orlando Funding Agreement Performance Measures – 2016/2017

- Direct exposure value for Orlando from Russell Athletic Bowl and Orlando Citrus Parade
- Number of City of Orlando mentions
- Provide a minimum of 2 minutes of screen exposure time for City of Orlando during Russell Athletic Bowl and Orlando Citrus Parade

EXHIBIT “D”

Financial Statements and Supplemental Information

**TANGERINE SPORTS ASSOCIATION,
INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

*For the Years Ended March 31, 2016
and 2015*

And Report of Independent Auditor

TANGERINE SPORTS ASSOCIATION, INC.

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Report of Independent Auditor

Board of Directors
Tangerine Sports Association, Inc.
Orlando, Florida

We have audited the accompanying financial statements of Tangerine Sports Association, Inc. (the "Organization") which comprise the statements of financial position as of March 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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 audits. We conducted our audits 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 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 Organization as of March 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedules of Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
July 27, 2016

FINANCIAL STATEMENTS

TANGERINE SPORTS ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current:		
Cash and cash equivalents	\$ 399,822	\$ 196,470
Accounts and fees receivable, net	73,876	183,633
Prepaid expenses	5,946	-
Due from related entity - current	-	1,624
	<u>479,644</u>	<u>381,727</u>
Total current assets		
Due from related entity - noncurrent	<u>292,399</u>	<u>2,000,000</u>
	<u>\$ 772,043</u>	<u>\$ 2,381,727</u>
Total assets		
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 267,056	\$ 28,537
Deferred revenue	287,619	-
Due to related entities	<u>138,951</u>	<u>1,632,258</u>
	<u>693,626</u>	<u>1,660,795</u>
Total current liabilities		
Total liabilities	<u>693,626</u>	<u>1,660,795</u>
 Commitments (Note 3)		
Net assets:		
Unrestricted	<u>78,417</u>	<u>720,932</u>
	<u>78,417</u>	<u>720,932</u>
Total net assets		
Total liabilities and net assets	<u>\$ 772,043</u>	<u>\$ 2,381,727</u>

See accompanying notes to financial statements.

TANGERINE SPORTS ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES

YEARS ENDED MARCH 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Change in unrestricted net assets:		
Revenues and support:		
Ticket sales	\$ [REDACTED]	\$ [REDACTED]
Media	[REDACTED]	[REDACTED]
Sponsorship	[REDACTED]	[REDACTED]
Merchandise and royalty	[REDACTED]	[REDACTED]
Rebates and commissions	[REDACTED]	[REDACTED]
Concessions and vendors	[REDACTED]	[REDACTED]
Interest and dividends	-	[REDACTED]
	<u>8,561,848</u>	<u>8,256,915</u>
Total revenues and support		
Expenses:		
Program services	8,829,229	8,729,480
Management and general	197,270	246,951
Fundraising	177,864	164,635
	<u>9,204,363</u>	<u>9,141,066</u>
Total expenses		
Change in unrestricted net assets	(642,515)	(884,151)
Net assets, beginning of year	<u>720,932</u>	<u>1,605,083</u>
Net assets, end of year	<u>\$ 78,417</u>	<u>\$ 720,932</u>

See accompanying notes to financial statements.

TANGERINE SPORTS ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in total net assets	\$ (642,515)	\$ (884,151)
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Cash provided by (used in):		
Accounts and fees receivable, net	109,757	(80,778)
Prepaid expenses	(5,946)	-
Due from related entities	215,918	1,090,321
Accounts payable	238,519	27,333
Deferred revenue	287,619	-
Net cash provided by operating activities	<u>203,352</u>	<u>152,725</u>
Increase in cash and cash equivalents	203,352	152,725
Cash and cash equivalents, beginning of year	<u>196,470</u>	<u>43,745</u>
Cash and cash equivalents, end of year	<u>\$ 399,822</u>	<u>\$ 196,470</u>

TANGERINE SPORTS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2016 AND 2015

Note 1 - Summary of significant accounting policies

Nature of business - Tangerine Sports Association, Inc. ("TSA" or the "Organization") was organized as a not-for-profit corporation under the laws of the State of Florida in 2001 for the purpose of producing and promoting the Russell Athletic Bowl, a post-season collegiate football bowl game held in Orlando, Florida each year.

The Organization is included in consolidated financial statements with the three organizations described below, with which it shares common members of its Board of Directors and utilizes the same management and employees. These affiliated entities were organized to achieve common goals.

Florida Citrus Sports Association, Inc. ("FCSA") was organized as a not-for-profit corporation under the laws of the State of Florida in 1972 for the purpose of producing and promoting collegiate and amateur athletic events, including a post-season collegiate football game held in Orlando, Florida each year, known as the Buffalo Wild Wings Citrus Bowl. FCSA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Florida Citrus Sports Events, Inc. ("FCSE") was organized in 1990 as a not-for-profit corporation under the laws of the State of Florida to sponsor collegiate and amateur sporting events other than the post-season collegiate football games and related events associated with affiliates. FCSE also supports and develops national and international amateur sports competitions and provides administrative and marketing support services for each of its affiliates. FCSE is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Florida Citrus Sports Foundation, Inc. ("FCSF") was organized in 1990 as a not-for-profit corporation under the laws of the State of Florida to support FCSA, TSA and FCSE and to be a charitable foundation for the promotion of the public welfare through religious, charitable, scientific, educational, or other similar purpose giving. FCSF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Income taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code.

Management believes that the Organization continues to satisfy the requirements of a tax-exempt organization at March 31, 2016. Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Organization has no significant uncertain income tax positions at March 31, 2016.

Cash and cash equivalents - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization's cash and cash equivalents consist of bank deposits, net of outstanding checks, at March 31, 2016 and 2015.

TANGERINE SPORTS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2016 AND 2015

Note 1 - Summary of significant accounting policies (continued)

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts. The Organization from time to time may have amounts on deposit in excess of the insured limits. The Organization from time to time may have amounts on deposit in excess of the insured limits. As of March 31, 2016, the Organization had \$4,069,550 which exceeded these insured amounts, a temporary excess prior to checks clearing for conference payouts. Management believes the associated risk is minimized by placing such assets in quality financial institutions. The Organization has not experienced any losses on such accounts.

Revenue recognition - Revenue from ticket sales, media, sponsorships and other sales is recognized upon the occurrence of the event to which it relates. The Organization enters into exchange transactions whereby advertising, rentals and food and beverages received from sponsors are exchanged for bowl game tickets and sponsorships at the same value and are recorded as sponsorship and ticket revenue at the date of exchange.

Sponsorship revenue – Revenue from Sponsorship consists of both cash and non-cash portions. During the years ended March 31, 2016 and 2015 the cash portion was [REDACTED] and [REDACTED], respectively. During the years ended March 31, 2016 and 2015 the non-cash portion was [REDACTED] and [REDACTED], respectively.

Functional allocation of expenses - Expenses are allocated among functional categories based on management's estimate of the relative functional activity. Management fees are allocated between program services, management and general, and fundraising. All other expenses of the Organization are considered program services.

Advertising costs – The Organization uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the years ended March 31, 2016 and 2015 was \$268,020 and \$166,400, respectively.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Risk – During each of the years ended March 31, 2016 and March 31, 2015, the Organization derived [REDACTED] and [REDACTED], respectively, of its revenues from Russell Brands, the title sponsor for the post season bowl game. The Organization derived [REDACTED] and [REDACTED], respectively, of its revenues from ESPN, Inc. The Organization's contract with ESPN, Inc. expires following the 2017 bowl game.

Subsequent events – Subsequent events have been evaluated through July 27, 2016, which is the date the financial statements were available to be issued.

TANGERINE SPORTS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2016 AND 2015

Note 2 - Related party transactions

The Organization does not have employees of its own. FCSE provides management services to the Organization to operate the Russell Athletic Bowl, including the negotiation of contracts, collection of revenues and payment of expenses. During the years ended March 31, 2016 and 2015, the Organization paid management fees to FCSE of \$846,973 and \$884,955, respectively.

FCSE sells memberships that include tickets to the Russell Athletic Bowl. During the years ended March 31, 2016 and 2015, the portion of membership revenues related to tickets that were received from FCSE on behalf of the Organization amounted to \$ [REDACTED] and [REDACTED], respectively, and are included in ticket sales in the accompanying Statements of Activities.

The Organization provides funding to or receives funding from related entities for cash flow needs and to consolidate resources in order to maximize investment earnings. The total amount due from and to related entities is as follows at March 31:

	<u>2016</u>	<u>2015</u>
Due from FCSE	\$ 292,399	\$ 2,000,000
Due from FCSA	-	1,624
	<u>\$ 292,399</u>	<u>\$ 2,001,624</u>
Due to FCSF	\$ 9,625	\$ 9,508
Due to FCSA	129,326	-
Due to FCSE	-	1,622,750
Total	<u>\$ 138,951</u>	<u>\$ 1,632,258</u>

Note 3 - Commitments

Conference payouts - The Organization has separate agreements with the Atlantic Coast Conference (“ACC”) and the Big 12 Conference (“Big 12”) to accept eligible teams from each conference as participants in Russell Athletic Bowl post season game after the 2014/15 through 2019/20 regular seasons. The agreements require TSA to compensate the ACC [REDACTED] and the Big 12 [REDACTED] each year, subject to adjustments pending the outcome of certain stipulations, plus [REDACTED] credit per team for each team’s hotel rooms and food and beverage.

Operating Leases - In February 2014, FCSE, FCSA and TSA jointly executed a new Stadium Use and Marketing Agreement with the City of Orlando, replacing the existing agreements for the lease of office space and suites and stadium use for the annual Buffalo Wild Wings Citrus and Russell Athletic Bowls. The new agreement commenced on October 1, 2014 and ends on September 30, 2020. FCS, FCSA and TSA jointly have the option to extend the term for one additional six year term through September 30, 2026.

TANGERINE SPORTS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2016 AND 2015

Note 3 – Commitments (continued)

Future minimum rental payments under the agreement are as follows:

<u>Year End March 31</u>		
2017	\$	800,000
2018		808,000
2019		816,000
2020		816,000
2021		408,000
Total	\$	<u>3,648,000</u>

During the years ended March 31, 2016 and 2015, TSA rent expense consisted of a facility fee, based upon ticket prices, and various game day expenses, totaling \$259,583 and \$235,073, respectively. TSA also had various other operating leases for facilities and equipment, for which corresponding rent expense was \$128,736 and \$146,109 for the years ended March 31, 2016 and 2015, respectively. None of these leases had noncancelable terms beyond one year.

Guarantee - FCSA, FCSF and the Organization have guaranteed a loan made to FCSE, of which FCSF has guaranteed up to 40% of the default balance of this loan. The loan balance as of March 31, 2015 was \$66,062. The loan bears interest at a rate of LIBOR plus 1.0% (1.43% as of March 31, 2016) and is payable in quarterly installments of \$47,188 of principal plus accrued interest, with a balloon payment due for the remaining balance on November 1, 2016. As of March 31, 2016, FCSE was current on its principal and interest payments.

SUPPLEMENTARY INFORMATION

TANGERINE SPORTS ASSOCIATION, INC.

SCHEDULES OF EXPENSES

YEARS ENDED MARCH 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Natural classification:		
Conference payouts	\$ [REDACTED]	\$ [REDACTED]
Management fees	846,973	884,955
Sponsor fulfillment	[REDACTED]	[REDACTED]
Rents	388,319	381,182
Advertising	268,020	166,400
Lodging	235,691	250,630
Meals and entertainment	181,685	25,706
Gifts and merchandise	165,923	177,948
Catering	89,946	79,240
Event expenses	80,335	41,969
Hospitality	73,490	50,982
Game officials	51,566	45,056
Parking, net	46,836	17,106
Transportation and travel	44,122	41,982
Sponsor and member benefits	26,410	61,065
Dues and subscriptions	11,042	10,150
Insurance	19,450	18,548
Media services	18,578	18,339
Contract labor and staffing expense	18,253	23,699
Guest/Press box	16,010	28,799
Sales taxes	15,280	9,764
NCAA registration fee	15,000	15,000
Ticketing printing expenses	13,767	12,348
Professional fees and services	13,224	16,572
Printing	11,716	12,191
Decorations	5,048	9,797
Conference benefits	3,554	8,453
Awards	2,978	5,349
Taxes and licenses	2,236	686
Postage and shipping	1,981	807
Photography	1,850	1,850
Marketing	1,727	6,824
Commissions	1,519	1,757
Signs	568	1,638
Auto	344	840
Miscellaneous	237	7
Office expense	91	117
Bank charges	49	45
Public relations	-	3,363
Corporate tent	-	550
Total	<u>\$ 9,204,363</u>	<u>\$ 9,141,066</u>
Functional classification:		
Program services	\$ 8,829,229	\$ 8,729,480
Management and general	197,270	246,951
Fundraising	177,864	164,635
Total	<u>\$ 9,204,363</u>	<u>\$ 9,141,066</u>