

Oakland-Alameda County Coliseum Authority

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY Zoom Meeting

You are invited to a Zoom webinar.

When: Feb 17, 2023 08:30 AM Pacific Time (US and Canada)

Topic: OACCA Board Meeting 2.17.23

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- 1. CALL TO ORDER
- 2. ROLL CALL
- OPEN FORUM
- 4. APPROVAL OF MINUTES REPORTS
- 5. REPORTS

5a. Executive Director Report
Second Quarter Budget Report

5b. General Manager Report



Oakland-Alameda County Coliseum Authority

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY Zoom Meeting

6. PRESENTATIONS

- Auditor's Presentation FY 2021-22
- TELECONFERNECE MEETINGS
- Presentation from Lydia Tan regarding Roots Soccer Malibu Property

7. DICUSSION

- Discussion to Develop Plan Launching Cricket Setup at the Oakland-Alameda County Coliseum, and to Host Cricket Games in the Fall 2023.
- Request from V. Chair Miley for 150k Contribution to AEG Community Foundation

8. ADJOURNMENT



Oakland-Alameda County Coliseum Authority

Oakland-Alameda County Coliseum Authority January 27, 2023 Special Zoom Board Meeting Minutes

CALL TO ORDER

Commissioner Miley called the meeting to order at 8:33 a.m.

ROLL CALL

Chair Miley
Commissioner Baker
Commissioner Haubert
Commissioner Thompson

Commissioner Vukasin (8:39 a.m.)

Commissioner Kaplan

Commissioner Jenkins (8:39a.m.)

Commissioner Reid Commissioner Iglesias

ACTION ITEM

RESOLUTION ADOPTING FINDINGS REGARDING SOCIAL DISTANCING AND PUBLIC HEALTH ARISING FROM THE COVID-19 PANDEMIC WHICH WARRANT THE CONTINUATION OF REMOTE (TELECONFERENCED) PUBLIC MEETINGS BY THE AUTHORITY UNDER THE BROWN ACT was submitted for approval. Commissioner Kaplan moved to accept, and Commissioner Reid seconded the motion Roll Call :Commissioner Baker, Haubert, Thompson, Iglesias, Reid, Kaplan, and Miley approved. The motion was approved by 7 aye votes.

Commissioner Reid summarized her pleasure to serve on the OACCA Board. Commissioner Reid introduced her replacement on the Board Councilmember Kevin Jenkins.

Commissioner Jenkins expressed his excitement in joining the OACCA Board.

OPEN FORUM

No Speakers

APPROVAL OF MINUTES

The minutes for December 16, 2022, was submitted for approval. Commissioner Haubert moved to approve, and Commissioner Kaplan seconded the motion. Roll Call: Commissioners: Baker, Haubert, Vukasin, Iglesias, Thompson, Kaplan, and Miley approved. The motion was approved by 7 aye votes. Commissioner Jenkins abstain.

Reports

<u>6.A</u>

1. Executive Director Henry Gardner updated the board on the meeting which identified challenges and discussions regarding hosting the ICC Men's T-20 World Cup.

Commissioners Haubert and Miley discussed the A's letter reply which summarized that the A's have in the past supported the City of Oakland and Coliseum. MLB is key in the decision-making process. David Rinetti Oakland A's Vice President spoke to enlighten the board on the advantages and disadvantages for Oakland A's baseball and the MLB for hosting World Cup during baseball season. Commissioner Kaplan expressed that hosting the ICC Men's T-20 would be a win/win for the A's.

2. ED Gardner updated the board on discussions, options and possible negotiations with Root Soccer and AASEG in Malibu Site.

Open Forum Speakers:

Ray Bobbitt summarized the history and timeline of events regarding the Roots Soccer and AASEG conversations and negotiations.

OnePlus spoke expressing his displeasure with the negotiations.

3. ED Gardner informed the board of the reasons of the PGE increase, which is covered in the budget,

6.B

Nicole Strange AEG General Manager updated the board on past, present and future events. GM Strange gave a thorough report on the water damage at the coliseum created from the recent storms. Included in the report is the plan to repair the damage,

NEW BUSINESS

RESOLUTION APPOINTING CHAIR AND VICE CHAIR OF BOARD OF COMMISSIONERS FOR CALENDAR YEAR 2023 was submitted for approval, Commissioner Haubert moved to appoint Kaplan as Chair and Miley as V.Chair. Roll Call for Chair Kaplan: Vukasin, Baker, Jenkins, Iglesias, Thompson, Iglesias and Miley approved. Roll Call for V. Chair Miley: Vukasin, Baker, Jenkins, Iglesias, Jenkins, Thompson and Kapan approved. Approval for both Chair and V. Chair was approved by 7.

PRESENTATIONS

≥ Alan Done from African Sports and Entertainment Group gave a presentation to the Board on AASEG Vision and potential plans for Coliseum site.

Ray Bobbitt from AASEG spoke emphasizing the importance of ROOTS and AASEG plans that will improve Oakland development in the community.

Commissioners Haubert, Miley and Jenkins expressed their support to AASEG

Presentation for Teleconference will be discussed at February 2023 Board Meeting.

ADJOURNMENT

Meeting adjourned at 10:41 a.m.

Erin Roseman /	Secretary	

February 17, 2023

Honorable Chairperson Rebecca Kaplan and Commissioners of the Authority

5.a.

The second quarter budget report is attached and summarizes the revenues and expenditures for the period July 1, 2022 to December 31, 2022. The budget for the current fiscal year is \$40,726,000. Based on the data and our analysis of current trends, we are projecting a modest surplus at the end of the fiscal year. We will have a clearer picture at the end of the third quarter.

1. REVEUNES

Total revenues received are \$24,864,767, budgeted revenues are \$40,726,000, representing sixty-one percent (61%) of the budget at fifty percent (50%) of the fiscal year. The percentage of received revenues is somewhat skewed because one hundred percent (100%) of the largest revenue category, City and County contribution of \$20,000,000, has already been received. The A's lease payment of \$1,250,000 will be received in April; One hundred percent (100%) of the Warriors debt service payment of \$10,000.00 has been received and will be reflected in the third quarter.

2. EXPENDITURES

Administration, Legal, and Audit are trending below budget and are likely to be under budget at the end of the fiscal year. Coliseum Operations are exceeding budget, driven largely by dramatic increases in utility costs, due almost exclusively from extraordinary rate increases by PG&E. Some of these costs are offset by A's reimbursement for utility costs related to A's games. Businesses and households are experiencing similar dramatic rate increases. There is a one-time adjustment in Coliseum Operations reflecting salary adjustments for AEG staff. None of these increases require an amendment to the budget. They are covered by increased revenues and decreases in several expenditure categories. Capital Outlay expenditures are projected to be within budget for the remainder of the fiscal year. Debt Service payments are known and are fully covered. We will present the third quarter report in May 2023.

Respectfully submitted,

Henry L. Gardner Respectfully submitted,

ASM Global Oakland General Manager's Board Report February 17, 2023

Event Activity

Added Events:

- Disney on Ice (February 23-26, 2023)
- Los Angeles Azules (March 11, 2023)
- The Entertainers (March 12, 2023)
- SZA (March 14, 2023)
- Maná (March 18, 2023)
- PBR: Oakland Classic (March 25, 2023)
- Future (April 1, 2023)
- New Edition (April 9, 2023)
- Muse (April 14, 2023)
- Anirudh Ravichander (April 15, 2023)
- Straight Jokes No Chaser Comedy Tour (May 6, 2023)
- Cirque Du Soleil Corteo (August 17-20, 2023)
- Zach Bryan (August 21, 2023)
- Sam Smith (August 27, 2023)
- 85 South (June 4, 2023)
- Anita Baker (December 23, 2023)

Postponed Events (new date):

- Kapil Sharma (TBD)
- Supercross (February 18, 2023) (stadium)

Cancelled Events:

- Rage Against the Machine (March 3 & 5, 2023)
- Jubin Nautiyal (canceled indefinitely)



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, 2022, and have issued our report thereon dated December 29, 2022. 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 June 20, 2022, our responsibility, as described by professional standards, is to form and express opinions 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.

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. 87, Leases, Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, Statement No. 92, Omnibus 2020, Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plansan amendment of GASB Statements No. 14 and No. 84, and supersession of GASB Statement No. 32, and Statement No. 99, Omnibus 2022, as described in Note 1.O. The Authority recognized lease receivables and related deferred inflows of resources as a result of the implementation of Statement No. 87. The implementation of the other statements did not have significant impact to the Authority's financial statements.

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 money market mutual funds are reported at net asset value. The Authority's participation in the Alameda County Treasury pool is considered a deposit.
- Allowance for uncollectible accounts receivable. The allowance for losses on accounts receivable
 was based on management's estimate regarding the likelihood of collectability.
- 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.
- Lease Revenue. Lease Revenue and Deferred Inflows of Resources were calculated and recognized in accordance with GASB Statement No. 87, Leases.

We evaluated the key factors and assumptions used to develop these accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

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 were the lease receivables in Note 3 to the financial statements and bonds and notes payable in Note 8 to the financial statements.

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. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

None of the misstatements identified by us as a result of our audit procedures were significant, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

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. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management in a letter dated December 29, 20221.

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, significant events or transactions that occurred during the year, 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.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Authority's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have 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.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Modification of the Auditor's Report

Macias Gini & O'Connell LAP

Our report includes an emphasis of matter paragraph regarding the Authority's adoption of GASB Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

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.

Walnut Creek, California

December 29, 2022

Financial Statements with Independent Auditor's Reports

For the Year Ended June 30, 2022



For the Year Ended June 30, 2022

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major fund of the Oakland-Alameda County Coliseum Authority (Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2021, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud
 or error, and design and perform audit procedures responsive to those risks. Such procedures include
 examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that
 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
 effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that
 raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable
 period of time.

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

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 is the responsibility of management and, 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 GAAS, 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

Macias Gini & O'Connell LAP

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2022 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 the Authority's 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.

Walnut Creek, California December 29, 2022

Management's Discussion and Analysis (Unaudited) June 30, 2022

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 year ended June 30, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows
 of resources at the close of the fiscal year 2022 by \$45,607,267. Of this amount, \$1,217,603 represents assets
 associated with long-term debt that are subject to external restrictions as to how they may be used,
 \$43,040,094 represents net investment in capital assets, and \$1,349,570 represents unrestricted net position.
- As of June 30, 2022, the Authority's governmental funds reported fund balances of \$28,921,919, a decrease of \$3,580,194 or 11 percent from last year. Of total fund balances, \$9,182,722 is restricted, \$1,767 is assigned, and \$19,737,430 is unassigned.
- The total fund balance in the General Fund as of June 30, 2022 was \$20,955,033 or 182 percent of the General Fund's total expenditures of \$11,486,803.

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 12 and 13 of this report.

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.

Management's Discussion and Analysis (Unaudited) June 30, 2022

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 two major funds: General 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 14 to 17 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 18 through 33 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, 2022 is \$45,607,267.

Management's Discussion and Analysis (Unaudited) June 30, 2022

Condensed Statement of Net Position June 30, 2022 and 2021

					Varian	ce
	2022		2021*		\$	%
Assets			***************************************			
Current and other assets	\$ 39,849,516	\$	36,285,324	\$	3,564,192	10%
Capital assets	74,174,655		84,203,486		(10,028,831)	-12%
Total assets	114,024,171		120,488,810	_	(6,464,639)	-5%
Deferred outflows of resources						
Loss on refunding	 4,950		-	_	4,950	N/A
Liabilities						
Current liabilities	21,446,219		22,119,024		(672,805)	-3%
Long-term liabilities	39,119,500		71,016,461		(31,896,961)	-45%
Total liabilities	60,565,719		93,135,485	_	(32,569,766)	-35%
Deferred inflows of resources						
Leases	7,856,135	-		,	7,856,135	N/A
Net position						
Net investment in capital assets	43,040,094		42,604,547		435,547	1%
Restricted	1,217,603		2,976,506		(1,758,903)	-59%
Unrestricted	1,349,570		(18,227,728)		19,577,298	107%
Total net position	\$ 45,607,267	\$	27,353,325	\$	18,253,942	67%

^{*2021} amounts have not been restated for GASB 87

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 \$43,040,094; this was an increase of \$435,547 or 1 percent when compared to the previous fiscal year due to the refinancing of Stadium debt which lowered the Stadium's debt used to finance the acquisition of capital assets. Significant capital asset acquisitions include several cooling units and trucks.

An additional portion of the Authority's net position of \$1,217,603 represents resources that are subject to external restrictions on how they may be used. This portion of net position is composed of Levy Capital for Arena Concessions projects and AEG Capital established when the Authority entered into a 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 position of \$1,349,570 may be used to meet the ongoing obligations of the Authority. The Authority's unrestricted net position increased by \$19,577,298 or 107 percent from the previous fiscal year. The increase in unrestricted net position is primarily due to subsidies received and additional revenues from events being held as covid-19 restrictions were lifted.

In fiscal year 2022, the Authority implemented GASB Statement No. 87, *Leases*, which caused the Authority to record lease receivables of \$7,233,920 and corresponding deferred inflows of resources for \$7,856,135. Fiscal year 2021 balances were not restated for the implementation of GASB 87.

Management's Discussion and Analysis (Unaudited) June 30, 2022

Condensed Statement of Activities For the Years Ended June 30, 2022 and 2021

					Varian	ce
		2022	2021*		\$	%
Revenues						
Program revenues:						
Charges for services	\$	4,219,268	\$ 182,040	\$	4,037,228	2,218%
Operating subsidy		24,000,000	750,000		23,250,000	3,100%
General revenues:						
Lease revenue		2,728,680	2,250,000		478,680	21%
Interest income		329,371	507,439		(178,068)	-35%
Other revenue		10,250,489	11,273,570		(1,023,081)	-9%
Total revenues		41,527,808	14,963,049	_	26,564,759	178%
Expenses						
General government		21,515,634	212,752,518		(191,236,884)	90%
Interest on long-term debt		1,758,232	 3,383,917		(1,625,685)	48%
Total expenses		23,273,866	216,136,435		(192,862,569)	89%
Change in net position		18,253,942	(201,173,386)		219,427,328	109%
Net position - beginning of year		27,353,325	228,526,711		(201,173,386)	-88%
Net position - end of year	\$	45,607,267	\$ 27,353,325	\$	18,253,942	67%

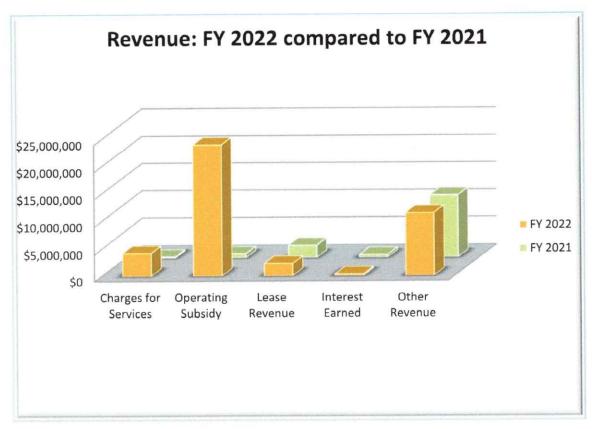
^{*2021} amounts have not been restated for GASB 87

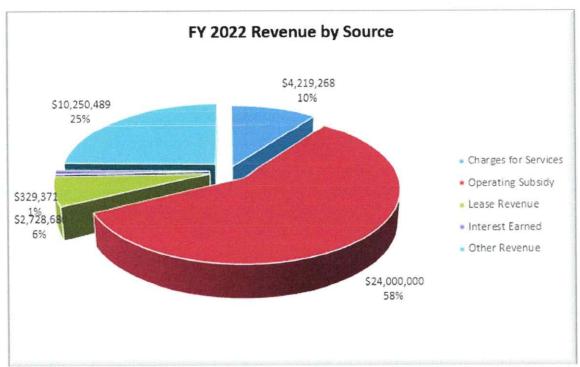
Governmental Activities:

The activities of the Authority increased its net position by \$18,253,942. Key elements of this increase when compared to the prior year are as follows:

- Charges for services increased by \$4,037,228 as covid-19 restrictions lifted increasing planned events at the
 facilities. Facility fees and parking revenue increased by \$3,561,050 and \$476,178, respectively, as a result
 of an increase in events.
- Operating subsidies from the City of Oakland (City) and the County of Alameda (County) increased by \$23,250,000 as the Authority Board of Commissioners approved a return of \$20 million in operating subsidies to the City and the County in fiscal year 2021. There was no return of operating subsidies in the current fiscal year.
- Total general government expenses decreased by \$191,236,884 primarily due to the write down of the Raiders loan last year.

Management's Discussion and Analysis (Unaudited) June 30, 2022





Management's Discussion and Analysis (Unaudited) June 30, 2022

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 two major funds.

Balance Sheet Classification of Fund Balance – General Fund June 30, 2022 and 2021

		2022		2021		Variance	% Variance	
Nonspendable	\$		\$	1,850,000	\$	(1,850,000)	-100%	
Restricted		1,217,603		2,976,506		(1,758,903)	-59%	
Unassigned		19,737,430		8,510,069		11,227,361	132%	
Total Fund Balance	S	20,955,033	\$	13,336,575	\$	7,618,458	57%	

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 \$19,737,430, while total fund balance reached \$20,955,033.

The nonspendable amount on June 30, 2022 is \$0. The decrease represents the amount of funding that was sent to AEG at the end of the fiscal year to pay for operations in the next fiscal year. AEG did not request advance funding for fiscal year 2022-2023 at the end of fiscal year 2021-2022.

Restricted fund balance in the amount of \$1,217,603 is money identified to fund future capital needs. Unassigned represents the difference between the Authority's assets, liabilities, deferred inflows of resources, and nonspendable and restricted fund balances; these funds are available for spending at the Authority's discretion. There was an increase in unassigned fund balance of \$11,227,361 when compared to last fiscal year. Key factors in this increase include higher revenues due to an increase in facility events as covid-19 restrictions lifted and subsidies received.

Management's Discussion and Analysis (Unaudited) June 30, 2022

Balance Sheet Classification of Fund Balance – Debt Service Fund June 30, 2022 and 2021

	2022	2022 2020		\$ Variance	% Variance
Restricted	\$ 7,965,119	\$	19,165,466	\$ (11,200,347)	-58%
Assigned	1,767		72	1,695	2,354%
Total Fund Balance	\$ 7,966,886	\$	19,165,538	\$ (11,198,652)	-58%

The Debt Service Fund has a total fund balance of \$7,966,886, 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 \$11,198,652 primarily due to the transfer of funds to an escrow account for the refinancing of the 2012 Lease Revenue Bond.

General Fund Budgetary Highlights

During the year, there was a \$1,900,000 increase in revenues between the original and final amended budget. The increase in the budget was due to increased facility fees, management fees and coliseum operations from higher than planned events. There was also a reclassification of \$615,000 in appropriations from Coliseum Operations to Management Fees.

Overall, the Authority's actual General Fund revenues for fiscal year 2021-22 were greater than its budgeted revenues by \$1,285,059 or 4 percent. This is primarily due to unbudgeted naming allowance and parking revenue.

Coliseum operations of \$6,703,223 were less than the final budget of \$11,710,000 by \$5,006,777. The decrease is due to less need for subsidy to AEG due to higher than planned events.

Coliseum capital of \$2,133,120 was less than the final budget of \$3,085,000 by \$951,880. Significant capital additions include various cooling units, trucks, and the renovation of the Plaza Bar.

Capital Assets and Debt Administration

Capital Assets

The Authority's capital assets as of June 30, 2022 amount to \$74,174,655 (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 \$10,028,831, or 12 percent, in the Authority's capital assets for the current fiscal year was primarily due to depreciation.

Capital Assets, Net of Accumulated Depreciation June 30, 2022 and 2021

	2022		2021	5	Variance	% Variance
Construction in progress	\$ 48,989	\$	=	\$	48,989	N/A
Arena improvement	32,799,009		36,103,107		(3,304,098)	-9%
Stadium improvement	31,994,943		35,840,624		(3,845,681)	-11%
Land improvement	958,962		1,105,768		(146,806)	-13%
Furniture and fixtures	2,224,455		3,074,932		(850,477)	-28%
Heavy equipment	514,729		472,116		42,613	9%
Machinery and equipment	5,504,639		7,506,228		(2,001,589)	-27%
Vehicles	128,929		100,711		28,218	28%
Total	\$ 74,174,655	\$	84,203,486	\$	(10,028,831)	-12%

Fund financial statements record capital asset purchases as expenditures. Additional information about the Authority's capital assets can be found in Note 4 and capital commitments for \$1,111,614 in Note 9B to the financial statements.

Management's Discussion and Analysis (Unaudited) June 30, 2022

Debt Administration

At the end of the current fiscal year, the Authority had total long-term debt outstanding of \$56,836,000. This entire amount is payable from revenues of the Authority.

Outstanding Long-term Debt June 30, 2022 and 2021

	2022	 2021		§ Variance	% Variance
Revenue Bonds:					
Stadium fixed rate refunding lease revenue bonds	\$ 23,901,000	\$ 45,410,000	\$	(21,509,000)	-47%
Arena fixed rate refunding lease revenue bonds	32,935,000	41,135,000		(8,200,000)	-20%
Stadium bond premium	-	1,267,171		(1,267,171)	-100%
Total	\$ 56,836,000	\$ 87,812,171	S	(30,976,171)	-35%

During the fiscal year 2021-2022, the Authority's total bonded debt decreased by \$30,976,171. The decrease was due to the refinancing of 2012 Lease Revenue Bond by the 2021 Lease Revenue Notes as well as principal payments made during the year.

Additional information about the Authority's long-term obligations is located in Note 8 to the financial statements.

Economic factors and next year's budget and rates

The unemployment rate in Alameda County in June 2022 was approximately 3.0 percent compared to the national average of 3.6 percent, according to the US Bureau of Labor Statistics. The unemployment rate has decreased from the prior year. As events return to the Coliseum, 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

Statement of Net Position – Governmental Activities June 30, 2022

Assets

Current assets:	
Cash and investments (Note 2) Restricted cash and investments (Note 2) Accounts receivable, net of allowance of \$548,909 Due from the City of Oakland (Note 6) Due from Anschutz Entertainment Group (Note 6)	\$ 20,448,476 9,182,722 373,846 293,649 2,316,903
Total current assets	32,615,596
Noncurrent assets:	
Lease receivables (Note 3) Capital assets, not being depreciated (Note 4) Capital assets, net of accumulated depreciation (Note 4) Total noncurrent assets	7,233,920 48,989 74,125,666 81,408,575
Total assets	114,024,171
Deferred outflows of resources Loss on refunding Liabilities	4,950
Current liabilities:	
Accounts payable Interest payable Due to City of Oakland (Note 6) Unearned revenues (Note 7) Bonds and notes payable (Note 8)	17,256 658,257 141,706 1,150,000 19,479,000
Total current liabilities	21,446,219
Noncurrent liabilities Unearned revenues (Note 7) Bonds and notes payable (Note 8)	1,762,500 37,357,000
Total noncurrent liabilities	39,119,500
Total liabilities	60,565,719
Deferred inflows of resources Leases (Note 3)	7,856,135
Net Position	
Net investment in capital assets Restricted for capital projects Unrestricted	43,040,094 1,217,603 1,349,570
Total net position	\$ 45,607,267

Statement of Activities – Governmental Activities For the Year Ended June 30, 2022

				Program	Reven	ues		t (Expense) Revenue
Functions/Programs	1	Charges Expenses for Services			Operating Contributions		and Change in Net Position	
General government Interest on long-term debt	\$	21,515,634 1,758,232	\$	4,219,268	\$	24,000,000	\$	6,703,634 (1,758,232)
Total governmental activities	<u>S</u>	23,273,866	\$	4,219,268	\$	24,000,000		4,945,402
			Gen	eral Revenues	:			
				ases				2,728,680
				erest and invest	ment			329,371
			Ot	her				10,250,489
			Tota	l general revenu	ies			13,308,540
			Chai	nge in net position	on			18,253,942
			Net	position - beginn	ning of y	rear	-	27,353,325
			Net	position - end of	year		\$	45,607,267

Balance Sheet Governmental Funds June 30, 2022

	General Fund	Debt Service Fund	Total Governmental Funds
Assets Cash and investments (Note 2) Restricted cash and investments (Note 2) Accounts receivable, net of allowance of \$548,909 Due from City of Oakland (Note 6) Due from Anschutz Entertainment Group (Note 6)	\$ 20,446,709 1,217,603 373,846 293,649 2,316,903	\$ 1,767 7,965,119 -	\$ 20,448,476 9,182,722 373,846 293,649 2,316,903
Lease receivables (Note 3) Total assets	7,233,920 \$ 31,882,630	\$ 7,966,886	7,233,920 \$ 39,849,516
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ 17,256	\$ -	\$ 17,256
Due to City of Oakland (Note 6)	141,706	-	141,706
Unearned revenues (Note 7)	2,912,500		2,912,500
Total liabilities	3,071,462		3,071,462
Deferred inflows of resources			
Leases (Note 3)	7,856,135	-	7,856,135
Fund balances			
Restricted:			
Capital projects	1,217,603	•)	1,217,603
Debt service	-	7,965,119	7,965,119
Assigned		1,767	1,767
Unassigned	19,737,430		19,737,430
Total fund balances	20,955,033	7,966,886	28,921,919
Total liabilities, deferred inflows of resources, and fund balances	\$ 31,882,630	\$ 7,966,886	\$ 39,849,516

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2022

Total fund balances - governmental funds

\$ 28,921,919

Amounts reported for governmental activities in the Statement of Net Position are different from those reported in governmental funds balance sheet because:

The unamortized balance of deferred outflows of resources resulting from deferred refunding loss.

4,950

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.

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.

74,174,655

Interest on long-term debt is recognized as an expense when due, and is not accrued in the governmental funds.

(658,257)

Long-term bonds payable are not due and payable in the current period and therefore, are not reported in the governmental funds.

(56,836,000)

Net position of governmental activities

\$ 45,607,267

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2022

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues:		1	
Parking	\$ 654,454	\$ -	\$ 654,454
Facility fees	3,564,814	-	3,564,814
Investment income	329,371	-	329,371
Operating subsidy to Authority	24,000,000	-	24,000,000
Lease revenues	2,728,680	-	2,728,680
Naming allowance	517,500	- 0.605.740	517,500
Warriors fees	-	9,625,749	9,625,749
Miscellaneous revenue	107,240	0.625.740	107,240
Total revenues	31,902,059	9,625,749	41,527,808
Expenditures:			
General government: Administrative:			
Administration	369,464	-	369,464
Coliseum Inc. annuity contributions	484,524	-	484,524
Audit fees	50,654		50,654
Total administrative	904,642		904,642
Operating:			
Management fee	1,745,818	-	1,745,818
Coliseum operations	6,703,223		6,703,223
Capital outlay	2,133,120	-	2,133,120
Total operating	10,582,161		10,582,161
Debt service:			
Arena:			
Principal	-	8,200,000	8,200,000
Interest and other financing costs	-	1,427,749	1,427,749
Stadium:		22 (44 250	22 644 250
Payment to bond refunding escrow		22,644,250	22,644,250
Interest and other financing costs		1,349,200	1,349,200
Total debt service	- 11.406.002	33,621,199	33,621,199
Total expenditures	11,486,803	33,621,199	45,108,002
Excess (deficiency) of revenues			VA 400 10 0
over (under) expenditures	20,415,256	(23,995,450)	(3,580,194)
Other financing sources (uses):			
Other financing sources-refunding note	2	23,901,000	23,901,000
Other financing uses-payment to refunding escrow agent	*	(23,901,000)	(23,901,000)
Transfers in	-	12,796,798	12,796,798
Transfers out	(12,796,798)		(12,796,798)
Total other financing sources (uses)	(12,796,798)	12,796,798	
Net change in fund balances	7,618,458	(11,198,652)	(3,580,194)
Fund balances - beginning of year	13,336,575	19,165,538	32,502,113
Fund balances - end of year	\$ 20,955,033	\$ 7,966,886	\$ 28,921,919

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, 2022

Net change in fund balances - total governmental funds	\$	(3,580,194)
Amounts reported for governmental activities in the statement of activities are different because:		
Acquisition of capital assets recognized as an expenditure in the governmental funds statement of revenues, expenditures and changes in fund balances.		559,524
Depreciation of capital assets recognized as an expense in the government-wide statement of activities.		(10,588,355)
The repayment of principal of long-term debt and loans consume the current		
financial resources of governmental funds. Principal payment on long-term debt		8,200,000
Face value of refunded debt		45,410,000
Unamortized premium of refunded debt		1,010,178
	•	54,620,178
Proceeds from issuance of debt refunding provides current financial resources to governmental funds but has no effect on net position		(23,896,050)
Amortization of bond premium recognized as an expense in the government-wide statement of activities.		256,993
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 year's		
ending accrued interest balance.		881,846
Change in net position of governmental activities	\$	18,253,942

Notes to Financial Statements For the Year Ended June 30, 2022

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 was 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.

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 January 1, 1997 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. In 2019, the Plan Administrator determined that the Plan does not have sufficient assets to cover expected future benefit payments. During FY19-20, the Authority agreed to pay quarterly contributions for the next five years to meet the funding requirements of the Plan. For the year ended June 30, 2022, the Authority contributed \$484,524.

Notes to Financial Statements For the Year Ended June 30, 2022

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'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.

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.

Notes to Financial Statements For the Year Ended June 30, 2022

E. 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.

F. 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.

G. Lease Receivables

The Authority, as a lessor, recognizes lease receivables and deferred inflows of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, short-term leases, and leases that transfer ownership of the underlying asset. Lease receivables are measured at the present value of the lease payment expected to be received during the lease term. The Authority uses a discount rate that is explicitly stated or implicit in the contract. If a readily determinable discount rate is not available, the Authority uses the incremental borrowing rate at the initial measurement of the lease for a similar asset type and term length of the contract.

H. 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.

I. 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.

Notes to Financial Statements For the Year Ended June 30, 2022

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

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

J. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for the deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until that time. The Authority reports a loss on refunding resulting from the difference in the carrying value of the refunded debt and its reacquisition price. The loss on refunding is amortized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the refunding debt, whichever is shorter.

In addition to liabilities, the statement of net position and the balance sheet report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets 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 a deferred inflow of resources for leases that is measured as the value of the lease receivables in addition to any payments received at or before the commencement of the lease term that relate to future periods, and is recognized in a systematic and rational manner as revenue over the term of the lease agreements.

K. 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.
- 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, 2022, the Authority also had cash restricted for use in projects to update the Arena per the Arena management agreement and the Arena concessions agreement.
- 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, 2022.

Notes to Financial Statements For the Year Ended June 30, 2022

- 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.

L. Restricted Assets

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

M. 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.

N. 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.

O. New Accounting Standards Implemented

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

Notes to Financial Statements For the Year Ended June 30, 2022

governments' leasing activities. The Authority implemented the statement effective July 1, 2021 and recorded lease receivables of \$9.6 million and deferred inflows of resources related to leases of \$10.3 million.

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 did not have a significant impact to the Authority's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are 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 did not have a significant impact to the Authority's financial statements.

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 - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. 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. This statement did not have a significant impact to the Authority's financial statements.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives for this statement are to enhance comparability in financial reporting and improve consistency of authoritative literature by addressing practical issues that have been identified during implementation and application of certain GASB Statements. The provisions related to the extension of the use of London Interbank Offered Rate, accounting for the Supplemental Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective for the year ended June 30, 2022. This statement did not have a significant impact to the Authority's financial statements.

P. 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 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.

Notes to Financial Statements For the Year Ended 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.

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.

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 April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives for this statement are to enhance comparability in financial reporting and improve consistency of authoritative literature by addressing practical issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements related to leases, public-public partnership arrangements, and availability payment arrangements, and SBITAs are effective for the Authority's year ending June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for the Authority's year ending June 30, 2024.

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable and comparable information for making decisions or assessing accountability. This statement is effective for the Authority's year ending June 30, 2024.

In June 2022, the GASB issued Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the Authority's year ending June 30, 2025.

20,448,476

2. CASH AND INVESTMENTS

Cash and investments

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Restricted cash and investments		9,182,722
Total	\$	29,631,198
Cash and investments as of June 30, 2022 consist of the following:		
Cash in County Treasury Investments Other deposits	\$	16,170,460 13,452,857 7,881
Total	S	29,631,198

Notes to Financial Statements For the Year Ended June 30, 2022

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.

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. Interest earned is allocated quarterly to participating funds and the fair value of the Treasurer's pool is determined on a quarterly basis. The adjustment to all participants in the pool is based on the cash balance at the valuation date. 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 548 days. Information regarding the characteristics of the entire investment pool can be found in the County's June 30, 2022 annual comprehensive 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 or at https://www.acgov.org/auditor/cafr.htm. As of June 30, 2022, the Authority's share of the County's cash and investment pool totaled \$16,170,460.

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
- 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 S&P Global Ratings (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.

Permitted investments for moneys in the debt service fund for the 2021 Stadium notes 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

Notes to Financial Statements For the Year Ended June 30, 2022

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 and retain a fee for services to such fund, including investment advisory, custodial, transfer agency or other 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 "Aa3" 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.

As of June 30, 2022, investments with fiscal agents consisted of the following:

	Credit Rating	Investment Mat	turities	(in Years)
Investment Type	S&P's/Moody's	Less than 1 year		Cost
Money market mutual fund	AAAm/AAA-mf \$_	13,452,857	\$	13,452,857
Total	\$ _	13,452,857	\$	13,452,857

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, 2022.

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.

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.

Notes to Financial Statements For the Year Ended June 30, 2022

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 cost.

3. LEASE RECEIVABLES

The Authority operates lease agreements to various organizations from wireless communication and advertisement industries as well as the Oakland Athletics. Lease receivables comprises of the following:

Cell towers—The Authority has granted access to various wireless communication vendors to operate distributed antenna systems on Arena and Stadium parcels.

Advertisement—The Authority is in a project agreement with Outfront Media for their use of advertising structures on light standards in the parking lots within the complex, structures visible from Interstate 880, and reverse sides of Coliseum scoreboards which face parking areas and kiosks.

Facility lease—The Authority has granted the Athletics Investment Group LLC, d/b/a the Oakland Athletics, the exclusive right to use the Stadium during the baseball season including Oakland A's locker room, offices or suite offices, fixed location ticket offices, and retail space.

The following is a schedule of the future contracted lease revenues as of June 30, 2022:

For the Year Ending June 30]	Principal	Interest			
2023	\$	2,370,636	\$	116,210		
2024		2,414,625		79,886		
2025		1,209,746		42,682		
2026		1,238,913		21,694		
	\$	7,233,920	\$	260,472		

For the year ended June 30, 2022, lease revenues are \$2,728,680 and lease interest income is \$151,684.

Notes to Financial Statements For the Year Ended June 30, 2022

4. CAPITAL ASSETS

Capital asset activity of the primary government for the year ended June 30, 2022 is shown below:

		Balance 6/30/2021	<u>h</u>	<u>icreases</u>	<u>Decreases</u>	Balance 6/30/2022
Capital assets, not being depreciated:						
Construction in progress	\$_	- \$	\$	48,989 \$	S	48,989
Total capital assets, not being depreciated	-	·		48,989	-:	48,989
Capital assets, being depreciated:						
Arena Improvement	\$	108,442,512 \$	\$	- \$	- \$	108,442,512
Stadium Improvement		127,060,727		-	-	127,060,727
Land Improvement		2,709,476				2,709,476
Furniture and Fixtures		9,788,316		-	-	9,788,316
Heavy Equipment		697,418		150,729	-	848,147
Machinery and Equipment		25,427,570		273,645	-	25,701,215
Vehicles	8-	795,104		86,161	(62,397)	818,868
Total capital assets, being depreciated	-	274,921,123		510,535	(62,397)	275,369,261
Less accumulated depreciation for:						
Arena Improvement		(72,339,405)		(3,304,098)	-	(75,643,503)
Stadium Improvement		(91,220,103)		(3,845,681)	;=);	(95,065,784)
Land Improvement		(1,603,708)		(146,806)	-	(1,750,514)
Furniture and Fixtures		(6,713,384)		(850,477)	-	(7,563,861)
Heavy Equipment		(225,302)		(108,116)	-	(333,418)
Machinery and Equipment		(17,921,342)		(2,275,234)	-	(20,196,576)
Vehicles	-	(694,393)		(57,943)	62,397	(689,939)
Total accumulated depreciation	_	(190,717,637)		(10,588,355)	62,397	(201,243,595)
Total capital assets, being depreciated, net	_	84,203,486		(10,077,820)	a n	74,125,666
Capital assets, net	\$ _	84,203,486 \$	S	(10,028,831) \$	_ S	74,174,655

Notes to Financial Statements For the Year Ended June 30, 2022

5. 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, and subsequently extended for an additional term of four years commencing July 1, 2022 and terminating on June 30, 2026 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, 2022 was \$1,745,818. The compensation is accounted for as a management fee on the statement of revenues, expenditures and changes in fund balances.

6. 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 5 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 from amount of \$2,316,903 represents operating subsidies provided in excess of expenditures incurred as well as management fees earned.

The Oakland-Alameda County Coliseum Authority is a joint venture between Alameda County and the City of Oakland. The receivable due from the City of Oakland of \$293,649 represents parking tax payments owed to the Authority and the payable due to the City of Oakland of \$141,706 represents the executive assistant services.

7. <u>UNEARNED REVENUES</u>

The following is a summary of unearned revenues for the year ended June 30, 2022:

	Jı	Balance	Additions	 Payments/ nortization	Jui	Balance ne 30, 2022	R	ounts To Be ecognized iin One Year
Unearned Revenues	<i>-</i>					,		
Oakland A's Scoreboard	S	3,500,000	\$ 2	\$ (1,000,000)	S	2,500,000	S	1,000,000
Naming rights		-	450,000	(37,500)		412,500		150,000
Total Unearned Revenues	\$	3,500,000	\$ 450,000	\$ (1,037,500)	\$	2,912,500	\$	1,150,000

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. In the event of a possible termination to accommodate a Raiders Construction Plan an obligation to pay the Oakland A's is triggered following termination. The obligation to repay the remaining sum of the amortized expense is triggered by a narrow type of termination and the Authority believes it is unlikely to occur.

RingCentral Stadium naming rights—On January 4, 2021, RingCentral Inc. purchased the right to name the Oakland Alameda County Coliseum "RingCentral Coliseum" for a term of 36 months, starting in April 2022, with a prepayment of \$450,000, to be amortized over the term of the agreement.

Notes to Financial Statements For the Year Ended June 30, 2022

8. BONDS AND NOTES PAYABLE

The following is a summary of long-term obligations for the year ended June 30, 2022:

	J	Balance uly 1, 2021		Additions		Payments/ mortization	Ju	Balance ne 30, 2022	mounts Due hin One Year
Lease Revenue Bonds and Notes					//				
2012 Refunding Series A	\$	45,410,000	S	9.7	\$	(45,410,000)	\$	~	\$ 121
2015 Refunding Series A		41,135,000		i <u>~</u> 1.		(8,200,000)		32,935,000	8,800,000
2012 Unamortized Premium		1,267,171				(1,267,171)		-	-
2021 Refunding Series A		-		23,901,000		~		23,901,000	10,679,000
Total Long-Term Obligations	\$	87,812,171	\$	23,901,000	\$	(54,877,171)	\$	56,836,000	\$ 19,479,000

Stadium Bonds and Notes – 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.

On December 14, 2021, the Authority issued \$23,901,000 in Lease Revenue Notes, 2021 Refunding Series A (Refunding Notes) as federally taxable obligation to refund the Stadium Bonds. A portion of the proceeds of the Refunding Notes was used, together with certain amounts contributed from the debt service reserve fund and the debt service fund associated with the Stadium Bonds, to fund an escrow account totaling \$46,545,250. The Authority advance refunded the Stadium Bonds to reduce its total debt service payments over the next three years by \$13,934,374 and to obtain an economic gain of \$2,676,793. The Escrow Agent paid the scheduled debt service requirements of the Stadium Bonds on February 1, 2022 and will redeem those Stadium Bonds maturing on February 1, 2023 and thereafter, for all future debt service payments on the Stadium Bonds.

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

Notes to Financial Statements For the Year Ended June 30, 2022

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.

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' challenge to their obligation to pay the Project Debt shortfall was not successful. The 2018 Arbitration Interim Award in favor of 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, was confirmed by the San Francisco Superior Court and by the California First District Court of Appeal. The Warriors Petition for Review was denied by the California Supreme Court, ending their appeal. 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 until the Arena Bond debt obligation is satisfied in 2025.

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.

Notes to Financial Statements For the Year Ended June 30, 2022

Debt Obligations

Long-term debt outstanding as of June 30, 2022 is as follows:

Type of Indebtedness STADIUM	<u>Maturity</u>	Interest <u>Rate</u>		Authorized and Issued	Outstanding at Jun 30, 2022
2021 Refunding Series A Lease Revenue Note	Feb 1, 2025	1.37%	\$	23,901,000	\$ 23,901,000
ARENA					
2015 Refunding Series A Lease Revenue Bonds	Feb 1, 2026	1%-4%	_	79,735,000	 32,935,000
Total Debt			\$_	103,636,000	\$ 56,836,000

Debt payments during the fiscal year ended June 30, 2022 were as follows:

	Stadium	Arena	<u>Total</u>
Principal	\$ -	\$ 8,200,000	\$ 8,200,000
Interest	1,135,250	1,425,748	2,560,998
Total	\$ 1,135,250	\$ 9,625,748	\$ 10,760,998

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

2015 Lease Revenue Bonds: (Arena)

Year Ending June 30	 Principal	Interest	Total
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	\$ 32,935,000 \$	2,774,441	\$ 35,709,441

2021 Lease Revenue Note: (Stadium)

Year Ending June 30	_	Principal	Interest	Total
2023	\$	10,679,000	\$ 370,193	\$ 11,049,193
2024		10,865,000	181,142	11,046,142
2025		2,357,000	32,291	2,389,291
Total	\$ _	23,901,000	\$ 583,626	\$ 24,484,626

Notes to Financial Statements For the Year Ended June 30, 2022

9. 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.K, 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 yearend, the Authority has committed \$1,111,614 to AEG for capital outlay purposes.

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.

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – General Fund
For the Year Ended June 30, 2022

	Budget					Variance		
		Original		Final	0	Actual	Posit	ive/(Negative)
Revenues:								
Parking	\$		\$		\$	654,454	\$	654,454
Facility fees		1,600,000		3,500,000		3,564,814		64,814
Investment income		600,000		600,000		185,234		(414,766)
Operating subsidy to Authority		24,000,000		24,000,000		24,000,000		-
Athletics rent		1,250,000		1,250,000		1,625,000		375,000
Advertising		1,000,000		1,000,000		995,239		(4,761)
Cell tower license fee		267,000		267,000		252,578		(14,422)
Naming allowance		-		:		517,500		517,500
Miscellaneous revenues		-		-		107,240		107,240
Total revenues		28,717,000		30,617,000		31,902,059		1,285,059
Expenditures:								
Administrative:								
Administration		400,000		400,000		369,464		30,536
Coliseum Inc. annuity contributions		500,000		500,000		484,524		15,476
Legal		250,000		250,000		-		250,000
Audit		52,000		52,000		50,654		1,346
Total administrative		1,202,000		1,202,000		904,642		297,358
Operating:								
Management fees		585,000		1,800,000		1,745,818		54,182
Coliseum operations		11,025,000		11,710,000		6,703,223		5,006,777
Coliseum capital		3,085,000		3,085,000		2,133,120		951,880
Total operating		14,695,000		16,595,000	9	10,582,161		6,012,839
Total expenditures		15,897,000	-	17,797,000	9	11,486,803		6,310,197
Excess of revenues over expenditures		12,820,000	7	12,820,000	G	20,415,256		7,595,256
Other financing uses:								
Transfers out		-		-	n	(12,796,798)		(12,796,798)
Total other financing uses		-				(12,796,798)		(12,796,798)
Net change in fund balance		12,820,000		12,820,000		7,618,458		5,201,542
Fund balance, beginning of year		13,336,575		13,336,575		13,336,575		-
Fund balance, end of year	\$	26,156,575	\$	26,156,575	\$	20,955,033	\$	5,201,542

Note to Required Supplementary Information For the Year Ended June 30, 2022

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 Board of Commissioners of the Authority must approve the annual budget. The legal level of budgetary control is at the fund level.



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 the 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, 2022, 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 29, 2022.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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 É O'Connell LAP
Walnut Creek, California

December 29, 2022

TELECONFERENCE MEETINGS

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY JANUARY 20, 2023

1

"Teleconference"

"a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both."

"Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations."

2

Traditional Teleconference Rules

- Each teleconference location must be identified in the notice and agenda
- Agendas must be posted at each teleconference location
- Each location must have public access
- Public must have opportunity to speak at each location
- A quorum must be located within the jurisdiction of the body (here, the County), although all may attend via teleconference
- All votes must be taken by roll call
- •The body must "conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency"

3

AB 361

If a legislative body holds a meeting *during proclaimed state of emergency* and makes certain findings (including that state or local officials have imposed or recommended social distancing measures) by majority vote every 30 days, then it

- Continue to use teleconferencing without listing the remote location(s) on the agenda, posting the agenda and providing public access at all locations, and quorum is not required to participate from within County
- Need opportunity for public to attend via call-in or internet-service option (not a physical location) and provide live public comment
- Roll call vote required on all votes

AB 361 applies only during a declared state of emergency

- Statutory authority expires at the end of 2023
- California to end state of emergency February 28, 2023

1

AB 2449

- "Does not require a state of emergency, but...
- At least a quorum (5 JPA members) must meet in person at the same physical location within the body's jurisdiction (the County). The physical location must be accessible to the public.
- •Members can participate via teleconference for a limited number of times if either "just cause" or "emergency circumstances" exist
 - Notification/request process to participate via teleconference
- Must attend using both video AND audio technology
- Must announce if there is anyone 18 years or older with the member and identify that person and their relationship to the member
- Effective January 1, 2023
- Expires January 1, 2026

5

"Just Cause"

- Defined as:
 - (1) childcare or caregiving for a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires remote participation;
 - (2) a contagious illness that prevents the member from attending in person;
 - (3) a need related to a disability not otherwise accommodated; or
 - (4) travel while on official business of the legislative body or a state or local agency.
- •Can be used for no more than two meetings in a calendar year
- Approval by the legislative body is not required.
- •The reason for teleconferencing must be disclosed on the record
- •The request must be made "at the earliest opportunity"

6

"Emergency Circumstance"

- Defined as a physical or family medical emergency that prevents a member from attending in person
- No specific limit on the number of uses, subject to an annual cap
- •Must be specifically approved by the legislative body as an action item
- A request can be added to an agenda at beginning of meeting if needed and must be acted on at the beginning of the meeting.
- The member must provide a general description of the emergency
- The description need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information exempt under existing law

7

AB 2449 (cont.)

- Annual Cap: each member is limited to no more than three consecutive months of teleconferencing and no more than 20% of the meetings per calendar year. If the legislative body holds fewer than 10 meetings per calendar year, then a member may only teleconference twice per calendar year.
- "Agendas do not need to be posted at a member's remote location.
- The published agenda must list the means by which the public may access the meeting and offer comment.
- *Local agencies must provide at least one of the following:
 - A two-way audiovisual platform; and/or
 - A two-way telephonic service and live webcasting of the meeting
- The public must still be able to attend in person at the physical meeting site

Technology

- •To facilitate remote participants to interact during the public meeting, AB 2449 requires either:
- A two-way audiovisual platform (defined to mean an online platform that provides participants the ability to participate thru an interactive video conference and a two-way telephone function)
- A two-way telephonic service and live webcasting of the meeting (defined to mean a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform and allows participants to dial a telephone number to listen and verbally participate).
- Zoom, Teams or similar commercial services provide a compliant audiovisual platform
- •The JPA will require technology upgrades to the on-site meeting location

9

QUESTIONS?