

BP Finance, Inc.
Index
June 30, 2023 and 2022

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Report of Independent Auditors

To the Management of BP Finance, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BP Finance, Inc. (the "Company"), which comprise the balance sheets as of June 30, 2023 and 2022, and the related statements of operations, of changes in stockholder's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government*



Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance project for the year ended June 30, 2023 is presented for purposes of additional analysis as required by Department of Financial Services, Rules, Chapter 69I-5, Florida Administrative Code, State Financial Assistance 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 schedule of expenditures of state financial assistance project is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26th, 2023 on our consideration of the Company'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 for the year ended June 30, 2023. The purpose of that report is solely 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 the effectiveness of 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 Company's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Miami, Florida
October 26, 2023

BP Finance, Inc.
(A wholly owned subsidiary of Basketball Properties, Inc.)
Balance Sheets
June 30, 2023 and 2022

	2023	2022
Assets		
Restricted cash	\$ 806,376	\$ 772,711
Accounts receivable - State of Florida, net of discount of \$485,814 and \$580,787, respectively	<u>1,514,190</u>	<u>1,419,217</u>
Total current assets	2,320,566	2,191,928
Accounts receivable - State of Florida, net of current portion and discount of \$861,477 and \$1,347,291, respectively	<u>6,512,219</u>	<u>8,026,409</u>
Total assets	<u>\$ 8,832,785</u>	<u>\$ 10,218,337</u>
Liabilities and Stockholder's Equity		
Due to Basketball Properties, Ltd.	\$ 514,835	\$ 478,718
Interest payable	44,878	52,516
Current portion of bonds payable	<u>1,495,997</u>	<u>1,401,539</u>
Total current liabilities	2,055,710	1,932,773
Bonds payable	<u>6,738,329</u>	<u>8,234,326</u>
Total liabilities	<u>8,794,039</u>	<u>10,167,099</u>
Stockholder's equity		
Common stock, par value \$.01, 10,000 shares authorized, 100 shares issued and outstanding	1	1
Retained earnings	38,746	51,238
Less: Amount due from stockholder	<u>(1)</u>	<u>(1)</u>
Total stockholder's equity	<u>38,746</u>	<u>51,238</u>
Total liabilities and stockholder's equity	<u>\$ 8,832,785</u>	<u>\$ 10,218,337</u>

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

BP Finance, Inc.

(A wholly owned subsidiary of Basketball Properties, Inc.)

Statements of Operations**Years Ended June 30, 2023 and 2022**

	2023	2022
Revenues		
Investment income	\$ 23,878	\$ 754
Interest income	580,787	669,764
Total revenues	<u>604,665</u>	<u>670,518</u>
Expenses		
Interest expense	580,787	669,764
General and administrative	36,370	32,124
Total expenses	<u>617,157</u>	<u>701,888</u>
Net loss	<u>\$ (12,492)</u>	<u>\$ (31,370)</u>

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

BP Finance, Inc.

(A wholly owned subsidiary of Basketball Properties, Inc.)

Statements of Changes in Stockholder's Equity**Years Ended June 30, 2023 and 2022**

	Common Stock		Retained Earnings	Amount Due From Stockholder	Total
	Shares	Amount			
Balances at June 30, 2021	100	\$ 1	\$ 82,608	\$ (1)	\$ 82,608
Net loss	-	-	(31,370)	-	(31,370)
Balances at June 30, 2022	100	1	51,238	(1)	51,238
Net loss	-	-	(12,492)	-	(12,492)
Balances at June 30, 2023	100	\$ 1	\$ 38,746	\$ (1)	\$ 38,746

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

BP Finance, Inc.

(A wholly owned subsidiary of Basketball Properties, Inc.)

Statements of Cash Flows**Years Ended June 30, 2023 and 2022**

	2023	2022
Cash flows from operating activities		
Net loss	\$ (12,492)	\$ (31,370)
Adjustments to reconcile net loss to net cash provided by operating activities		
Decrease in accounts receivable - State of Florida	1,419,217	1,330,240
Decrease in interest payable	<u>(7,638)</u>	<u>(7,157)</u>
Net cash provided by operating activities	<u>1,399,087</u>	<u>1,291,713</u>
Cash flows from financing activities		
Increase in due to Basketball Properties, Ltd.	36,117	32,125
Principal payments on bonds	<u>(1,401,539)</u>	<u>(1,313,054)</u>
Net cash used in financing activities	<u>(1,365,422)</u>	<u>(1,280,929)</u>
Net change in restricted cash	33,665	10,784
Restricted cash		
Beginning of year	<u>772,711</u>	<u>761,927</u>
End of year	<u>\$ 806,376</u>	<u>\$ 772,711</u>
Supplemental disclosure of cash flow information		
Interest paid	\$ 588,425	\$ 676,921

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

BP Finance, Inc.

(A wholly owned subsidiary of Basketball Properties, Inc.)

Notes to Financial Statements

June 30, 2023 and 2022

1. Organization and Summary of Significant Accounting Policies

Organization

Formed on December 23, 1997, BP Finance, Inc. ("BPF" or the "Company") is a special purpose entity wholly owned by Basketball Properties, Inc. ("BPI"), a Florida corporation. BPF was established for the purpose of issuing Series 1998 Florida Sales Tax Payments Taxable Revenue Bonds (the "1998 Bonds") to provide a portion of the funds necessary for the design, development, construction, furnishing and equipping of the Kaseya Center, formerly known as the FTX Arena or American Airlines Arena, (the "Arena"). Other than the irrevocable assignment of sales tax revenues to BPF by Basketball Properties, Ltd. ("BPL"), which BPF has irrevocably pledged and assigned to the Depository Trust Company ("Trustee") to secure the 1998 Bonds, BPF has no significant assets and is engaged in no other business activities. BPI is the sole general partner, and the Miami Heat Limited Partnership is the sole limited partner of BPL, a Florida limited partnership.

Restricted Cash

Restricted cash consists of cash in banks received from the State of Florida and highly liquid investments with original maturities of ninety days or less created by funds received from the State of Florida. These funds, and earnings thereon, are to be used for the payment of principal and interest on the 1998 Bonds (Note 2). The Company maintains substantially all of its cash in bank deposit and money market accounts, which at times, may exceed federally insured limits. The Company has not incurred losses on such accounts. The Company believes it mitigates credit risk by depositing cash in major financial institutions. The Company continuously monitors the creditworthiness of these financial institutions.

Accounts Receivable – State of Florida

The State of Florida collects Sales Tax Revenues for the payment of principal and interest on the 1998 Bonds (Note 2). Sales Tax Revenues to be paid by the State of Florida to BPF to pay principal and interest on the 1998 Bonds was recorded by BPF as a receivable from the State of Florida, net of discount representing imputed interest. The discount is amortized, and interest income recognized based on an imputed interest rate of 6.48%.

Bonds Payable

The 1998 Bonds are recorded at present value net of the unamortized discount and are included in current and non-current liabilities on the balance sheets ended June 30, 2023 and 2022 (Note 2). The discount is amortized over the life of the bond using the effective interest rate method with amortized amounts increasing interest expense each period. There was no material discount recorded for the years ended June 30, 2023 and 2022.

Income Taxes

BPF is a wholly owned subsidiary of an S corporation (BPI) and has made an election to be treated as a qualified subchapter S subsidiary. In this case, the subsidiary's assets, liabilities, income, deductions, and credits are treated as those of the parent S corporation. The separate existence of BPF is ignored for tax purposes. When such an election is made, the subsidiary is deemed to have liquidated in a tax-free liquidation under IRS Code Sections 332 and 337 immediately before the election is effective. Accordingly, no provision for income taxes is reflected in these financial statements.

BP Finance, Inc.

(A wholly owned subsidiary of Basketball Properties, Inc.)

Notes to Financial Statements

June 30, 2023 and 2022

Trust Indenture

After full payment (or provision for payment) of the 1998 Bonds and discharge of the Trust Indenture; payment of all fees and expenses of the Trustee, BPF and any paying agent; and payment of all other amounts required under the Trust Indenture, all remaining amounts will be paid to BPF to be used for any lawful purpose.

2. Bonds Payable

In February 1998, the Company issued \$26,281,000 of 1998 Bonds (the "Offering") for the purpose of providing BPL with a portion of the funds necessary to construct the Arena. The 1998 Bonds were issued as follows: \$4,457,000 of 6.05% Term Bonds due December 1, 2008, \$3,343,000 of 6.30% Term Bonds due December 1, 2013, and \$18,481,000 of 6.54% Term Bonds due April 1, 2028. All proceeds from the issuance have been paid to BPL.

Bonds payable consisted of the following at June 30, 2023 and 2022:

	2023	2022
6.54% Term bonds due 2028	\$ 8,234,326	\$ 9,635,865
Less: Current maturities	<u>(1,495,997)</u>	<u>(1,401,539)</u>
	<u>\$ 6,738,329</u>	<u>\$ 8,234,326</u>

Proceeds from the Offering were \$25,676,637, net of issuance costs of \$583,726 and discount of \$20,637, which were paid by BPL, and were classified as restricted cash because their use was restricted to construction of the Arena. The 1998 Bonds were issued as fully registered bonds without coupons. The 6.05% Term Bonds were paid in full on December 1, 2008. The 6.30% Term Bonds were paid in full on December 1, 2013. Principal and interest on the 6.54% Term Bonds is payable on the first day of each calendar month, with interest payments commencing April 1, 1998 and amortization of principal through mandatory sinking fund redemptions commencing January 1, 2014.

The sinking fund redemption requires the Company to deposit amounts due on the bonds in cash accounts that are restricted to the payment of principal and interest on the 1998 Bonds. The Sales Tax Revenues and funds on deposit in restricted cash accounts, and the investment earnings thereon, are pledged and assigned as security for payment of the 1998 Bonds.

Term Bonds maturing on April 1, 2028, are subject to mandatory redemption in part (including portions of Term Bonds) at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon.

BP Finance, Inc.
(A wholly owned subsidiary of Basketball Properties, Inc.)
Notes to Financial Statements
June 30, 2023 and 2022

Aggregate principal maturities of bonds payable at June 30, 2023 are as follows:

Fiscal year	Amount
2024	\$ 1,495,997
2025	1,596,822
2026	1,704,442
2027	1,819,315
2028	1,617,750
Thereafter	-
	<u>\$ 8,234,326</u>

3. Accounts Receivable – State of Florida

The State of Florida collects sales tax revenues for the payment of principal and interest on the 1998 Bonds (Note 2). The sales tax revenues are received monthly in the amount of \$166,667 until the bonds mature in 2028 and are required to be used for principal and interest payments on the 1998 Bonds. The remaining amount of sales tax revenues to be received by the Company are recorded at present value, net of the discount representing imputed interest in current and non-current assets on the balance sheets ended June 30, 2023 and 2022.

Accounts receivable – State of Florida consisted of the following at June 30, 2023 and 2022:

	2023	2022
Accounts Receivable - State of Florida	\$ 8,026,409	\$ 9,445,626
Less: Current portion	<u>(1,514,190)</u>	<u>(1,419,217)</u>
	<u>\$ 6,512,219</u>	<u>\$ 8,026,409</u>

4. Related Party Transactions

The Company receives allocations of certain administrative costs from Basketball Properties, Ltd. a partnership owned by Basketball Properties, Inc. ("BPI"), general partner, and Miami Heat Limited Partnership ("MHLP"), limited partner, for the purpose of developing, constructing and managing the Kaseya Center. These amounts are recorded in current liabilities ("Due to Basketball Properties, Ltd.") on the balance sheets and amounts outstanding for the years ended June 30, 2023 and 2022 were \$514,835 and \$478,718 respectively.

5. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

The fair value of the financial instruments included in restricted cash approximate their carrying values because of their short-term nature.

BP Finance, Inc.

(A wholly owned subsidiary of Basketball Properties, Inc.)

Notes to Financial Statements

June 30, 2023 and 2022

6. Subsequent Events

The Company has reviewed and evaluated material subsequent events from the balance sheet date as of June 30, 2023 through the financial statement issuance date, or October 26th, 2023.

Supplemental Information

BP Finance, Inc.
 (A wholly owned subsidiary of Basketball Properties, Inc.)
Schedule of Expenditures of State Financial Assistance Project
June 30, 2023

Grantor/Program or Project Title	CSFA Number	Contract Term	Award Amount	Receipts	Expenditures
State financial assistance					
Department of revenue					
Economic Development Partnerships	40.040	2/1/1998-4/1/2028	<u>\$ 26,281,000</u>	<u>\$ 2,000,004</u>	<u>\$ 1,989,964</u>
Total state financial assistance			<u>\$ 26,281,000</u>	<u>\$ 2,000,004</u>	<u>\$ 1,989,964</u>

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

BP Finance, Inc.

(A wholly owned subsidiary of Basketball Properties, Inc.)

Notes to Schedule of Expenditures of State Financial Assistance Project

June 30, 2023

1. Summary of Significant Accounting Policies

The accounting policies and presentation of the Schedule of Expenditures of State Financial Assistance Project (the "Schedule") of BP Finance, Inc. ("BPF") have been designed to conform to accounting principles generally accepted in the United States of America, including the reporting and compliance requirements of Chapter 10.650, *Rules of the (State of Florida) Auditor General*.

Reporting Entity

Included on the Schedule of Expenditures of State Financial Assistance Project is assistance received directly from the State of Florida to satisfy requirements of Chapter 10.650, Rules of the (State of Florida) Auditor General. The Schedule of Expenditures of State Financial Assistance Project has been included to satisfy Department of Financial Services, Rules, Chapter 69I-5, Florida Administrative Code, State Financial Assistance.

There were no federal awards received during the year ended June 30, 2023.

Basis of Accounting

Basis of accounting refers to when expenditures are recognized in the accounts and reported in the Schedule. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accrual basis of accounting is followed in the Schedule. Receipts represent payments received from the State of Florida to service the 1998 Bonds. Expenditures represent payments of principal and interest on the 1998 Bonds.



Report of Independent Auditors 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

To the Management of BP Finance, Inc.

We have audited, 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, the financial statements of BP Finance, Inc. (the "Company"), which comprise the balance sheet as of June 30, 2023, and the related statements of operations, of changes in stockholder's equity and of cash flows for the year then ended, including the related notes (collectively referred to as the "financial statements"), and have issued our report thereon dated October 26th, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company'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 Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Miami, Florida
October 26, 2023



Report of Independent Auditors on Compliance for Each Major State Program and on Internal Control Over Compliance Required by Chapter 10.650, Rules of the (State of Florida) Auditor General

To the Management of BP Finance, Inc.

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited BP Finance, Inc.'s (the "Company") compliance with the types of compliance requirements identified as subject to audit in the *State of Florida State Projects Compliance Supplement* that could have a direct and material effect on each of the Company's major state programs for the year ended June 30, 2023. The Company's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Company complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.650, Rules of the (State of Florida) Auditor General. Our responsibilities under those standards and Chapter 10.650, Rules of the (State of Florida) Auditor General are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Company's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Company's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an



opinion on the Company's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and Chapter 10.650, Rules of the (State of Florida) Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Company's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and Chapter 10.650, Rules of the (State of Florida) Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Company's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Company's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the (State of Florida) Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 state program 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 state program 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 state program 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not



identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 results of that testing based on the requirements of Chapter 10.650, Rules of the (State of Florida) Auditor General. Accordingly, this report is not suitable for any other purpose.

PriceWaterhouseCoopers LLP

Miami, Florida
October 26, 2023

BP Finance, Inc.
 (A wholly owned subsidiary of Basketball Properties, Inc.)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to the financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

State Major Programs

Internal control over major state financial assistance project		
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Type of auditor's report issued on compliance for major state project		Unmodified
Any audit findings that are required to be reported in accordance with Chapter 10.656 of the Rules of the Auditor General (State of Florida) Florida Single Audit Act	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Identification of major programs:		
<u>CSFA Number</u>		<u>Name of State Financial Assistance Project</u>
40.040		Economic Development Partnerships

Dollar threshold used to distinguish between Type A and Type B state projects:	<u>\$596,989</u>
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BP Finance, Inc.

(A wholly owned subsidiary of Basketball Properties, Inc.)

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section II – Financial Statement Findings

None noted.

Section III – Findings and Questioned Costs Related to Major State Financial Assistance Projects

None noted.

BP Finance, Inc.

(A wholly owned subsidiary of Basketball Properties, Inc.)

Summary Schedule of Prior Audit Findings and Status

Year Ended June 30, 2023

There are no findings from prior years that require an update in this report.