



Oakland-Alameda County  
Coliseum Authority

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
**Zoom Meeting**

**NOTICE AND AGENDA**

**BOARD OF COMMISSIONERS**

March 19, 2021

Friday, 8:30 a.m.

You are invited to a Zoom webinar.

When: Mar 19, 2021 08:30 AM Pacific Time (US and Canada)

Topic: OACCA Board Meeting 3.19.21

Please click the link below to join the webinar:

<https://zoom.us/j/92006574046?pwd=emFCWWcxSHJYLzd4MzgwTDBwcUVaZz09>

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**1. CALL TO ORDER**

**2. ROLL CALL**

**3. APPROVAL OF MINUTES**

**4. OPEN FORUM**

**5. REPORTS**

**5a. Executive Director Report**

- 1. OES Operations**
- 2. Food and Beverage Contract for Arena**
- 3. Modifications of Restrictions for Stadium and Arena**
- 4. Budget Amendment Transferring Capital to Operations**

**5b.General Manager Report**

**5c.Presentation of Audit Report for FY 2019-20**

**5d. Report from Commissioner Rebecca Kaplan on Mass Vaccinations Task Force**

**5e. Report from Oakland Athletics President, Dave Kaval on 2021 Baseball Season**

6. New Business
  - 6a. Adopt a Resolution Approving An Amendment to the FY2020-21 Budget to transfer \$850,000 from budgeted capital contingency line items to Arena (\$640,000) and Stadium (\$190,000) operations line items.
7. Closed Session
8. REPORT FROM COUNSEL ON CLOSED SESSION
9. ADJOURNMENT



Oakland-Alameda County  
**Coliseum Authority**

Oakland-Alameda County Coliseum Authority  
February 19, 2021  
Zoom Board Meeting Minutes

**CALL TO ORDER**

Chair Miley called the meeting to order at 8:32 a.m.

**ROLL CALL**

Chair Miley	Commissioner Haubert
V. Chair Kaplan	Commissioner Reid joined at 8:33a.m.
Commissioner De La Fuente	Commissioner Thompson at 8:40a.m.
Commissioner Hill	Commissioner Linton

**APPROVAL OF MINUTES**

The minutes for January 15, 2021, was submitted for approval. Commissioner Haubert moved to approve minutes and Commissioner Linton seconded the motion. Commissioners, Kaplan Miley, De La Fuente, Hill Linton, Reid and Haubert abstained. The motion was approved by consensus.

**OPEN FORUM**

Speakers Ankush and Robert Preston from Local 2850 spoke requesting and thanking the board for their continued support for the employees regarding Levy agreement.

**NEW BUSINESS**

5a. Resolution adopting OACCA 2021 Board Meeting Schedule was submitted for approval, Commissioner Ignacio moved to approve the motion and Commissioner Haubert seconded the motion. Commissioners Miley, Reid, Kaplan, De La Fuente, Hill, Linton, and Thompson approved. The motion was approved by consensus.

5b. Resolution Honoring Scott Haggerty was submitted for approval Commissioner De La Fuente moved to approve and Commissioner Haubert seconded the motion. Commissioners Miley, Kaplan De La Fuente, Hill, Haubert, Reid, Thompson and Linton approved. The motion was approved by consensus.

5c. Resolution Honoring Larry Reid was submitted for approval.

Commissioner Kaplan moved to approve, and Commissioner De La Fuente seconded the motion. Commissioners Miley, Kaplan De La Fuente, Hill, Haubert, Reid, Thompson and Linton approved. The motion was approved by consensus.

The Commissioners individually commended both Scott Haggerty and Larry Reid on their support, respect, professionalism and tireless dedication to the Oakland Alameda County Coliseum Board. The Commissioners congratulated Haggerty and Reid on their retirement and thanked them for their service.

5d. Annual Election of Officers. Commissioner moved to nominate Nate Miley as Chair. Commissioners Miley, Reid, Kaplan, De La Fuente, Hill, Linton, and Thompson approved. The motion was approved by consensus.

Commissioner De La Fuente moved to nominate Rebecca Kaplan as Vice Chair and Commissioner Reid second the motion. Commissioners Miley, Kaplan, De La Fuente, Hill, Haubert, Reid, Linton and Thompson approved. The motion was approved by consensus.

5e. RESOLUTION RETROACTIVELY APPROVING A SETTLEMENT AGREEMENT WITH POLR LLC, MOHAMMED ALARBESH, SIDDIQ JIHAD AND KIM MITCHELL AND RATIFYING THE EXECUTION OF THE SETTLEMENT AGREEMENT BY THE CHAIR ON BEHALF OF THE AUTHORITY AND REFUND OF THE \$50,000 DEPOSIT PAID BY POLR LLC was submitted for approval. Commissioner Kaplan moved to approve, and Commissioner Reid seconded the motion. Commissioners Miley, Kaplan De La Fuente, Hill, Haubert, Reid, Thompson and Linton approved. The motion was approved by consensus.

5f. RESOLUTION AUTHORIZING THE TRANSFER OF \$20 MILLION IN UNASSIGNED FUND BALANCE FROM THE GENERAL FUND TO THE CITY OF OAKLAND (\$10 MILLION) AND THE COUNTY OF ALAMEDA (\$10 MILLION) was submitted for approval. Commissioner Kaplan move to approve, and Commissioner Reid seconded the motion. Commissioners Miley, Kaplan De La Fuente, Hill, Haubert, Reid, Thompson and Linton approved. The motion was approved by consensus.

5g. Presentation of Audit Report for FY 2019-2020 was rescheduled for next OACCA meeting March 19, 2021.

## REPORTS

### Executive Director Report

Executive Director, Henry Gardner spoke about the Levy negotiations. The term and monetary arrangement is a continued discussion.

Drive-In movies, the recommendation is a trial run for one week. Mr. Gardner discussed issues concerning number of cars allowed , times and other cost and logistics associated with featuring the drive-in movie. ASM Assistant General Manager Nicole Strange, emphasized cost effect ways and security to run the drive in movie theatre at the coliseum. V. Chair suggest an initial trail run should be for one month instead of a week.

ED, Henry Gardner updated the board on the progress of mass vaccination at the coliseum site. Daily meetings have been held with the state and all entities involved at the site.

V. Chair Rebecca Kaplan reported on Mass Vaccinations Task Force outstanding issues.

Treva Reid who serves on the Mass Vaccination Task reported significant gaps and inequities with the distribution of the vaccination for seniors and people of color within the community.

Pastor Jackie who serves on the Mass Vaccination Task reported there are gaps in the system that are being addressed and trying to be bridged regarding CBO's. Scheduled to be open is a mobile site at Allen Temple February 20, and 21, however the registration site is not yet up and running to schedule appointments.

### General Managers Report

ED, Henry Gardner congratulated Nicole Strange to her promotion as ASM General Manager for Oakland Coliseum and Ring Central Stadium. The General Manager report was submitted for review.

### Closed Session

The board moved to closed session at 10:32 a.m.

### Report from Counsel on Closed Session

The board has nothing to report

### Adjournment

Meeting adjourned at 10:52a.m.

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Margaret O'Brien/Secretary

March 19, 2021

Honorable Chairperson Nate Miley and Commissioners of the Authority

**5a**

**1.**

**OES Operations**

We have completed the fifth week of vaccinations at the Coliseum. Approximately 200,000 people have been vaccinated during this period. They have averaged approximately 7,000 to 8,000 per day. Beginning this week, the State has moved to second doses only. They have not indicated when they plan to return to first doses.

The logistics have been relatively smooth throughout the operations. There have been few backups, and when they occurred they did not last long. There have been no incidents at the site such as serious illnesses, accidents, or disrespectful behavior.

We entered into a lease agreement with the State Office of General Services in February. The rate is \$100,000 per month, plus reimbursement for direct expenses such use of ASM personnel, water, and excess parking use on the South side of the property.

OES has indicated that they plan to transition the operations to a local entity in the next few weeks. They have not indicated what entity would assume this role but it would appear to be a County operations or at least under County management. We have asked that they give us adequate notice of any hand-off so we can ensure there will be no interruptions in the operations. We will also need to know the intended scale of the operations so we can prepare if additional staff resources are needed once the transition takes place.

**2.**

**Food and Beverages Contract for the Arena**

We have reached a tentative agreement with Levy for a new contract to provide food and beverages for the Arena. Because the contract has expired, an extension is not sufficient. We will present the contract proposal for approval at the April Board meeting.

**3.**

### **Modifications of Restrictions for Stadium and Arena**

As Alameda County enters into less restrictive standards for public events, permission has been given to the Oakland A's to host up to 11,000 fans at its opening game on April 1. If the infection case rates for COVID-19 continue to decline, the permitted number of fans could increase during the course of the baseball season. Currently we are confident that we can accommodate both the mass vaccinations and the A's fans with no conflicts. No permission has been granted to host any events in the Arena.

**4.**

### **Budget Amendment Transferring Capital to Operations**

When the current budget was adopted, we estimated that we would be allowed to host events in the Arena and Stadium at the beginning of 2021. The continuing increases in COVID-19 cases prevented that from happening. As a consequence, the anticipated revenues for the fiscal year have not been realized. We were able to reduce certain expenses, including overhead, but those actions have been insufficient to sustain operations.

We have prepared a resolution for your approval to transfer \$850,000 from line item capital improvements from the Arena and Stadium capital budgets. Of this amount, \$650,000 is from the Arena and \$200,000 is from the Stadium. These transfers do not increase the overall approved budget. We have carefully reviewed the impact from these transfers and have determined that these items can be deferred to next fiscal year with no detrimental effect on the safety or physical integrity of the facilities. The capital transfers are in contingency line items and other projects used to support events such as new staff uniforms, rubber floor-mats, water faucets, toilets, and ice plant refrigeration. These projects can be deferred until events profits are available. Critical capital projects such as roof repair, water proofing and general building repairs will continue to be funded and completed in the current fiscal year. We recommend approval of the resolution, which is item 6a on the agenda.

Respectfully submitted,

Henry L. Gardner

Executive Director

ASM Global Oakland  
General Manager's Board Report  
March 19, 2021

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Event Activity

Postponed (new date):

- Rage Against the Machine (June 11, 2021)
- Rage Against the Machine (June 12, 2021)
- A.R. Rahman (July 16, 2021)
- Celine Dion (September 4, 2021)
- My Chemical Romance (October 6, 2021)
- Martin Lawrence (November 20, 2021)
- The Weeknd (March 8, 2022)
- Andre Rieu (March 21, 2022)
- Pearl Jam (TBD)
- Feed the Streetz Tour: Rick Ross, Jeezy, TI, Yo Gotti (TBD)
- Aventura: Immortal (TBD)
- The Millennium Tour (TBD)

Cancelled:

- Lauren Daigle
- Ana Gabriel
- Wild 'N Out
- Alejandro Fernandez
- The Oakland Panthers 2020 Season (Indoor Football League)

Other Events:

- California Nurses Association Caravan (February 6, 2021)
- US Army Weapons of Mass Destruction Training (February 12, 2021)
- AEye self-driving vehicle testing (February 20-23, 2021)
- Temple Beth Abraham Purim Event (February 25, 2021)
- SupplyBank.Org – Air Purifier Distribution Event (March 6, 2021)
- Mass Vaccination Site (February 16 - July 5, 2021)



# Oakland-Alameda County Coliseum Authority

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**FY 2019/20  
AUDIT RESULTS**

PRESENTED BY:

**Macias Gini & O'Connell LLP**

February 19, 2021



# Summary

## 1. Financial Statements Audit

- Auditor's report
  - unmodified opinion for General Fund and Debt Service Fund
  - adverse opinion for Governmental Activities and Special Revenue Fund
- *Government Auditing Standards* report
  - material weakness in internal control over financial reporting

## 2. Report to the Board of Commissioners

- Required communications

## Responsibilities

### Management Responsibilities

- Prepare and fairly present financial statements in accordance with U.S. general accepted accounting principles (U.S. GAAP)
- Design, implement, and maintain effective internal controls over financial reporting
- Communicate matters of governance interest to those charged with governance

### Auditor Responsibilities

- Communicate with those charged with governance and management the responsibilities of the auditor regarding the scope and timing of the audit
- Establish overall audit strategy and the audit plan
- Form and express an opinion about whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework

## Audit Results, Required Communications, and Other Matters

Corrected and uncorrected audit misstatements	Uncorrected misstatement – potential adjustment to the Raiders loans receivable
Financial presentation and disclosure omissions	No matters to report
Significant unusual transactions	No matters to report
Significant financial statement estimates and disclosures	Note 2 – fair value of investments Note 3 – allowance related to accounts receivable Note 4 – allowance related to Raiders loans receivable Note 5 – capital assets
Difficulties encountered in performing the audit	No matters to report
Disagreements with management	No matters to report
Management consultations with other independent accountants	No matters to report
Subsequent event	No matters to report
Uncertainties	Note 11 – impact of COVID-19 on the Authority's financial statements

Oakland-Alameda County Coliseum Authority  
FY 2019/20 Audit Results

# Questions?

[www.mgocpa.com](http://www.mgocpa.com)

This presentation to the Board of Commissioners (Board) is intended solely for the information and use of the Board and management and is not intended to be and should not be used by anyone other than these specified parties. This presentation is not intended for general use, circulation, or publication, and should not be published, circulated, reproduced, or used for any purpose without our prior written permission in each specific instance.



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**OAKLAND-ALAMEDA COUNTY  
COLISEUM AUTHORITY**

Financial Statements with  
Independent Auditor's Reports

For the Year Ended June 30, 2020



Certified  
Public  
Accountants

**OAKLAND-ALAMEDA COUNTY**  
**COLISEUM AUTHORITY**  
Financial Statements with Independent Auditor's Reports  
For the Year Ended June 30, 2020

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Certified  
Public  
Accountants

## **Independent Auditor's Report**

Board of Commissioners  
Oakland-Alameda County Coliseum Authority  
Oakland, California

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Oakland-Alameda County Coliseum Authority (Authority), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 adverse audit opinions on the governmental activities and the special revenue fund and unmodified audit opinions on the general fund and debt service fund.



## ***Summary of Opinions***

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Special Revenue Fund	Adverse
Debt Service Fund	Unmodified

### ***Basis for Adverse Opinion on Governmental Activities and the Special Revenue Fund***

As discussed in Note 4 to the basic financial statements, the Authority has loans receivable from the Oakland Raiders in the amount of \$189,726,358 as of June 30, 2020. These loans have increased in the amount of \$9,609,310 in fiscal year 2020 and have increased a total of \$126,530,168 since the inception of these loans in fiscal year 1996. The Authority has not adopted a methodology for reviewing the collectability of Raiders loans receivable reported in the governmental activities and the major special revenue fund and, accordingly, has not provided an allowance for uncollectible amounts. The Authority has not evaluated the recoverability of these loans through the maturity date in fiscal year 2036. Accounting principles generally accepted in the United States of America require that an adequate allowance be provided for uncollectible receivables, which would decrease the assets, net position/fund balance, and the change in net position/fund balance in governmental activities and the major special revenue fund. The amount by which this departure would affect the assets, net position/fund balance, and change in net position/fund balance of the governmental activities and the major special revenue fund has not been determined.

### ***Adverse Opinion***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Governmental Activities and the Special Revenue Fund* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the governmental activities and the major special revenue fund of the Authority as of June 30, 2020, and the changes in financial position thereof for the year then ended.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the major debt service fund of the Authority, as of June 30, 2020, and the respective changes in financial position thereof for the year 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 and schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 Authority's internal control over financial reporting and compliance.

*Macias Gini & O'Connell LLP*

Walnut Creek, California  
December 21, 2020

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## **OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

### **Management's Discussion and Analysis (Unaudited)**

**For the Year Ended June 30, 2020**

This section of the Oakland-Alameda County Coliseum Authority's (the Authority) financial statements presents a narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2020.

#### **Financial Highlights**

- The assets of the Authority exceeded its liabilities at the close of the fiscal year 2020 by \$228,526,711. Of this amount, \$41,730,085 represents the amount invested in capital assets net of debt, \$3,940,498 represents assets associated with long-term debt that are subject to external restrictions as to how they may be used, and \$182,856,128 may be used to meet the Authority's ongoing obligations to creditors.
- As of June 30, 2020, the Authority's governmental funds reported a fund balance of \$115,811,393, a decrease of \$1,289,164 or 1 percent from last year. Of total fund balance, \$63,196,190 is non-spendable, \$23,101,011 is restricted, \$14,626 is assigned, and \$29,499,566 is unassigned.
- The total fund balance in the General Fund as of June 30, 2020 was \$33,440,064 or 113 percent of the General Fund's total expenditures of \$29,545,686.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The Authority's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

##### **Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority's assets, deferred outflows and inflows of resources, and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of changes in the Authority's financial position.

The statement of activities presents the change in the Authority's net position during the current year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The government-wide statements reflect the Authority's intent to generate revenues to recover a portion of their related costs through user fees and charges, similar to a business-type activity. The government-wide financial statements are located on pages 13 and 14 of this report.

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2020

**Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting in accordance with authoritative accounting and financial reporting standards for state and local governments. All of the funds of the Authority are considered governmental funds.

**Governmental funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains three major funds: General Fund, Special Revenue Fund, and Debt Service Fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for each major fund.

The governmental funds financial statements can be found on pages 15 to 18 of this report.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 34 of this report.

**Government-wide Financial Analysis**

**Analysis of net position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The net position of the Authority at June 30, 2020 is \$228,526,711.

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2020

**Condensed Statement of Net Position  
June 30, 2020 and 2019**

	2020	2019	Variance	
			\$	%
<b>Assets</b>				
Current and other assets	\$ 249,111,067	\$ 245,182,963	\$ 3,928,104	2%
Capital assets	94,100,332	102,923,393	(8,823,061)	-9%
<b>Total assets</b>	<u>343,211,399</u>	<u>348,106,356</u>	<u>(4,894,957)</u>	-1%
<b>Liabilities</b>				
Current liabilities	23,372,517	26,264,291	(2,891,774)	-11%
Long-term liabilities	91,312,171	110,687,533	(19,375,362)	-18%
<b>Total liabilities</b>	<u>114,684,688</u>	<u>136,951,824</u>	<u>(22,267,136)</u>	-16%
<b>Net position</b>				
Net investment in capital assets	41,730,085	40,200,554	1,529,531	4%
Restricted	3,940,498	3,787,103	153,395	4%
Unrestricted	182,856,128	167,166,875	15,689,253	9%
<b>Total net position</b>	<u>\$ 228,526,711</u>	<u>\$ 211,154,532</u>	<u>\$ 17,372,179</u>	8%

The Authority's outstanding debt related to its capital assets (e.g. building improvements) is less than the net book value of those assets by \$41,730,085; this was an increase of \$1,529,531 or 4 percent when compared to the previous fiscal year. Significant capital asset acquisitions include freeway and box office marquees, Arena Wi-Fi system, and parking lot repaving.

An additional portion of the Authority's net position of \$3,940,498 or 2 percent represents resources that are subject to external restrictions on how they may be used. This portion of net position is composed of three items: Levy Capital for Arena Concessions projects, Raiders training facility revenues collected by the Authority on behalf of the City and the County, and AEG Capital established when the Authority entered into contract with AEG for the management of the facilities. The AEG Capital is to be used for capital improvements and capital equipment.

The remaining balance of unrestricted net assets of \$182,856,128 may be used to meet the ongoing obligations of the Authority. The Authority's unrestricted net position increased by \$15,689,253 or 9 percent from the previous fiscal year. The increase is primarily due to additional revenues from the Golden State Warriors and the Oakland Raiders. The Warriors began to make payments to cover the annual debt service on the Arena, which allowed the Authority to use operating subsidies that previously paid the Arena debt on operations. The Raiders agreed to an amendment of their lease for the 2019 season that increased lease revenues approximately \$4 million.

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2020

**Condensed Statement of Activities**  
**Changes in Net Position**  
**For the Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>Variance</u>	
			<u>\$</u>	<u>%</u>
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 4,890,563	\$ 32,391,253	\$ (27,500,690)	-85%
Operating subsidy	21,000,000	25,000,000	(4,000,000)	-16%
General revenues:				
Lease revenue	11,400,000	7,423,563	3,976,437	54%
Interest income	12,208,638	11,398,520	810,118	7%
Other revenue	10,128,488	2,372,496	7,755,992	327%
<b>Total revenues</b>	<u>59,627,689</u>	<u>78,585,832</u>	<u>(18,958,143)</u>	-24%
<b>Expenses</b>				
General government	38,368,747	47,593,198	(9,224,451)	-19%
Interest on long-term debt	3,886,763	4,328,502	(441,739)	-10%
<b>Total expenses</b>	<u>42,255,510</u>	<u>51,921,700</u>	<u>(9,666,190)</u>	-19%
Increase in net position	17,372,179	26,664,132	(9,291,953)	-35%
Net position - beginning of year	211,154,532	184,490,400	26,664,132	14%
<b>Net position - end of year</b>	<u>\$ 228,526,711</u>	<u>\$ 211,154,532</u>	<u>\$ 17,372,179</u>	8%

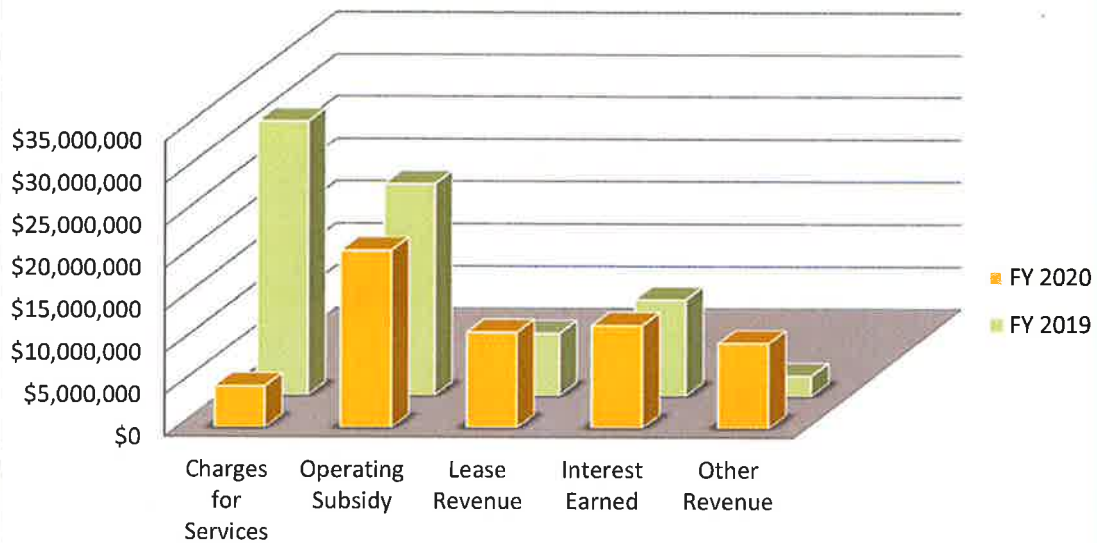
**Governmental Activities:**

The activities of the Authority increased its net position by \$17,372,179. This increase was \$9,291,953 less than the last fiscal year. Key elements of this decrease when compared to the prior year are as follows:

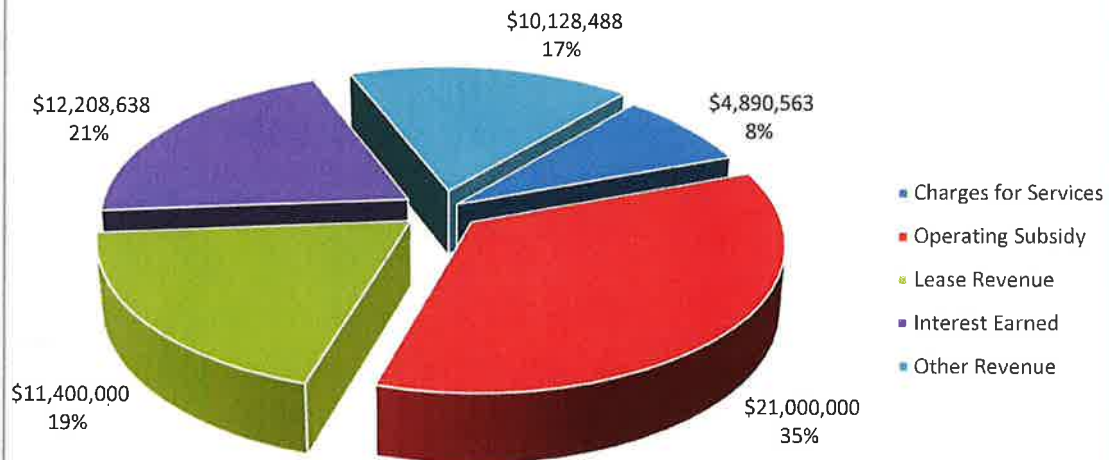
- Charges for services decreased by \$27,500,690 when compared to the prior period primarily due to the Golden State Warriors no longer using the Arena for its basketball games. The departure of the Warriors decreased revenues approximately \$26 million due to the loss of facility fees, premium seating revenues, concessions, and parking. In addition, covid-19 caused all planned events at the facilities to be canceled starting mid-March 2020. This led to an additional decrease of approximately \$1.5 million in facility fees.
- Operating subsidies decreased by \$4,000,000 when compared to the prior period due to a decrease in the annual subsidy paid by the City and the County.
- Interest income increased by \$810,118 when compared to the prior period due to increased rates of return on monies deposited in the County Treasurer Pool and interest earned but not collected on the Raiders loan.
- Other revenue increased by \$7,755,992 due to the Golden State Warriors paying the Authority for the Arena bond debt due during the fiscal year.
- Total general government expenses were \$9,224,451 lower than last fiscal year primarily due to the Warrior's departure and also due to the cancelation of events held at the Coliseum starting mid-March 2020 due to covid-19.

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2020

**Revenue: FY 2020 compared to FY 2019**



**FY 2020 Revenue by Source**





**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2020

**Financial Analysis of the Authority's Funds**

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds**

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in asserting the Authority's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Authority has three major funds.

**Balance Sheet**  
**Classification of Fund Balance – General Fund**  
**June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Restricted	\$ 3,940,498	\$ 3,787,103	\$ 153,395	4%
Unassigned	29,499,566	29,918,991	(419,425)	-1%
<b>Total Fund Balance</b>	<u>\$ 33,440,064</u>	<u>\$ 33,706,094</u>	<u>\$ (266,030)</u>	-1%

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the general fund was \$29,499,566, while total fund balance reached \$33,440,064.

Restricted fund balance in the amount of \$3,940,498 is money identified to fund future capital projects and set aside for City and County use on the training facility. Unassigned represents the difference between the Authority's assets, liabilities, nonspendable and restricted fund balances; these funds are available for spending at the Authority's discretion. There was a decrease in unassigned fund balance of \$419,425 when compared to last fiscal year. Key factors in this decrease are lower facility fees and operating subsidies.

The financial statements of the Oakland-Alameda County Coliseum Financing Corporation (Financing Corporation) have been presented as a special revenue fund. Revenue in the Special Revenue Fund decreased by \$322,441. All revenues are applied to interest receivable on the Raiders loan; the fund balance at the end of the year is \$63,196,190, which is the original principal amount of the Raiders loan. All of the fund balance in the Special Revenue Fund is considered nonspendable.

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2020

**Balance Sheet**  
**Classification of Fund Balance – Debt Service Fund**  
**June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Restricted	\$ 19,160,513	\$ 18,892,747	\$ 267,766	1%
Assigned	14,626	1,305,526	(1,290,900)	-99%
<b>Total Fund Balance</b>	<u>\$ 19,175,139</u>	<u>\$ 20,198,273</u>	<u>\$ (1,023,134)</u>	-5%

The Debt Service Fund has a total fund balance of 19,175,139, the majority of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the Debt Service Fund was \$1,023,134.

**General Fund Budgetary Highlights**

During the year there was a \$550,000 increase in appropriations between the original and final amended budget. The increase in the budget was to fund AEG's request to pay accrued sick leave benefits to its workers who had accrued this benefit and were not currently working due to the cancelation of events since mid-March 2020.

Overall, the Authority's actual General Fund revenues for fiscal year 2019-20 were less than its budgeted revenues by \$378,664 or less than one percent. This is primarily due to a decrease in \$208,033 in advertising revenues due to the cancelation of events since mid-March 2020.

Coliseum operations of \$25,129,593 were less than the final budget of \$25,715,000 by \$585,407. The decrease is primarily due to the cancelation of all events since mid-March 2020 and lower overhead expenditures due to covid-19.

Coliseum capital of \$2,641,203 was less than the final budget of \$3,125,000 by \$483,797. Significant capital additions include freeway and box office marquees, new Wi-Fi system for the Arena, and repaving the parking lot.

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2020

**Capital Assets and Debt Administration**

**Capital Assets**

The Authority's capital assets as of June 30, 2020 amount to \$94,100,332 (net of accumulated depreciation) as shown in the table below. This investment in capital assets includes property improvements, machinery, and equipment. A net decrease of \$8,823,061, or 9 percent, in the Authority's capital assets for the current fiscal year was primarily due to depreciation, net of significant capital acquisitions such as freeway and box office marquees, Arena Wi-Fi system, and parking lot repaving.

**Capital Assets, Net of Accumulated Depreciation**  
**June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>	<b>\$ Variance</b>	<b>% Variance</b>
Construction in progress	\$ -	\$ 643,365	\$ (643,365)	-100%
Arena improvement	39,407,205	42,702,469	(3,295,264)	-8%
Stadium improvement	39,686,305	43,036,186	(3,349,881)	-8%
Land improvement	1,252,575	1,060,438	192,137	18%
Furniture and fixtures	3,934,830	4,339,368	(404,538)	-9%
Heavy equipment	158,933	175,426	(16,493)	-9%
Machinery and equipment	9,502,095	10,717,456	(1,215,361)	-11%
Vehicles	158,389	248,685	(90,296)	-36%
<b>Total</b>	<b>\$ 94,100,332</b>	<b>\$ 102,923,393</b>	<b>\$ (8,823,061)</b>	<b>-9%</b>

Fund financial statements record capital asset purchases as expenditures. Additional information about the Authority's capital assets can be found in Note 5 to the financial statements.

**Debt Administration**

At the end of the current fiscal year, the Authority had total long-term debt outstanding of \$106,187,533. This entire amount is payable from revenues of the Authority.

**Outstanding Long-term Debt**  
**June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>	<b>\$ Variance</b>	<b>% Variance</b>
<b>Revenue Bonds:</b>				
Stadium fixed rate refunding lease revenue bonds	\$ 55,445,000	\$ 65,000,000	\$ (9,555,000)	-15%
Arena fixed rate refunding lease revenue bonds	48,735,000	55,735,000	(7,000,000)	-13%
Stadium bond premium	2,007,533	2,935,505	(927,972)	-32%
<b>Total</b>	<b>\$ 106,187,533</b>	<b>\$ 123,670,505</b>	<b>\$ (17,482,972)</b>	<b>-14%</b>

During the fiscal year 2019-20, the Authority's total bonded debt decreased by \$17,482,972. The decrease was due to the principal payments made during the year and amortization of the premium.

Additional information about the Authority's long-term obligations is located in Note 9 to the financial statements.

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

Management's Discussion and Analysis (Unaudited) (Continued)

For the Year Ended June 30, 2020

**Economic factors and next year's budget and rates**

The unemployment rate in Alameda County in June 2020 was approximately 13.5 percent, according to the U.S. Bureau of Labor Statistics compared to the national average of 11.2 percent. The unemployment rate has increased significantly from the prior year. Once the facilities are allowed to reopen, this rate can be used as an indicator to estimate the number of tickets sold at Arena and Stadium events, which directly affects facility fee revenues.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Below is the contact information for questions about this report or requests for additional financial information.

Oakland-Alameda Coliseum Authority  
Office of the Auditor-Controller  
1221 Oak Street, Room 249  
Oakland, CA 94612

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

## Statement of Net Position – Governmental Activities

For the Year Ended June 30, 2020

**Assets**

## Current assets:

Cash and investments (Note 2)	\$ 36,123,172
Restricted cash and investments (Note 2)	23,101,011
Accounts receivable, net (Note 3)	45,370
Due from the City of Oakland	<u>115,156</u>
Total current assets	<u>\$ 59,384,709</u>

## Noncurrent assets:

Raiders loans receivable (Note 4)	189,726,358
Capital assets, net of accumulated depreciation (Note 5)	<u>94,100,332</u>
Total noncurrent assets	<u>283,826,690</u>
Total assets	<u>\$ 343,211,399</u>

**Liabilities**

## Current liabilities:

Accounts payable	28,512
Interest payable	1,842,805
Due to Anschutz Entertainment Group (Note 6)	1,998,296
Due to City of Oakland	127,542
Unearned revenues - current (Note 8)	1,000,000
Bonds payable - current (Note 9)	<u>18,375,362</u>
Total current liabilities	<u>\$ 23,372,517</u>

## Noncurrent liabilities

Unearned revenues - (Note 8)	3,500,000
Long-term obligations (Note 9)	<u>87,812,171</u>
Total liabilities	<u>\$ 114,684,688</u>

**Net Position**

Net investment in capital assets	41,730,085
Restricted for capital projects	3,765,498
Restricted for training facility	175,000
Unrestricted	<u>182,856,128</u>
Total net position	<u>\$ 228,526,711</u>

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

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Statement of Activities – Governmental Activities  
For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Contributions</u>	
General government	\$ 38,368,747	\$ 4,890,563	\$ 21,000,000	\$ (12,478,184)
Interest on long-term debt	3,886,763	-	-	(3,886,763)
Total governmental activities	<u>\$ 42,255,510</u>	<u>\$ 4,890,563</u>	<u>\$ 21,000,000</u>	<u>(16,364,947)</u>
<b>General Revenues:</b>				
				11,400,000
				12,208,638
				10,128,488
				<u>33,737,126</u>
				17,372,179
				<u>211,154,532</u>
				<u>\$ 228,526,711</u>

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

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

Balance Sheet

Governmental Funds

For the Year Ended June 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and investments (Note 2)	\$ 36,108,546	\$ -	\$ 14,626	\$ 36,123,172
Restricted cash and investments (Note 2)	3,940,498	-	19,160,513	23,101,011
Accounts receivable, net (Note 3)	45,370	-	-	45,370
Due from City of Oakland (Note 3)	115,156	-	-	115,156
Raiders loans receivable (Note 4)	-	189,726,358	-	189,726,358
<b>Total assets</b>	<u>\$ 40,209,570</u>	<u>\$ 189,726,358</u>	<u>\$ 19,175,139</u>	<u>\$ 249,111,067</u>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 28,512	\$ -	\$ -	\$ 28,512
Due to Anschutz Entertainment Group (Note 6)	1,998,296	-	-	1,998,296
Due to City of Oakland	127,542	-	-	127,542
Unearned revenues (Note 8)	4,500,000	-	-	4,500,000
<b>Total liabilities</b>	<u>6,654,350</u>	<u>-</u>	<u>-</u>	<u>6,654,350</u>
<b>Deferred inflows of resources</b>				
Unavailable program revenues	<u>115,156</u>	<u>126,530,168</u>	<u>-</u>	<u>126,645,324</u>
<b>Fund balances</b>				
<b>Nonspendable:</b>				
Raiders loan receivable	-	63,196,190	-	63,196,190
<b>Restricted:</b>				
Capital projects	3,940,498	-	-	3,940,498
Debt service	-	-	19,160,513	19,160,513
<b>Assigned</b>	-	-	14,626	14,626
<b>Unassigned</b>	<u>29,499,566</u>	<u>-</u>	<u>-</u>	<u>29,499,566</u>
<b>Total fund balances</b>	<u>33,440,064</u>	<u>63,196,190</u>	<u>19,175,139</u>	<u>115,811,393</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 40,209,570</u>	<u>\$ 189,726,358</u>	<u>\$ 19,175,139</u>	<u>\$ 249,111,067</u>

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

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
For the Year Ended June 30, 2020

<b>Total fund balances - governmental funds</b>	\$ 115,811,393
Amounts reported for governmental activities in the Statement of Net Position are different from those reported in governmental funds because:	
As the focus of governmental fund is on short-term financing, some assets will not be available to pay current expenditures. Those assets (receivables) are offset by deferred inflows of resources in the governmental funds as they are not measurable and available.	126,645,324
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	94,100,332
Interest on long-term debt is recognized as an expense when due, and is not accrued in the governmental funds.	(1,842,805)
Long-term liabilities, including bonds payable and premiums on bonds are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Lease revenue bonds	\$ (104,180,000)
Unamortized premium on bonds	<u>(2,007,533)</u>
	<u>(106,187,533)</u>
<b>Net position of governmental activities</b>	<u>\$ 228,526,711</u>

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



**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues:</b>				
Club dues	\$ 719,549	\$ -	\$ -	\$ 719,549
Parking	2,358,240	-	-	2,358,240
Concessions	25,000	-	-	25,000
Facility fees	1,672,618	-	-	1,672,618
Investment income	974,891	1,323,794	300,643	2,599,328
Operating subsidy to Authority	21,000,000	-	-	21,000,000
Athletics rent	2,250,000	-	-	2,250,000
Warriors fees	2,500,000	-	8,837,450	11,337,450
Raiders operating license	6,650,000	-	-	6,650,000
Advertising	791,966	-	-	791,966
Cell tower license fees	249,072	-	-	249,072
Miscellaneous revenue	250,000	-	-	250,000
Total revenues	<u>39,441,336</u>	<u>1,323,794</u>	<u>9,138,093</u>	<u>49,903,223</u>
<b>Expenditures:</b>				
General government:				
Administrative:				
Administration	338,416	-	-	338,416
Coliseum Inc. annuity contributions	484,524	-	-	484,524
Legal expenses	96,507	-	-	96,507
Audit fees	47,746	-	-	47,746
Total administrative	<u>967,193</u>	<u>-</u>	<u>-</u>	<u>967,193</u>
Operating:				
Management fee	807,697	-	-	807,697
Coliseum operations	25,129,593	-	-	25,129,593
Capital outlay	2,641,203	-	-	2,641,203
Total operating	<u>28,578,493</u>	<u>-</u>	<u>-</u>	<u>28,578,493</u>
Debt service:				
Arena:				
Principal	-	-	7,000,000	7,000,000
Interest and other financing costs	-	-	1,839,701	1,839,701
Stadium:				
Principal	-	-	9,555,000	9,555,000
Interest and other financing costs	-	-	3,252,000	3,252,000
Total debt service	<u>-</u>	<u>-</u>	<u>21,646,701</u>	<u>21,646,701</u>
Total expenditures	<u>29,545,686</u>	<u>-</u>	<u>21,646,701</u>	<u>51,192,387</u>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<u>9,895,650</u>	<u>1,323,794</u>	<u>(12,508,608)</u>	<u>(1,289,164)</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,323,794	-	11,485,474	12,809,268
Transfers out	(11,485,474)	(1,323,794)	-	(12,809,268)
Total other financing sources (uses)	<u>(10,161,680)</u>	<u>(1,323,794)</u>	<u>11,485,474</u>	<u>-</u>
<b>Net Change in fund balances</b>	<u>(266,030)</u>	<u>-</u>	<u>(1,023,134)</u>	<u>(1,289,164)</u>
Fund balances - beginning of year	33,706,094	63,196,190	20,198,273	117,100,557
Fund balances - end of year	<u>\$ 33,440,064</u>	<u>\$ 63,196,190</u>	<u>\$ 19,175,139</u>	<u>\$ 115,811,393</u>

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

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2020

**Net change in fund balances - total governmental funds** \$ (1,289,164)

Amounts reported for governmental activities in the statement of activities are different because:

Debt service expenditures for principal payments - recognized as an expenditure in the governmental funds statement of revenues, expenditures and changes in fund balances.	16,555,000
Acquisition of capital assets recognized as an expenditure in the governmental fund statement of revenues, expenditures and changes in fund balances.	1,345,832
Amortization of bond premium recognized as an expense in the government-wide statement of activities.	927,972
Depreciation of capital assets recognized as an expense in the government-wide statement of activities.	(10,168,893)
Accrued interest on bonds is reported in the statement of activities and does not require the use of current financial resources and thus is not reported as expenditures in governmental funds. This is the change from the prior years ending accrued interest balance.	276,966
Interest on Raiders loans and parking tax revenues which were not received within the available period established for the governmental funds are not reported as revenues in the funds.	<u>9,724,466</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 17,372,179</u></u>

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

# **OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Description of Reporting Entity**

Oakland-Alameda County Coliseum Authority (the Authority) is a joint exercise of powers agency organized by the State of California and composed of the City of Oakland, California (the City) and the County of Alameda, California (the County) created pursuant to an Amended and Restated Joint Exercise of Power Agreement dated as of December 17, 1996. The Authority was created to assist the City and the County in financing of public capital improvements, such as the Coliseum Complex, pursuant to the Marks-Roos Local Bond Pooling Act of 1985.

The Coliseum Complex is comprised of an approximately 120-acre site upon which is situated an open air stadium currently named the Coliseum (the Stadium) and an enclosed arena known as the Arena, as well as approximately 10,000 outdoor parking spaces. The Coliseum Complex is a multi-purpose facility accommodating several sporting and entertainment events, including baseball, football, indoor athletic events, such as hockey and basketball, certain types of musical and theatrical presentations, as well as community and civic functions. The Coliseum is the home of the Oakland Athletics professional American League baseball team.

The Authority's eight-member Board of Commissioners includes two members of the City of Oakland Council, two members of the Alameda County Board of Supervisors, two City appointed non-elected members, and two County appointed non-elected members.

### **B. Oakland-Alameda County Coliseum Financing Corporation**

The Oakland-Alameda County Coliseum Financing Corporation (the Financing Corporation) is a component unit of the Authority. It is a non-profit public benefit corporation. The Board of Directors consists of the Oakland City Manager and the County Administrator of the County. One purpose of forming the Authority is to provide loans to the Raiders for the remodeling of the Stadium and relocation costs of the Raiders associated with the team's move to Oakland in 1995. Since the Authority is restricted by law from legally providing loans, the Financing Corporation was created with the intent of providing various facilities exclusively for the Authority.

Although it is legally separate from the Authority, the Financing Corporation is reported as if it is a part of the primary government because its sole purpose is to finance the acquisition and/or construction of public facilities for the Authority and there is a financial accountability or financial burden/benefit to the Authority. Accordingly, the financial statements of the Financing Corporation have been presented as a special revenue fund of the Authority.

### **C. Oakland-Alameda County Coliseum, Inc.**

The Oakland-Alameda County Coliseum, Inc. (Coliseum Inc.) was a nonprofit corporation organized under the laws of the State of California to operate and manage the Coliseum complex under an agreement with the City and the County from October 31, 1963 to December 29, 2008 when the corporation was dissolved. As part of the dissolution, the Authority assumed responsibility for Oakland-Alameda County Coliseum, Inc. Retirement Income Plan (the Plan). The Plan was closed and all accruals under the Plan ceased. Recently, the Plan Administrator determined that the Plan does not have sufficient assets to cover expected future benefit payments. For the year ended June 30, 2020, the Authority contributed \$484,524.

## OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

### D. Basis of Presentation

#### *Government-wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Authority. The government-wide statements are prepared using the economic resources measurement focus. Governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Authority's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods and services or that are restricted to meeting the operational or capital requirements of the Authority. Revenues that are not classified as program revenues are presented as general revenues of the Authority. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Authority.

#### *Fund Financial Statements*

The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balance, revenues and expenditures.

Fund financial statements report detailed information about the Authority. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances for these funds presents increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) resulting in a net change in fund balance.

#### *Major Governmental Funds*

The Authority's resources are allocated to, and accounted for, in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Authority elected to present all funds as major funds. The Authority's activities are organized into major governmental funds as follows:

The **General Fund** is the primary operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

## OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

The **Special Revenue Fund** is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Authority maintains one special revenue fund to account for the activities of the Financing Corporation, a blended component unit. According to the Raiders' Loan Agreement, revenues received from parking and concessions can only be applied to interest and principal payments that the Raiders owe the Authority.

The **Debt Service Fund** is used to account for the accumulation of financial resources for, and the payment of general long-term debt principal, interest and related costs.

### Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Authority, "available" means collectible within the current period or within 60 days after the fiscal year-end. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered) except for unmatured interest on general long-term debt, which is recognized when due.

### E. Investments

Investments with maturity of more than one year, whether pooled or specific, are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of investments is determined using the fair value hierarchy defined by Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, are reported at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors.

### F. Prepaid Items

The Authority may pay for services in advance that will benefit the following fiscal period. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

## OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

### G. Capital Assets

Capital assets, which include property improvements, furniture and fixtures, equipment and vehicles, are reported in the government-wide financial statements. The Authority capitalizes equipment and computer software with minimum cost of \$5,000 and \$250,000, respectively, and an estimated useful life in excess of one year. Structures and improvements with a minimum cost of \$250,000 are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Major outlays for capital assets and improvements are capitalized as projects are constructed. The land of the Coliseum Complex is owned by the City and the County. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Property improvements, furniture and fixtures, equipment and vehicles of the Authority are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Arena and stadium improvements	30
Land improvements	30
Furniture and fixtures	5-15
Machinery, equipment, and heavy equipment	3-20
Vehicles	5-15

### H. Fund Balances

Fund balances presented in the governmental fund financial statements represent the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources reported in a governmental fund. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the level of constraints imposed on the use of the funds. The Authority classifies fund balances into the following five categories or level of constraints:

- **Nonspendable** – Resources that are 1) not in spendable form, such as inventories, prepaid items, long-term receivables, or non-financial assets held for resale, or 2) required to be maintained intact such as an endowment. The Authority classifies the Raiders loan as nonspendable.
- **Restricted** – Resources that are subject to externally enforceable legal restrictions. These restrictions would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed with the consent of resource providers. The Authority classifies the cash with fiscal agent as restricted, because it is restricted for debt service. As of June 30, 2020, the Authority also had cash restricted for use in projects to update the Arena per the Arena management agreement and the Arena concessions agreement. In addition, the Authority has restricted Raiders training facility revenues collected on behalf of the City and the County.

## **OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

### **Notes to Financial Statements (Continued)**

**For the Year Ended June 30, 2020**

- **Committed** – Resources that are constrained to specific purposes by a formal action of the Authority's Board by resolution. The constraint remains binding unless removed in the same formal manner by the Board. Board action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently. The Authority has no committed fund balances as of June 30, 2020.
- **Assigned** – Resources that are constrained by the Authority's intent to be used for specific purposes, but that are neither restricted nor committed. The Authority's Board utilizes the policy adopted by the County Board of Supervisors whereby the authority to assign fund balance to specific purposes is delegated to the County Administrator in consultation with the County Auditor-Controller. The Authority classifies encumbrances for capital outlay as assigned. Encumbrances are used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are liquidated when the commitments have been paid.
- **Unassigned** – Within the General Fund, the residual resources, either positive or negative, in excess of what can be properly classified in one of the other four fund balance categories and within all other governmental funds, the negative residual resources in excess of what can be properly classified as nonspendable, restricted, or committed. The category is for any balances that have no restrictions placed on them.

Unless otherwise disclosed, the Authority's policy is to apply expenditures in the following order:

- Apply to restricted fund balance when both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, or
- Apply to committed fund balance, then assigned fund balance, and finally unassigned fund balance when committed, assigned, or unassigned fund balances are available.

#### **I. Restricted Assets**

Restricted assets are cash and investments that are restricted for specified uses by debt requirements or by agreements entered with third parties.

#### **J. Bond Issuance Costs and Premiums/Discounts**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a straight-line method. Bond issuance costs are expensed as incurred in the statement of activities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

### K. Deferred Inflows of Resources

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority reports the following deferred items:

Unavailable Revenues – Interest accrued but not paid by the Raiders on loans.

### L. Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, disclosures of contingent liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### M. New Accounting Standards Implemented

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the covid-19 pandemic. That objective is accomplished by postponing for one year the effective dates of certain provisions in Statements No. 83 through 93. The effective dates for these statements as documented in the New Accounting Pronouncements section below have been updated to reflect this new guidance.

### N. New Accounting Pronouncements

The Authority is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2021.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for the Authority's fiscal year ending June 30, 2022.



## OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

### Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for the Authority's fiscal year ending June 30, 2022.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. This Statement is effective for the Authority's fiscal year ending June 30, 2021.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the Authority's fiscal year ending June 30, 2023.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement is to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The Statement addresses a variety of topics including leases, pension plans, and fiduciary activities. This Statement is effective for the Authority's fiscal year ending June 30, 2022.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an interbank offered rate for agreements in which variable payments are made or received and depend on an interbank offered rate, namely the London Interbank Offered Rate (LIBOR). The removal of LIBOR as an appropriate benchmark interest rate is effective for the Authority's fiscal year ending June 30, 2023. All other requirements of this Statement are effective for the Authority's fiscal year ending June 30, 2022.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement is effective for the Authority's fiscal year ending June 30, 2023.

## OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

### Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement is effective for the Authority's fiscal year ending June 30, 2023.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The primary objectives of this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund statements; and enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board in determining whether they are financially accountable, and limit the applicability of the financial burden criterion to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for the Authority's fiscal year ending June 30, 2022.

## 2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2020 are classified in the financial statements as follows:

Cash and investments	\$ 36,123,172
Restricted cash and investments	<u>23,101,011</u>
Total	<u>\$ 59,224,183</u>

Cash and investments as of June 30, 2020 consist of the following:

Cash in County Treasury	\$ 40,044,142
Investments	19,175,139
Other deposits	<u>4,902</u>
Total	<u>\$ 59,224,183</u>

## **OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

### **A. Cash and Investments**

The Authority's cash and investments consist of (a) deposits in the County Treasurer's cash and investment pool, (b) investments with fiscal agents and (c) investments with other custodian. The Authority does not have an investment policy.

#### **a. Cash in the County Treasury**

The Authority maintains its available cash in the County Treasury. The County pools these funds with those of other agencies and invests the cash. These pooled funds are carried at cost, which approximates the fair value. All the funds in the pool share any investments losses proportionately.

Funds with the County Treasurer are invested pursuant to the investment policy established by the County Treasurer and approved by the County Board of Supervisors. The objectives of the policy are, in order of priority, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California.

Authorized instruments in which the Treasurer can invest include debts issued by the County, U.S. Treasury securities, banker's acceptances, federal agency, state and local government securities, commercial paper, medium-term corporate notes, negotiable certificates of deposit, local agency investment fund, money market funds, mutual funds, and mortgage-backed securities. The weighted average maturity of the County Treasurer's cash and investment pool is 674 days. Information regarding the characteristics of the entire investment pool can be found in the County's June 30, 2020 comprehensive annual financial report. A copy of that report may be obtained by contacting the County's Auditor-Controller Agency, 1221 Oak Street, Room 249, Oakland, CA 94612. As of June 30, 2020, the Authority's share of the County's cash and investment pool totaled \$40,044,142.

#### **b. Investments with Fiscal Agents**

The Authority's debt service fund has investments with fiscal agents. Permitted investments for moneys for the 2015 Arena bonds to the extent permitted by law are:

1. Government Securities
2. Any obligations which are then legal investments for moneys of lessees under the laws of the State of California; provided that such investments shall be rated in the highest short-term or one of the three highest long-term rating categories by Fitch, Moody's and Standard & Poor's (S&P).
3. Money markets or mutual funds which are rated by S&P "AAAM-G" or "AAAM" or higher and, if rated by Moody's, are rated "Aa" or higher, and such similar rating category by Fitch.
4. The Local Agency Investment Fund of the State of California.
5. Any permitted investment for which the Trustee provides services.

# OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

## Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

Permitted investments for moneys in the debt service fund for the 2012 Refunding Series A Coliseum bonds to the extent permitted by law are:

1. Government Securities
2. Any obligations which are then legal investments for moneys of the lessees under the laws of the State of California; provided that such investments shall be rated in the highest short-term or one of the three highest long-term rating categories by Fitch, Moody's and S&P.
3. Money markets or mutual funds which are rated by S&P "AAAm-G" or "AAAm" or higher and, if rated by Moody's, are rated "Aa" or higher (including any portfolios for which the Trustee or any of its affiliates provides investment advisory or management services).
4. The County of Alameda Investment Pool.
5. The Local Agency Investment Fund of the State of California.
6. Investment agreements with or the obligations of which are guaranteed by (a) a domestic bank, financial institution or insurance company the financial capacity to honor its senior obligations of which is rated at least "AA-" by S&P and "Aa3" by Moody's; or (b) a foreign bank the long-term debt of which is rated "AA-" by S&P and "Aa" by Moody's (a "Qualified Provider"); provided, that the investment agreement shall provide that if during its term, the provider's (or, if guaranteed, the guarantor's) rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider must within 10 days assign the investment agreements to a qualified provider reasonably acceptable to the Authority or collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the providers books) to the Trustee or a third party acting solely as agent therefor government securities, which are free and clear of any third party liens or claims.
7. Any investment approved by the credit provider.

As of June 30, 2020, investments with fiscal agents consisted of the following:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>	
	<u>S&amp;P's/Moody's</u>	<u>Less than 1 year</u>	<u>Fair Value</u>
Money market fund	AAAm/AAA-mf	\$ 19,175,139	\$ 19,175,139
Total		\$ 19,175,139	\$ 19,175,139

### Concentration of Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The Authority does not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5 percent or more of total investments at June 30, 2020.

### Interest Rate Risk

The investment policy for the bond proceeds limits the investment maturity on or before the dates on which such money is anticipated to be needed for disbursement. The moneys in the Reserve Fund shall be invested with a term not greater than the final maturity date on the bonds.

## OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

### Credit Risk

The investment policy for the debt service fund limits the fund to investments in government securities, the local agency investment fund of the State of California, and money markets or mutual funds to the rating in the highest short-term or one of the three highest long-term rating categories by Fitch, Moody's and S&P. The current ratings can be found in the table above.

### Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The inputs and techniques used for valuing securities are not necessarily an indication of risk associated with investing in those securities. Money market mutual funds are reported at amortized costs.

### 3. RECEIVABLES

The following table shows the detail of accounts receivable as of June 30, 2020:

City of Oakland receivable	\$	115,156
Accounts receivable		45,370
Total receivables	\$	<u>160,526</u>

### 4. RAIDERS LOANS RECEIVABLE

In accordance with the Master Agreement among the Authority, the City, the County, the Oakland-Alameda County Coliseum Inc. (Coliseum Inc.), the Financing Corporation, and the Los Angeles Raiders, a California limited partnership, various loans were made to the Raiders as follows:

- **Operations Loan** – totaling \$53,600,677 advanced over a period of one year, bearing interest at 6.56 percent per annum and 6.07 percent after August 7, 1996 compounded on an annual basis on September 12 and added to the principal. This loan was to be used for relocation costs, for certain matters relating to revenues unavailable to Raiders, and for other matters relating to the transition of operations and business conducted as the Los Angeles Raiders to those of the Oakland Raiders. The balance of the loan on June 30, 2020 was \$160,875,086.
- **Training Facility Loan** – totaling \$9,595,513, advanced over a period of one year, bearing interest at 6.56 percent per annum and 6.07 percent after August 7, 1996 compounded on an annual basis on September 12 and added to the principal. This loan was to be used for hard and soft costs of site acquisition, building acquisition and improvements, administration offices, parking areas and practice football fields at the sites selected by the Raiders. The balance of the loan at June 30, 2020 was \$28,851,272.

Loans are to be repaid from 50 percent of the football concession net revenue, 50 percent of football parking net revenue collected by the Raiders commencing with the 1995 football season and from an annual payment of \$525,000 from the Raiders (per Supplement No. 1, dated June 1, 1996 to the master agreement, effective November 1, 1996). From the total net revenue collected, 55 percent of the net revenue was applied to the Stadium Improvement Loan, and 45 percent of the net revenue

# OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

## Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

was applied to the Operations and Training Facility Loans in proportion to their unpaid balances at the time of payment.

Repayment from the Raiders is limited to amounts received from parking, concessions, and Raiders rent as described above. After the title to the Stadium Improvements were reverted to the Authority, the full 50 percent of the football concession net revenue, 50 percent football parking net revenue and \$525,000 Raiders rent were applied 84 percent and 16 percent to the Operations and the Training Facility loans, respectively. In fiscal year 2019-2020, \$1,119,930 was applied to the operations loan and \$203,864 was applied to the training facility loan. In the event of reversion of the training facilities to the Authority, Raiders shall receive a credit of the then outstanding balance of the loan in an amount equal to the lesser of (a) the fair market value of the Improvements or (b) the then outstanding balance of the loan.

The Raiders lease expired on March 31, 2020. Upon expiration of the lease, the Raiders transferred title to the training facility to the City and the County. The Raiders have the option to continue to use the training facility for up to 36 months after the expiration of the lease. The Raiders exercised their option to continue using the training facility upon expiration of the lease on March 31, 2020 and to pay monthly training facility rental fees.

### 5. CAPITAL ASSETS

Capital asset activity of the primary government for the year ended June 30, 2020 is shown below:

	Balance 6/30/2019	Increases	Decreases	Transfer	Balance 6/30/2020
Capital assets, not being depreciated:					
Construction in progress	\$ 643,365	\$ -	\$ (22,207)	\$ (621,158)	\$ -
Total Capital assets, not being depreciated	643,365	-	(22,207)	(621,158)	-
Capital assets, being depreciated:					
Arena Improvement	108,442,512	-	-	-	108,442,512
Stadium Improvement	126,577,019	-	-	483,708	127,060,727
Land Improvement	2,408,618	300,858	-	-	2,709,476
Furniture and Fixtures	9,401,440	386,876	-	-	9,788,316
Heavy Equipment	359,848	-	-	-	359,848
Machinery and Equipment	24,360,187	680,305	-	137,450	25,177,942
Vehicles	795,104	-	-	-	795,104
Total capital assets, being depreciated	272,344,728	1,368,039	-	621,158	274,333,925
Less accumulated depreciation for:					
Arena Improvement	(65,740,043)	(3,295,264)	-	-	(69,035,307)
Stadium Improvement	(83,540,833)	(3,833,589)	-	-	(87,374,422)
Land Improvement	(1,348,180)	(108,721)	-	-	(1,456,901)
Furniture and Fixtures	(5,062,073)	(791,413)	-	-	(5,853,486)
Heavy Equipment	(184,422)	(16,493)	-	-	(200,915)
Machinery and Equipment	(13,642,730)	(2,033,117)	-	-	(15,675,847)
Vehicles	(546,419)	(90,296)	-	-	(636,715)
Total accumulated depreciation	(170,064,700)	(10,168,893)	-	-	(180,233,593)
Total capital assets, being depreciated, net	102,280,028	(8,800,854)	-	621,158	94,100,332
Capital assets, net	\$ 102,923,393	\$ (8,800,854)	\$ (22,207)	\$ -	\$ 94,100,332

## OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

### 6. ANSCHUTZ ENTERTAINMENT GROUP (AEG)

The Authority entered into a 5-year agreement on July 1, 2012, with an option for another 5 years in 2018 that was exercised in 2016, with Anschutz Entertainment Group (AEG), a wholly owned subsidiary of the Anschutz Company. AEG is one of the leading sports and entertainment presenters in the world and will act as an agent of the Authority to promote, operate, and manage the complex facilities. All operations will take place through a wholly owned subsidiary, AEG Oakland.

AEG will be compensated solely through an incentive fee. The incentive fee is an amount calculated with respect to each fiscal year equal to 12 percent of the AEG generated revenues as defined in the management agreement. The total compensation for the year ended June 30, 2020 was \$807,697. The compensation is accounted for as management fee on the statement of revenues, expenditures, and changes in fund balances.

### 7. RELATED PARTY TRANSACTIONS

AEG Oakland is a wholly owned subsidiary of Anschutz Entertainment Group (AEG) and was created for the sole purpose to act as an agent of the Oakland-Alameda County Coliseum Authority. AEG Oakland's annual budget must be approved by the Authority each year. AEG Oakland must also have approved its annual capital project plan that outlines in detail what capital projects will take place at the facility and how much is allotted for each project. AEG Oakland receives no compensation for the management of the facility. The only compensation paid for the management of the facility is the compensation fee referred to in Note 6 of the financial statements.

The Authority advances funds to its agent, AEG Oakland periodically during the fiscal year to fund on-going operations. AEG Oakland allocates the advances between Stadium and Arena operations per the contract, and reconciles transfers between the two facilities. The due to amount of \$1,998,296 represents expenditures incurred in excess of operating subsidies provided as well as management fees earned.

### 8. UNEARNED REVENUES

The following is a summary of unearned revenues for the year-ended June 30, 2020:

	Balance July 1, 2019	Payments/ Amortization	Balance June 30, 2020	Amounts To Be Recognized Within One Year
<b>Unearned Revenues</b>				
Oakland A's Scoreboard	\$ 5,500,000	\$ (1,000,000)	\$ 4,500,000	\$ 1,000,000
Levy Concessions	25,000	(25,000)	-	-
<b>Total Unearned Revenues</b>	<u>\$ 5,525,000</u>	<u>\$ (1,025,000)</u>	<u>\$ 4,500,000</u>	<u>\$ 1,000,000</u>

Oakland Athletics – On July 22, 2014, the Authority signed a ten-year lease agreement that required the Oakland Athletics to install a new scoreboard in the Oakland Coliseum as part of their rental payments. If the Authority chooses to terminate the lease early, it must reimburse the Athletics the prorated cost of the scoreboard amortized over the term of the lease agreement.

Levy Premium Foodservices, LP – On April 1, 2014, the Authority signed a five-year lease agreement with Levy Premium Foodservice (Levy) that required Levy to spend \$1,500,000 in lieu of increased concession payments. The \$1,500,000 will be amortized over the term of the contract. This agreement expired on August 1, 2020.

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

**9. BONDS PAYABLE**

The following is a summary of long-term obligations for the year ended June 30, 2020:

	Balance July 1, 2019	Payments/ Adjustment	Balance June 30, 2020	Amounts Due Within One Year
<b>Lease Revenue Bonds</b>				
2012 Refunding Series A	\$ 65,000,000	\$ (9,555,000)	\$ 55,445,000	\$ 10,035,000
2015 Refunding Series A	55,735,000	(7,000,000)	48,735,000	7,600,000
2012 Unamortized Premium	2,935,505	(927,972)	2,007,533	740,362
<b>Total Long-Term Obligations</b>	<u>\$ 123,670,505</u>	<u>\$ (17,482,972)</u>	<u>\$ 106,187,533</u>	<u>\$ 18,375,362</u>

*Stadium Bonds* – In August 1995, the Authority issued \$9,200,000 in Fixed Rate Refunding Lease Revenue Bonds and \$188,500,000 in Variable Rate Lease Revenue Bonds (collectively known as the Stadium Bonds) to satisfy certain obligations of the Coliseum Authority, the City, the County, the Financing Corporation and the Coliseum Inc., which then managed the operations of the Coliseum Complex, to finance the costs of remodeling the stadium portion of the Coliseum complex as well as relocating the Raiders to the City.

On May 31, 2012, the Authority issued \$122,815,000 in Refunding Bonds Series 2012 A with coupons of 2 to 5 percent to refund and defease all outstanding variable rate 2000 Series C Refunding Bonds. The bonds were priced at a premium, bringing total proceeds to \$138,166,073.

These funds coupled with \$13,000,625 in the 2000 Series C reserve fund generated available funds of \$151,166,698 which was used to refund the 2000 C Refunding Bonds of \$137,434,050, to fund a reserve fund of \$12,809,500 and to pay underwriter's discount and issuance cost of \$923,147. The all-in-interest cost of the 2012A refunding bonds was 3 percent.

The Stadium Bonds are limited obligations of the Authority payable solely from certain revenues of the Authority, including revenues from the Stadium and Arena Complex and base rental payments from the City and the County. The source of the Authority's revenues relating to football games consists primarily of a portion of the club dues, concession, and parking payments. The Authority has pledged the base rental payments and most other revenues received under the Master Lease from the lessees, the City, and the County to the trustee to pay debt service on the bonds. In the event that football revenues and other revenues received in connection with the Stadium are insufficient to make base rental payments, the City and the County are obligated to make up the shortfall in the base rental payments from their respective general funds. The City and the County each have covenanted to appropriate \$11 million annually to cover such shortfall in revenue; however, the City and the County are jointly and severally liable to cover such shortfall, which means that either party could have to pay up to \$22 million annually in the event of default by the other party. Base rental payments are projected to cover one hundred percent of the debt service requirements over the life of the bonds. The obligation of the City and the County to make such payments is reduced to the extent the Authority receives revenues generated at the complex to pay debt service and for operations and maintenance. The Stadium Bonds are not general obligations of either the City or the County.

*Arena Bonds* – On August 2, 1996, the Authority issued \$70,000,000 Series A-1 and \$70,000,000 Series A-2 Variable Rate Lease Revenue Bonds (Arena Bonds) to finance the costs of remodeling the Coliseum Arena (Arena) and to satisfy certain obligations of the Authority, the City, the County, and Coliseum Inc. in connection with the retention of the Golden State Warriors (the Warriors) to play professional basketball at the Arena for at least 20 basketball seasons, beginning with the 1997-98 season. These obligations are evidenced in a series of agreements (the Warriors Agreements) among the Warriors and the City, the County, Coliseum Inc., and the Authority.



## **OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

### **Notes to Financial Statements (Continued)**

**For the Year Ended June 30, 2020**

On April 14, 2015, the Authority issued \$79,735,000 in Refunding Bonds Series 2015 with coupons of 1 to 4 percent to refund and defease all outstanding variable rate 1996 Series A-1 and A-2 Bonds. The bonds were sold at par, bringing total proceeds to \$79,735,000.

These funds coupled with \$3,319,013 in the 1996 Series A reserve fund generated available funds of \$83,054,013 which was used to refund the 1996 Series A Refunding Bonds of \$79,735,000, to fund a reserve fund of \$2,168,103, to pay underwriter's discount and issuance cost of \$659,928 and \$490,983 was returned to the general fund. The all-in true interest cost of the 2015A refunding bonds was 3.3 percent.

There was an economic loss of \$13,479,519 (difference between the present value of the old and the new debt service payments) due to the low variable interest rates on the old bonds and the higher fixed rates on the new bonds. The Authority was unable to maintain the bonds at a variable rate because it was not able to renew the letters of credit as required due to the tightening of the credit markets since 2008. However, the Authority was able to take advantage of the fixed rate market with historically low interest rates and issued fixed rate bonds.

Under the Bond Agreements, the Arena Bonds are limited obligations of the Authority, payable solely from revenues received by the Authority on behalf of the City and the County. Revenues consist of base rental payments from the City and County, certain payments from the Warriors of up to the amount equal to the excess of the Scheduled Debt Service over the difference between the Net Arena Revenues and Arena Operating Expenses, the sale of personal seat licenses by the Authority, concessionaire payments and Arena naming rights. If necessary to prevent default, additional premium revenues up to \$10,000,000 may be pledged to service Arena debt. If the revenues received from Arena operations and Project Debt Reimbursement from the Warriors are not sufficient to cover the debt service requirements in any fiscal year, the City and the County are obligated to make up the shortfall in the base rental payments from their respective general funds. The County and the City each have covenanted to appropriate up to \$9,500,000 annually to cover such shortfalls in revenue; however, the City and the County are jointly and severally liable to cover such shortfall, which means that either party could have to pay up to \$19,000,000 annually in the event of default by the other party. The Warriors challenged their obligation to pay the Project Debt shortfall. However, in October 2018, an arbitrator provided an interim ruling favorable to the Authority (and indirectly the City and the County) regarding the Warriors' ongoing contractual obligation under the License Agreement to annually reimburse the Authority for any principal balance remaining on the Arena Bonds debt obligation if the net operating revenues are not sufficient to pay scheduled debt service through the term of the debt issuance. The Arbitrator's interim award was confirmed by the San Francisco Superior Court and by the California First District Court of Appeal. In early December 2020, the California Supreme Court denied the Warriors' Petition of Review. Other than motions for attorneys' fees and costs, which were awarded to the Authority, the litigation is final and the Warriors' challenge fully resolved in favor of the Authority. Since August 2019, the Warriors have paid the debt service installments that have come due and it is anticipated that they will continue to do so going forward.

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

**Events of Default, Termination Events and Acceleration Clauses**

The Authority relies on the City and the County to make base rental payments in order to fulfill its debt service obligations. The Authority would be considered to be in default if one or more of the following events occurs: (1) the City and the County fail to pay any rental payable when it becomes due and payable, (2) the City and the County fail to comply with the terms, covenants and conditions of the Master Lease Agreement and (3) the City or the County declare bankruptcy or insolvency.

If an event of default occurs, the Trustee may declare the principal of all bonds then outstanding and the interest accrued thereon to be due and payable immediately. The Authority may (1) terminate the Master Lease and recover certain damages, (2) re-enter or re-let the facilities, or (3) continue to collect rent from the City and the County on an annual basis by seeking a separate judgment each year for that year's defaulted base rental payments. Upon an event of default, there is no remedy of acceleration of the total base rental payments due over the term of the Master Lease.

**Debt Obligations**

Long-term debt outstanding as of June 30, 2020 is as follows:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Authorized and Issued</u>	<u>Outstanding at Jun 30, 2020</u>
<b><u>STADIUM</u></b>				
2012 Refunding Series A Lease Revenue Bonds	Feb 1, 2025	5%	\$ 122,815,000	\$ 55,445,000
<b><u>ARENA</u></b>				
2015 Refunding Series A Lease Revenue Bonds	Feb 1, 2026	1%-4%	<u>79,735,000</u>	<u>48,735,000</u>
Total Debt			<u>\$ 202,550,000</u>	<u>\$ 104,180,000</u>

Debt payments during the fiscal year ended June 30, 2020 were as follows:

	<u>Stadium</u>	<u>Arena</u>	<u>Total</u>
Principal	\$ 9,555,000	\$ 7,000,000	\$ 16,555,000
Interest	<u>3,250,000</u>	<u>1,837,451</u>	<u>5,087,451</u>
Total	<u>\$ 12,805,000</u>	<u>\$ 8,837,451</u>	<u>\$ 21,642,451</u>

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

## Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

Annual debt service requirements to maturity for the lease revenue bonds, including interest payments, are as follows:

**2012 Lease Revenue Bonds: (Stadium)**

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 10,035,000	\$ 2,772,250	\$ 12,807,250
2022	10,535,000	2,270,500	12,805,500
2023	11,065,000	1,743,750	12,808,750
2024	11,615,000	1,190,500	12,805,500
2025	12,195,000	609,750	12,804,750
Total	<u>\$ 55,445,000</u>	<u>\$ 8,586,750</u>	<u>\$ 64,031,750</u>

**2015 Lease Revenue Bonds: (Arena)**

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 7,600,000	\$ 1,650,481	\$ 9,250,481
2022	8,200,000	1,425,748	9,625,748
2023	8,800,000	1,166,875	9,966,875
2024	9,250,000	872,690	10,122,690
2025	10,000,000	549,588	10,549,588
2026	4,885,000	185,288	5,070,288
Total	<u>\$ 48,735,000</u>	<u>\$ 5,850,670</u>	<u>\$ 54,585,670</u>

**10. COMMITMENTS AND CONTINGENCIES****A. Litigation**

The Authority is exposed to certain litigation in the ordinary course of business. Management believes the outcome of these matters will not have a materially adverse impact on the assets, liabilities, deferred inflows of resources, revenues, and expenses or cash flows of the Authority.

**B. Contract Commitments**

As discussed in note 1.I, Fund Balances, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

At year end capital outlay has an encumbrance in the amount of \$1,660,436.

## **OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

### **C. Board Nominations**

The County entered in a disposition agreement with Coliseum Way Partners on December 23, 2019 to divest its interest in the Coliseum Complex subject to the terms set forth in the disposition agreement. Coliseum Way Partners had a due diligence period effective for a period of 190 days after the effective date of the disposition agreement to conduct due diligence over the property and notify the County whether it approves or disapproves of the purchase of the County's interest in the Authority. The due diligence period was extended to October 6, 2020. Coliseum Way Partners notified the County of its intent to move forward with the purchase of the County's interest on October 5, 2020. Transfer of the County's interest in the Coliseum Complex will occur once the bonds outstanding against the Authority's property have been defeased or repaid. The current final maturity date of Arena and Stadium outstanding debt is February 1, 2026 and February 1, 2025, respectively. The County expects to transfer its interest in the Coliseum Complex around this time. During the purchase term, Coliseum Way Partners may nominate individuals for the appointment of the two County-appointed non-elected members of the Authority's Board of Commissioners whenever a vacancy or other appointment opportunity arises, provided that the County Board of Supervisors retains all discretion to make appointments to the Authority's Board of Commissioners.

## **11. UNCERTAINTIES**

During December 2019, the Novel Corona Virus Disease (covid-19) was discovered. Covid-19 was subsequently declared a world-wide pandemic by the World Health Organization on March 11, 2020. On March 4, 2020, California State Governor Gavin Newsom proclaimed a State of Emergency as a result of the threat of covid-19 in the State of California, leading to the Alameda County Health Officer issuing a stay-at-home directive on March 16, 2020. This halted all business within Alameda County, outside of essential activities, including the Authority's activities.

In response to the pandemic, the Authority made the announcement to temporarily shut down the Coliseum Complex to support the reduction of the potential transmission of the virus. The Authority has provided its parking lots to organizations that collect mail-in ballots, provide covid-19 tests, provide flu shots, and house delivery vehicles. Due to the lack of events in the Coliseum Complex, AEG has reduced operating expenditures to sustain minimum operations and furloughed staff.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)**



**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual – General Fund  
For the Year Ended June 30, 2020

	Budget			Variance
	Original	Final	Actual	Positive/(Negative)
<b>Revenues:</b>				
Club dues	\$ 850,000	\$ 850,000	\$ 719,549	\$ (130,451)
Parking	1,680,000	1,680,000	2,358,240	678,240
Concessions	1,440,000	1,440,000	25,000	(1,415,000)
Facility fees	1,650,000	1,650,000	1,672,618	22,618
Investment income	700,000	700,000	974,891	274,891
Operating subsidy to Authority	21,000,000	21,000,000	21,000,000	-
Athletics rent	1,250,000	1,250,000	2,250,000	1,000,000
Raiders rent	7,500,000	7,500,000	6,650,000	(850,000)
Warriors fees	2,500,000	2,500,000	2,500,000	-
Advertising	1,000,000	1,000,000	791,966	(208,034)
Cell tower license fee	250,000	250,000	249,072	(928)
Miscellaneous revenues	-	-	250,000	250,000
Total revenues	39,820,000	39,820,000	39,441,336	(378,664)
<b>Expenditures:</b>				
Administrative:				
Administration	630,000	630,000	338,416	291,584
Coliseum Inc. annuity contributions	500,000	500,000	484,524	15,476
Legal	950,000	950,000	96,507	853,493
Audit	50,000	50,000	47,746	2,254
Total administrative	2,130,000	2,130,000	967,193	1,162,807
Operating:				
Management fees	1,060,000	1,060,000	807,697	252,303
Coliseum operations	25,165,000	25,715,000	25,129,593	585,407
Coliseum capital	3,125,000	3,125,000	2,641,203	483,797
Total operating	29,350,000	29,900,000	28,578,493	1,321,507
Total expenditures	31,480,000	32,030,000	29,545,686	2,484,314
<b>Excess (deficiencies) of revenues over (under) expenditures</b>	8,340,000	7,790,000	9,895,650	2,105,650
<b>Other financing sources (uses):</b>				
Transfers in	-	-	1,323,794	1,323,794
Transfers out	-	-	(11,485,474)	(11,485,474)
Total other financing sources (uses)	-	-	(10,161,680)	(10,161,680)
<b>Net change in fund balance</b>	8,340,000	7,790,000	(266,030)	8,056,030
Fund balance, beginning of year	33,706,094	33,706,094	33,706,094	-
Fund balance, end of year	\$ 42,046,094	\$ 41,496,094	\$ 33,440,064	\$ 8,056,030



**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY**

Note to Required Supplementary Information

For the Year Ended June 30, 2020

**1. Budgets and Budgetary Accounting**

The Authority adopts an annual operation budget on the modified accrual basis of accounting on or before June 30 for the ensuing fiscal year for the General Fund and Debt Service Fund. The Special Revenue fund is not budgeted because it is not legally required. The Board of Commissioners of the Authority must approve the annual budget. The legal level of budgetary control is at the fund level.





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**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards***

Board of Commissioners  
Oakland-Alameda County Coliseum Authority  
Oakland, California

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 the governmental activities and each major fund of the Oakland-Alameda County Coliseum Authority (Authority), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 21, 2020.

Our report includes adverse opinions for the governmental activities and the major special revenue fund opinion units because the Authority has not adopted a methodology for reviewing the collectability of the loans receivable balance recorded in governmental activities and the major special revenue fund and, accordingly, has not provided an allowance for uncollectible amounts. The Authority has not evaluated the recoverability of these loans through the maturity date in fiscal year 2036. Accounting principles generally accepted in the United States of America require that an adequate allowance be provided for uncollectible receivables, which would decrease the assets, net position/fund balance, and change in net position/fund balance in the governmental activities and the major special revenue fund. The amount by which this departure would affect the assets, net position/fund balance, and change in net position/fund balance of the governmental activities and major special revenue fund has not been determined.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of finding and response that we consider to be a material weakness.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

### **The Authority's Response to the Finding**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Macias Gini & O'Connell LLP*

Walnut Creek, California  
December 21, 2020

**OAKLAND-ALAMEDA COUNTY  
COLISEUM AUTHORITY**  
Schedule of Finding and Response  
For the Year Ended June 30, 2020

**Material Weakness in Internal Control over Financial Reporting –  
Accounting and Financial Reporting for Loans Receivable**

The Authority has two loans (Operations and Training Facility) receivable outstanding with the Oakland Raiders, totaling \$160,875,086 and \$28,851,272, respectively, as of June 30, 2020. These loans are to be repaid from a certain percentage of the Football Concession Net Revenue and Football Parking Net Revenue and from an annual payment of \$525,000 from the Raiders. Repayment from the Raiders is limited to amounts received from parking, concessions, and the Raiders annual payment. These amounts were not enough to pay the annual interest accruals on these loans. The loan balances increased by \$8,150,454 and \$1,458,856, respectively, during fiscal year 2020, and have increased by \$107,274,409, and \$19,255,759, respectively, since inception of the loans in fiscal year 1996. In the event of reversion of the Training Facilities to the Authority, Raiders shall receive a credit of the then outstanding balance of the loan in an amount equal to the lesser of (a) the fair market value of the Improvements or (b) the then outstanding balance of the loan.

The Authority has not adopted a methodology for reviewing the collectability of the Raiders loans receivable balance recorded in the governmental activities and the special revenue fund and, accordingly, has not provided an allowance for uncollectible amounts. The Authority has not evaluated the recoverability of these loans through their maturity date in fiscal year 2036. Accounting principles generally accepted in the United States of America (GAAP) require that an adequate allowance be provided for uncollectible receivables, which would decrease the assets, net position/fund balance, and change in net position/fund balance in the governmental activities and the special revenue fund. The amount by which this departure would affect the assets, net position/fund balance, and change in net position/fund balance of the governmental activities and special revenue fund has not been determined. This departure from GAAP resulted in an adverse opinion on the financial statements of the governmental activities and the special revenue fund for the year ended June 30, 2020.

We recommend the Authority adopt a methodology to review the collectability of the Raiders loans receivable balance and evaluate the need to provide an allowance for uncollectible amounts. Given the past trends in the Football Concession Net Revenue, Football Parking Net Revenue, and the increasing interest costs, the Authority should include in its internal controls over financial reporting a process to ensure that these assets are appropriately valued in accordance with GAAP.

**Management's Response**

It is the decision of management to not make an allowance for the collectability of the outstanding Raider loans in order to protect the legal claim of the Authority to the assets outlined in the loan agreement.





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To the Board of Commissioners  
Oakland-Alameda County Coliseum Authority  
Oakland, California

We have audited the financial statements of the governmental activities and each major fund of the Oakland-Alameda County Coliseum Authority (Authority) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 21, 2020. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated September 1, 2020, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses and material noncompliance, and other matters noted during our audit in a separate report to you dated December 21, 2020.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

## Qualitative Aspects of the Authority's Significant Accounting Practices

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the basic financial statements. The Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, for the year ended June 30, 2020, as described in Note 1.M. There is no significant impact to the Authority's financial statements due to the implementation of this new pronouncement. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- ***Fair value of investments.*** Management's investments are generally carried at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority's investments in the Alameda County Treasury pool and money market mutual funds are reported amortized cost, which approximates fair value.
- ***Allowance for uncollectible accounts receivable.*** The allowance for losses on accounts receivable was based on management's estimate regarding the likelihood of collectability.
- ***Provision for uncollectible portion of Raiders loans receivable.*** A provision for whether an estimate is necessary to account for a portion of the Raiders loans receivable that is ultimately uncollectible has not been made by management. This matter is discussed further under the section entitled "Other Audit Findings or Issues".
- ***Estimated useful lives and depreciation methods assigned to depreciable capital assets.*** The estimated useful lives of capital assets were determined by management based on the nature of the capital assets. The Authority uses the straight-line method of depreciation.

We evaluated the key factors and assumptions used to develop these accounting estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units, with the exception of the uncollectible portion of the Raiders loans receivable as discussed further under the section entitled "Other Audit Findings or Issues".



### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements are listed below.

- The details regarding the loans receivable from the Oakland Raiders are disclosed in Note 4. The Authority has two loans (Operations and Training Facility) receivable outstanding, totaling \$189,726,358 as of June 30, 2020. The loan balances increased in the amount of \$9,609,310 in fiscal year 2020 and have increased a total of \$126,530,168 since the inception of these loans in fiscal year 1996.
- The long-term debt obligations relating to the Stadium and Arena bonds as disclosed in Note 9.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements except for the the potential adjustment to the Raiders loans receivable as discussed in the *Other Audit Findings or Issues* section. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole, except for the potential adjustment to the Raiders loan receivable balance as discussed in the *Other Audit Findings or Issues* section.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit, except for the potential adjustments to the Raiders loans receivable balance as discussed in the *Other Audit Findings or Issues* section.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated December 21, 2020.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

We noted the following audit finding affecting the financial statements:

As disclosed in Note 4 to the financial statements, the Authority has two loans (Operations and Training Facility) receivable outstanding, totaling \$160,875,086 and \$28,851,272, respectively, as of June 30, 2020. The loan balances increased \$8,150,454 and \$1,458,856, respectively, in fiscal year 2020, and have increased \$107,274,409, and \$19,255,759, respectively, since the loan inception in fiscal year 1996. The Authority has not adopted a methodology for reviewing the collectability of the Raiders loans receivable balance recorded in the governmental activities and the special revenue fund and, accordingly, has not provided an allowance for uncollectible amounts. The Authority has not evaluated the recoverability of these loans through their maturity date in fiscal year 2036. Accounting principles generally accepted in the United States of America (GAAP) require that an adequate allowance be provided for uncollectible receivables, which would decrease the assets, net position/fund balance, and the change in net position/fund balance of the governmental activities and the special revenue fund. The amount by which this departure would affect the assets, net position/fund balance, and change in net position/fund balance of the governmental activities and special revenue fund has not been determined. This departure from GAAP resulted in an adverse opinion on the financial statements of the governmental activities and the special revenue fund for the year ended June 30, 2020.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This report is intended solely for the information and use of the Authority's Board of Commissioners, management, and others within the organization of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

*Macias Gini & O'Connell LLP*

Walnut Creek, California  
December 21, 2020

**OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY  
RESOLUTION NO. 2021-\_\_\_\_\_**

**Resolution Approving An Amendment to the FY2020-21 Budget for the  
Oakland-Alameda County Coliseum Authority**

**WHEREAS**, the Oakland-Alameda County Coliseum Authority budget ("the Authority") approved a budget for the period July 1, 2020 to June 30, 2021 ("the Budget"); and

**WHEREAS**, the continuing closure of the Arena and Stadium based on COVID-19 orders prevented the generation of an estimated \$2.50M in concert revenue profits while also eliminating overhead event expenses estimated at \$1.65M, resulting in a budget deficit of \$850,000; and

**WHEREAS**, facility operator has proposed the reclassification of budgeted capital funds to operations, moving \$850,000 of funds budgeted in capital contingency line items to Arena (\$640,000) and Stadium (\$190,000) operation line items; and,

**WHEREAS**, the Commission has reviewed the proposed budget amendment;

**NOW, THEREFORE**, the governing board of the Authority hereby finds, determines, declares and resolves as follows:

Section 1. All the recitals above set forth are true and correct, and the Board so finds and determines.

Section 2. The Authority hereby approves the proposed budget amendment.

Section 3. This resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Board of Commissioners of the Oakland-Alameda County Coliseum Authority on March 19, 2021 by the following vote:

AYES -

NOES -

ABSENT -

\_\_\_\_\_  
Nate Miley, Chair  
Oakland-Alameda County Coliseum Authority

ATTEST: \_\_\_\_\_  
Secretary, Oakland-Alameda County Coliseum Authority

DATE: \_\_\_\_\_