

**OAKLAND-ALAMEDA COUNTY
COLISEUM AUTHORITY**

Financial Statements and Required Supplementary
Information with Independent Auditor's Reports

For the Year Ended June 30, 2023

**OAKLAND-ALAMEDA COUNTY
COLISEUM AUTHORITY**
For the Year Ended June 30, 2023

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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, each major fund, and the aggregate remaining fund information of the Oakland-Alameda County Coliseum Authority (Authority), as of and for the year ended June 30, 2023, 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, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2023, 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 (*Government Auditing Standards*). 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.

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, schedule of changes in the employer's net pension liability and related ratios, schedule of employer contributions and investment returns, 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*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023 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.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 28, 2023

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Management's Discussion and Analysis (Unaudited)

June 30, 2023

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, 2023.

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 2023 by \$66,769,936. Of this amount, \$729,530 represents assets associated with long-term debt that are subject to external restrictions as to how they may be used, \$47,326,446 represents net investment in capital assets, and \$18,740,960 represents unrestricted net position.
- As of June 30, 2023, the Authority's governmental funds reported fund balances of \$38,648,430, an increase of \$9,726,511 or 34 percent from last year. Of total fund balances, \$8,945,459 is restricted, \$1,205,977 is assigned, and \$28,496,994 is unassigned.
- The total fund balance in the General Fund as of June 30, 2023 was \$29,226,524 or 319.1 percent of the General Fund's total expenditures of \$9,158,760.

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.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Management's Discussion and Analysis (Unaudited)

June 30, 2023

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.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Authority. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the Authority's own programs. The Authority reports the pension trust fund under fiduciary funds. The pension trust fund accounts for the activities of the Oakland-Alameda County Coliseum Inc. Retirement Income Plan, which accumulates resources for pension benefit payments to qualified employees of the Oakland-Alameda County Coliseum Inc.

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 20 through 37 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, 2023 is \$66,796,936.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Management's Discussion and Analysis (Unaudited)

June 30, 2023

**Condensed Statement of Net Position
June 30, 2023 and 2022**

	2023	2022	Variance	
			\$	%
Assets				
Current and other assets	\$ 46,538,850	\$ 39,849,516	\$ 6,689,334	17%
Capital assets	66,177,913	74,174,655	(7,996,742)	-11%
Total assets	<u>112,716,763</u>	<u>114,024,171</u>	<u>(1,307,408)</u>	<u>-1%</u>
Deferred outflows of resources				
Loss on refunding	2,605	4,950	(2,345)	-47%
Pension	139,789	-	139,789	N/A
Liabilities				
Current liabilities	21,729,769	21,446,219	283,550	1%
Long-term liabilities	19,043,040	39,119,500	(20,076,460)	-51%
Total liabilities	<u>40,772,809</u>	<u>60,565,719</u>	<u>(19,792,910)</u>	<u>-33%</u>
Deferred inflows of resources				
Leases	5,289,412	7,856,135	(2,566,723)	-33%
Net position				
Net investment in capital assets	47,326,446	43,040,094	4,286,352	10%
Restricted	729,530	1,217,603	(488,073)	-40%
Unrestricted	18,740,960	1,349,570	17,391,390	1289%
Total net position	<u>\$ 66,796,936</u>	<u>\$ 45,607,267</u>	<u>\$ 21,189,669</u>	<u>46%</u>

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 \$47,326,446; this was an increase of \$4,286,352 or 10 percent when compared to the previous fiscal year. Significant capital asset acquisitions include a digital signage screen system, network hardware upgrades, and construction in progress for the Arena Plaza Bar.

An additional portion of the Authority's net position of \$729,530 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 clearing account for concession funds received and payable to AEG.

The remaining balance of unrestricted net position of \$18,740,960 may be used to meet the ongoing obligations of the Authority. The Authority's unrestricted net position increased by \$17,391,390 or 1,289 percent from the previous fiscal year. The increase in unrestricted net position is primarily due to subsidies received and operational profits due to a higher number of events.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Condensed Statement of Activities
For the Years Ended June 30, 2023 and 2022

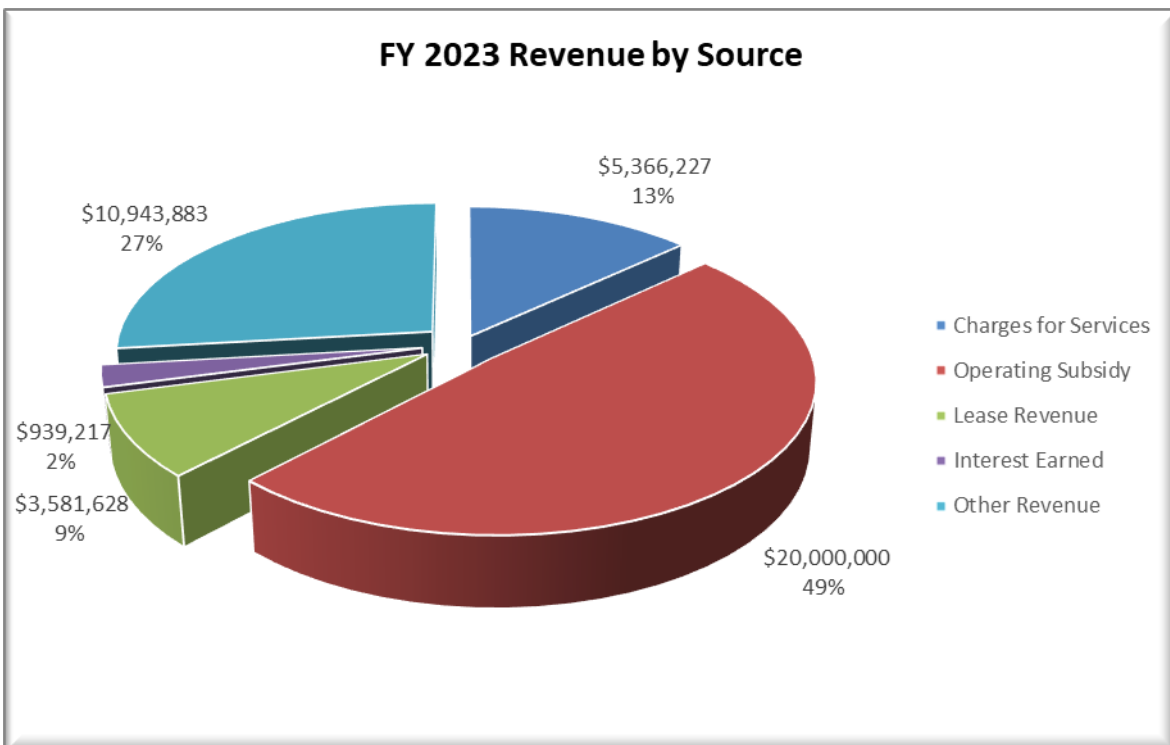
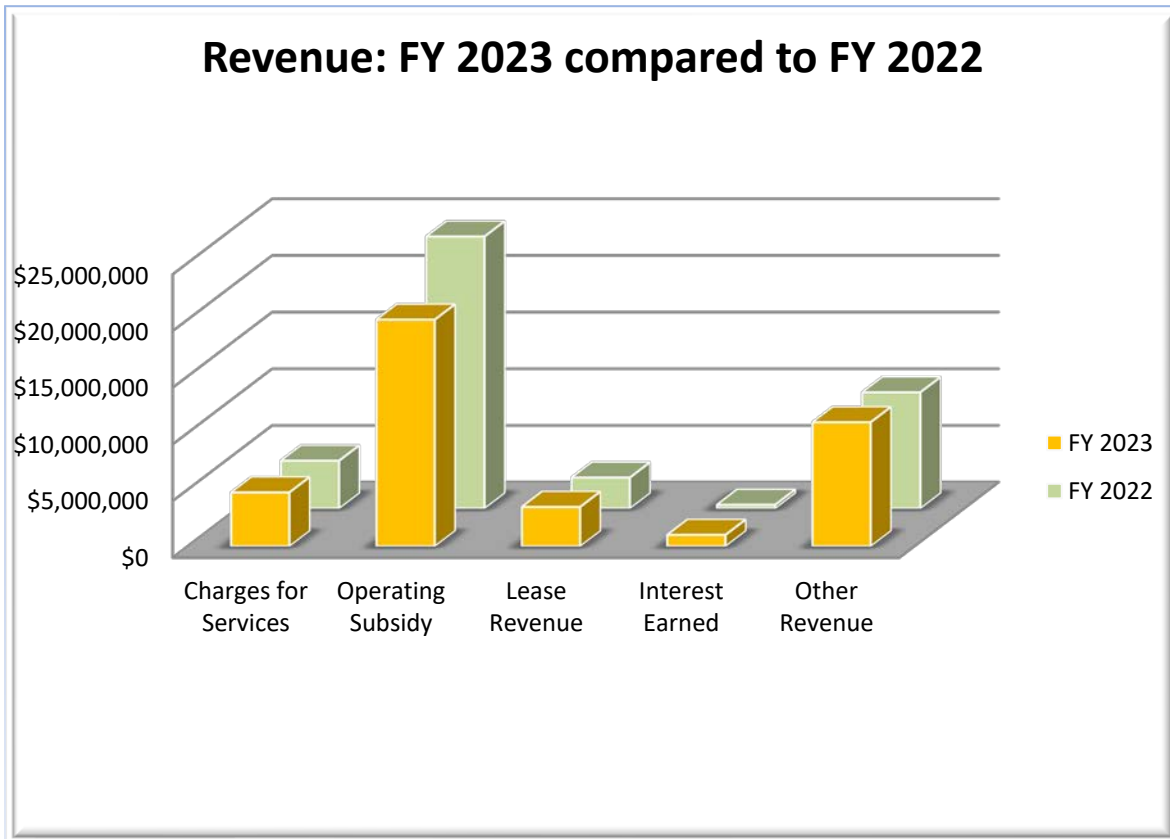
	<u>2023</u>	<u>2022</u>	<u>Variance</u>	
			\$	%
Revenues				
Program revenues:				
Charges for services	\$ 5,366,227	\$ 4,219,268	\$ 1,146,959	27%
Operating subsidy	20,000,000	24,000,000	(4,000,000)	-17%
General revenues:				
Lease revenue	3,581,628	2,728,680	852,948	31%
Interest income	939,217	329,371	609,846	185%
Other revenue	10,943,883	10,250,489	693,394	7%
Total revenues	<u>40,830,955</u>	<u>41,527,808</u>	<u>(696,853)</u>	<u>-2%</u>
Expenses				
General government	16,850,572	21,515,634	(4,665,062)	22%
Interest on long-term debt	1,324,532	1,758,232	(433,700)	25%
Total expenses	<u>18,175,104</u>	<u>23,273,866</u>	<u>(5,098,762)</u>	<u>22%</u>
Change in net position	<u>22,655,851</u>	<u>18,253,942</u>	<u>4,401,909</u>	<u>-24%</u>
Net position - beginning of year, as restated	<u>44,141,085</u>	<u>27,353,325</u>	<u>16,787,760</u>	<u>61%</u>
Net position - end of year	<u>\$ 66,796,936</u>	<u>\$ 45,607,267</u>	<u>\$ 21,189,669</u>	<u>46%</u>

Governmental Activities:

The activities of the Authority increased its net position by \$21,189,669. Key elements of this increase when compared to the prior year are as follows:

- Charges for services increased by \$1,146,959 due to an increase in AEG's facility fees from events.
- Operating subsidies from the City of Oakland (City) and the County of Alameda (County) decreased by \$4,000,000 as there was an increase in events leading to higher profits.
- Lease revenue increased by \$852,948 due to recognition of the total annual amount for all lease contracts.
- Interest income increased by \$609,846 due to an increase in interest rates.
- Other revenue increased by \$693,394 due to amortizing the remaining RingCentral naming rights revenue and an increase from the Golden State Warriors for the Arena's debt service.
- Total general government expenses decreased by \$4,665,062 primarily due to lower subsidies needed to operate facilities due to a higher number of events.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY
 Management's Discussion and Analysis (Unaudited)
 June 30, 2023



OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Management's Discussion and Analysis (Unaudited)

June 30, 2023

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>\$ Variance</u>	<u>% Variance</u>
Restricted	\$ 729,530	\$ 1,217,603	(488,073)	-40%
Unassigned	28,496,994	19,737,430	8,759,564	44%
Total Fund Balance	<u>\$ 29,226,524</u>	<u>\$ 20,955,033</u>	<u>\$ 8,271,491</u>	<u>39%</u>

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 \$28,496,994, while total fund balance reached \$29,226,524.

Restricted fund balance in the amount of \$729,530 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 \$8,759,564 when compared to last fiscal year. Key factors in this increase include higher revenues due to an increase in facility events.

**Balance Sheet
Classification of Fund Balance – Debt Service Fund
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>\$ Variance</u>	<u>% Variance</u>
Restricted	\$ 8,215,929	\$ 7,965,119	\$ 250,810	3%
Assigned	1,205,977	1,767	1,204,210	2,354%
Total Fund Balance	<u>\$ 9,421,906</u>	<u>\$ 7,966,886</u>	<u>\$ 1,455,020</u>	<u>18%</u>

The Debt Service Fund has a total fund balance of \$9,421,906, the majority of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the Debt Service Fund was \$1,455,020.

General Fund Budgetary Highlights

Overall, the Authority's actual General Fund revenues for fiscal year 2022-23 were greater than its budgeted revenues by \$3,312,744 or 12.4 percent. This is primarily due to greater than expected facility fees, investment income, and parking revenues.

Coliseum operations of \$645,349 were less than the final budget of \$9,472,400 by \$8,827,051. The decrease is due to coliseum operational expenses netted against an operational funding receivable from AEG. AEG had less need for subsidy due to higher than planned events.

Coliseum capital of \$4,880,875 was less than the final budget of \$6,218,000 by \$1,337,125. Significant capital additions include a digital signage screen system, network hardware upgrades, and the renovation of the Plaza Bar.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Capital Assets and Debt Administration

Capital Assets

The Authority's capital assets as of June 30, 2023 amount to \$66,177,913 (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 \$7,996,742, or 11 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, 2023 and 2022**

	2023	2022	\$ Variance	% Variance
Construction in progress	\$ 350,576	\$ 48,989	\$ 301,587	616%
Arena improvement	29,494,911	32,799,009	(3,304,098)	-10%
Stadium improvement	28,149,262	31,994,943	(3,845,681)	-12%
Land improvement	812,155	958,962	(146,807)	-15%
Furniture and fixtures	1,686,604	2,224,455	(537,851)	-24%
Heavy equipment	399,077	514,729	(115,652)	-22%
Machinery and equipment	5,121,493	5,504,639	(383,146)	-7%
Vehicles	163,835	128,929	34,906	27%
Total	\$ 66,177,913	\$ 74,174,655	\$ (7,996,742)	-11%

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 \$2,448,739 in Note 10B to the financial statements.

Debt Administration

At the end of the current fiscal year, the Authority had total long-term debt outstanding of \$37,357,000. This entire amount is payable from revenues of the Authority.

**Outstanding Long-term Debt
June 30, 2023 and 2022**

	2023	2022	\$ Variance	% Variance
Revenue Bonds:				
Stadium fixed rate refunding lease revenue bonds	\$ 13,222,000	\$ 23,901,000	\$ (10,679,000)	-45%
Arena fixed rate refunding lease revenue bonds	24,135,000	32,935,000	(8,800,000)	-27%
Total	\$ 37,357,000	\$ 56,836,000	\$ (19,479,000)	-34%

During the fiscal year 2022-2023, the Authority's total bonded debt decreased by \$19,479,000. The decrease was due to 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 2023 was approximately 4.2 percent compared to the national average of 3.6 percent, according to the US Bureau of Labor Statistics. The unemployment rate has increased from the prior year. This may affect the number of tickets sold by the Arena and Coliseum and other related revenue such as parking and concessions.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Requests for Information

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Statement of Net Position – Governmental Activities

June 30, 2023

Assets

Current assets:

Cash and investments (Note 2)	\$	26,586,114
Restricted cash and investments (Note 2)		8,945,459
Receivables, net of allowance of \$548,909		252,085
Due from the City of Oakland (Note 6)		925,334
Due from Anschutz Entertainment Group (Note 6)		5,071,586
Total current assets		<u>41,780,578</u>

Noncurrent assets:

Lease receivables (Note 3)		4,758,272
Capital assets, not being depreciated (Note 4)		350,576
Capital assets, net of accumulated depreciation (Note 4)		65,827,337
Total noncurrent assets		<u>70,936,185</u>
Total assets		<u>112,716,763</u>

Deferred outflows of resources

Loss on refunding		2,605
Pension		139,789
Total deferred outflow of resources		<u>142,394</u>

Liabilities

Current liabilities:

Accounts payable		26,099
Interest payable		439,095
Due to City of Oakland (Note 6)		149,575
Unearned revenues (Note 7)		1,000,000
Bonds and notes payable (Note 8)		20,115,000
Total current liabilities		<u>21,729,769</u>

Noncurrent liabilities

Unearned revenues (Note 7)		500,000
Bonds and notes payable (Note 8)		17,242,000
Net pension liability (Note 9)		1,301,040
Total noncurrent liabilities		<u>19,043,040</u>
Total liabilities		<u>40,772,809</u>

Deferred inflows of resources

Leases (Note 3)		<u>5,289,412</u>
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Net Position

Net investment in capital assets		47,326,446
Restricted for capital projects		729,530
Unrestricted		18,740,960
Total net position	\$	<u>66,796,936</u>

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Statement of Activities – Governmental Activities

For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Contributions</u>	
General government	\$ 16,850,572	\$ 5,366,227	\$ 20,000,000	\$ 8,515,655
Interest on long-term debt	1,324,532	-	-	(1,324,532)
Total governmental activities	<u>\$ 18,175,104</u>	<u>\$ 5,366,227</u>	<u>\$ 20,000,000</u>	<u>7,191,123</u>
General Revenues:				
				3,581,628
				939,217
				10,943,883
				<u>15,464,728</u>
				<u>22,655,851</u>
				45,607,267
				(1,466,182)
				<u>44,141,085</u>
				<u>\$ 66,796,936</u>

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Balance Sheet
Governmental Funds
June 30, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and investments (Note 2)	\$ 25,380,137	\$ 1,205,977	\$ 26,586,114
Restricted cash and investments (Note 2)	729,530	8,215,929	8,945,459
Receivables, net of allowance of \$548,909	252,085	-	252,085
Due from City of Oakland (Note 6)	925,334	-	925,334
Due from Anschutz Entertainment Group (Note 6)	5,071,586	-	5,071,586
Lease receivables (Note 3)	4,758,272	-	4,758,272
Total assets	<u>\$ 37,116,944</u>	<u>\$ 9,421,906</u>	<u>\$ 46,538,850</u>
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ 26,099	\$ -	\$ 26,099
Due to City of Oakland (Note 6)	149,575	-	149,575
Unearned revenues (Note 7)	1,500,000	-	1,500,000
Total liabilities	<u>1,675,674</u>	<u>-</u>	<u>1,675,674</u>
Deferred inflows of resources			
Unavailable revenue	925,334	-	925,334
Leases (Note 3)	5,289,412	-	5,289,412
Total deferred inflows of resources	<u>6,214,746</u>	<u>-</u>	<u>6,214,746</u>
Fund balances			
Restricted:			
Capital projects	729,530	-	729,530
Debt service	-	8,215,929	8,215,929
Assigned	-	1,205,977	1,205,977
Unassigned	28,496,994	-	28,496,994
Total fund balances	<u>29,226,524</u>	<u>9,421,906</u>	<u>38,648,430</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,116,944</u>	<u>\$ 9,421,906</u>	<u>\$ 46,538,850</u>

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2023

Total fund balances - governmental funds \$ 38,648,430

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

As the focus of governmental fund is on short-term financing, some assets will not be available to pay current expenditures. Those assets (receivables) are offset by deferred inflows of resources in the governmental funds as they are not measureable and available. 925,334

The unamortized balance of deferred outflows of resources resulting from deferred refunding loss. 2,605

The unamortized balance of deferred outflows of resources from the pension plan. 139,789

The net pension liability pertaining to governmental fund types is not recorded in the governmental fund statements. (1,301,040)

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds. 66,177,913

Interest on long-term debt is recognized as an expense when due, and is not accrued in the governmental funds. (439,095)

Long-term bonds payable are not due and payable in the current period and therefore, are not reported in the governmental funds. (37,357,000)

Net position of governmental activities \$ 66,796,936

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues:			
Facility fees	\$ 4,440,893	\$ -	\$ 4,440,893
Investment income	939,217	-	939,217
Operating subsidy to Authority	20,000,000	-	20,000,000
Lease revenues	3,581,628	-	3,581,628
Naming allowance	962,500	-	962,500
Warriors fees	-	9,966,877	9,966,877
Miscellaneous revenue	14,506	-	14,506
Total revenues	<u>29,938,744</u>	<u>9,966,877</u>	<u>39,905,621</u>
Expenditures:			
General government:			
Administrative:			
Administration	363,249	-	363,249
Coliseum Inc. annuity contributions	484,524	-	484,524
Audit fees	64,502	-	64,502
Total administrative	<u>912,275</u>	<u>-</u>	<u>912,275</u>
Operating:			
Management fee	2,720,261	-	2,720,261
Coliseum operations	645,349	-	645,349
Capital outlay	4,880,875	-	4,880,875
Total operating	<u>8,246,485</u>	<u>-</u>	<u>8,246,485</u>
Debt service:			
Arena:			
Principal	-	8,800,000	8,800,000
Interest and other financing costs	-	1,168,875	1,168,875
Stadium:			
Principal	-	10,679,000	10,679,000
Interest and other financing costs	-	372,475	372,475
Total debt service	<u>-</u>	<u>21,020,350</u>	<u>21,020,350</u>
Total expenditures	<u>9,158,760</u>	<u>21,020,350</u>	<u>30,179,110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,779,984</u>	<u>(11,053,473)</u>	<u>9,726,511</u>
Other financing sources (uses):			
Transfers in	-	12,508,493	12,508,493
Transfers out	(12,508,493)	-	(12,508,493)
Total other financing sources (uses)	<u>(12,508,493)</u>	<u>12,508,493</u>	<u>-</u>
Net change in fund balances	8,271,491	1,455,020	9,726,511
Fund balances - beginning of year	20,955,033	7,966,886	28,921,919
Fund balances - end of year	<u>\$ 29,226,524</u>	<u>\$ 9,421,906</u>	<u>\$ 38,648,430</u>

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds	\$ 9,726,511
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.	2,252,592
Depreciation of capital assets recognized as an expense in the government-wide statement of activities.	(10,249,334)
Debt service expenditures for principal payments - recognized as an expenditure in the governmental funds statement of revenues, expenditures and changes in fund balances.	19,479,000
Amortization of deferred outflows of resources resulting from the deferred refunding loss	(2,345)
Pension expenses reported in the statement of activities that do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	304,931
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.	219,162
Parking tax which was not received within the available period established for the governmental funds is not reported as revenue in the funds.	925,334
Change in net position of governmental activities	<u>\$ 22,655,851</u>

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Statement of Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2023

	Pension
	<u>Trust Fund</u>
Assets:	
Investment at fair value - Stable value	\$ 3,557,198
Total assets	<u>3,557,198</u>
Net position	
Restricted for pension benefits	<u>3,557,198</u>
Total net position	<u><u>\$ 3,557,198</u></u>

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Pension</u> <u>Trust Fund</u>
Additions:	
Employer contributions	\$ 484,524
Net investment income	(17,589)
Total additions	<u>466,935</u>
 Deductions:	
Benefits paid	466,010
Administration expenses	96,797
Total deductions	<u>562,807</u>
Change in net position	(95,872)
Net position, beginning of period	-
Cumulative effect of restatement	<u>3,653,070</u>
Net position - beginning of period, restated	<u>3,653,070</u>
Net position - end of period	<u><u>\$ 3,557,198</u></u>

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023, the Authority contributed \$484,524.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements
For the Year Ended June 30, 2023

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.

Fiduciary Funds

The **Pension Trust Fund** is used to measure the net pension liability, deferred outflow of resources related to pensions, and pension expense, and information about the fiduciary net position for the retirement income plan.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements For the Year Ended June 30, 2023

Basis of Accounting

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

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

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

E. Investments

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

F. 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.

G. 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.

H. 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.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements
For the Year Ended June 30, 2023

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

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

I. 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 the following deferred outflows of resources:

Loss on refunding debt – 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.

Pension – The Authority reports a deferred outflow of resources using the economic resources measurement focus and the accrual basis of accounting. The deferral is for changes in the net pension liability that are not included in the pension expense and must be amortized in a systematic and rational manner over a closed period depending on the cause beginning with the current period. These causes may include changes of future economic and demographic assumptions or other inputs, differences between expected and actual experience with regard to economic or demographic factors, and differences between projected and actual earnings on pension plan investments.

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.

J. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements For the Year Ended June 30, 2023

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, 2023, 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, 2023.
- **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.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements
For the Year Ended June 30, 2023

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

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

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

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. 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 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.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements
For the Year Ended June 30, 2023

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.

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Governmental Funds

Cash and investments	\$ 26,586,114
Restricted cash and investments	<u>8,945,459</u>
Total	<u>\$ 35,531,573</u>

Fiduciary Fund

Investments	<u>\$ 3,557,198</u>
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Cash and investments as of June 30, 2023 consist of the following:

Cash in County Treasury	\$ 21,383,300
Investments	17,696,522
Other deposits	<u>8,949</u>
Total	<u>\$ 39,088,771</u>

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 custodians. The Authority does not have an investment policy.

a. Cash in the County Treasury

The Authority maintains its available cash in the County Treasury. The County pools these funds with those of other agencies and invests the cash. 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.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements For the Year Ended June 30, 2023

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 473 days. Information regarding the characteristics of the entire investment pool can be found in the County's June 30, 2023 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, 2023, the Authority's share of the County's cash and investment pool totaled \$21,383,300.

b. Investments with Fiscal Agents

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

1. Government Securities
2. Any obligations which are then legal investments for moneys of lessees under the laws of the State of California; provided that such investments shall be rated in the highest short-term or one of the three highest long-term rating categories by Fitch, Moody's and 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 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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023, investments with fiscal agents consisted of the following:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>	
	<u>S&P's/Moody's</u>	<u>Less than 1 year</u>	<u>Cost</u>
Money market mutual fund	AAAm/AAA-mf	\$ 14,139,324	\$ 14,139,324
Total		\$ 14,139,324	\$ 14,139,324

c. Investments of the Pension Trust Fund

As of June 30, 2023, the Pension Trust Fund holds all of its investments in a Stable Value Fund. The fund is unrated.

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, 2023.

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.

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.

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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, 2023:

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,385,227	\$ 65,196
2025	1,175,057	32,511
2026	1,197,988	16,412
	<u>\$ 4,758,272</u>	<u>\$ 114,119</u>

For the year ended June 30, 2023, lease revenues are \$3,581,628 and lease interest income is \$96,909.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements
For the Year Ended June 30, 2023

4. CAPITAL ASSETS

Capital asset activity of the primary government for the year ended June 30, 2023 is shown below:

	Balance				Balance
	<u>6/30/2022</u>	<u>Increases</u>	<u>Decreases</u>		<u>6/30/2023</u>
Capital assets, not being depreciated:					
Construction in progress	\$ 48,989	\$ 301,587	\$ -		\$ 350,576
Total capital assets, not being depreciated	<u>48,989</u>	<u>301,587</u>	<u>-</u>		<u>350,576</u>
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	97,250	-		9,885,566
Heavy Equipment	848,147	-	-		848,147
Machinery and Equipment	25,701,215	1,762,273	-		27,463,488
Vehicles	818,868	91,482	-		910,350
Total capital assets, being depreciated	<u>275,369,261</u>	<u>1,951,005</u>	<u>-</u>		<u>277,320,266</u>
Less accumulated depreciation for:					
Arena Improvement	(75,643,503)	(3,304,098)	-		(78,947,601)
Stadium Improvement	(95,065,784)	(3,845,681)	-		(98,911,465)
Land Improvement	(1,750,514)	(146,807)	-		(1,897,321)
Furniture and Fixtures	(7,563,861)	(635,101)	-		(8,198,962)
Heavy Equipment	(333,418)	(115,652)	-		(449,070)
Machinery and Equipment	(20,196,576)	(2,145,419)	-		(22,341,995)
Vehicles	(689,939)	(56,576)	-		(746,515)
Total accumulated depreciation	<u>(201,243,595)</u>	<u>(10,249,334)</u>	<u>-</u>		<u>(211,492,929)</u>
Total capital assets, being depreciated, net	<u>74,125,666</u>	<u>(8,298,329)</u>	<u>-</u>		<u>65,827,337</u>
Capital assets, net	\$ <u>74,174,655</u>	\$ <u>(7,996,742)</u>	\$ <u>-</u>		\$ <u>66,177,913</u>

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For the Year Ended June 30, 2023

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, 2023 was \$2,720,261. 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 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 \$5,071,586 represents operating funding receivable of \$10,244,651, facilities fee receivable of \$313,608 net of concessions and capital payable of \$2,766,412, and management fee payable of \$2,720,261.

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 \$925,334 represents parking tax payments owed to the Authority and the payable due to the City of Oakland of \$149,575 represents the executive assistant services.

7. UNEARNED REVENUES

The following is a summary of unearned revenues for the year ended June 30, 2023:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Payments/ Amortization</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts To Be Recognized Within One Year</u>
Unearned Revenues					
Oakland A’s Scoreboard	\$ 2,500,000	\$ -	\$ (1,000,000)	\$ 1,500,000	\$ 1,000,000
Naming rights	412,500	-	(412,500)	-	-
Total Unearned Revenues	<u>\$ 2,912,500</u>	<u>\$ -</u>	<u>\$ (1,412,500)</u>	<u>\$ 1,500,000</u>	<u>\$ 1,000,000</u>

Oakland Athletics—On July 22, 2014, the Authority signed a ten-year lease agreement that required the Oakland Athletics to install a new scoreboard in the Oakland Coliseum as part of their rental payments. 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. In March 2023, RingCentral terminated the naming rights agreement. The remaining balance for the naming rights unearned revenue was amortized fully in the fiscal year.

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8. BONDS AND NOTES PAYABLE

The following is a summary of long-term obligations for the year ended June 30, 2023:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Payments/ Amortization</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts Due</u> <u>Within One Year</u>
Lease Revenue Bonds and Notes					
2015 Refunding Series A	\$ 32,935,000	\$ -	\$ (8,800,000)	\$ 24,135,000	\$ 9,250,000
2021 Refunding Series A	23,901,000	-	(10,679,000)	13,222,000	10,865,000
Total Long-Term Obligations	<u>\$ 56,836,000</u>	<u>\$ -</u>	<u>\$ (19,479,000)</u>	<u>\$ 37,357,000</u>	<u>\$ 20,115,000</u>

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 with the retention of the Golden State Warriors (the Warriors) to play professional basketball at the Arena for at

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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 2026.

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.

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Debt Obligations

Long-term debt outstanding as of June 30, 2023 is as follows:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Authorized and Issued</u>	<u>Outstanding at Jun 30, 2023</u>
<u>STADIUM</u>				
2021 Refunding Series A Lease Revenue Note	Feb 1, 2025	1.37%	\$ 23,901,000	\$ 13,222,000
<u>ARENA</u>				
2015 Refunding Series A Lease Revenue Bonds	Feb 1, 2026	1%-4%	<u>79,735,000</u>	<u>24,135,000</u>
Total Debt			<u>\$ 103,636,000</u>	<u>\$ 37,357,000</u>

Debt payments during the fiscal year ended June 30, 2023 were as follows:

	<u>Stadium</u>	<u>Arena</u>	<u>Total</u>
Principal	\$ 10,679,000	\$ 8,800,000	\$ 19,479,000
Interest	<u>370,193</u>	<u>1,166,876</u>	<u>1,537,069</u>
Total	<u>\$ 11,049,193</u>	<u>\$ 9,966,876</u>	<u>\$ 21,016,069</u>

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

2015 Lease Revenue Bonds: (Arena)

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 9,250,000	\$ 872,690	\$ 10,122,690
2025	10,000,000	549,588	10,549,588
2026	<u>4,885,000</u>	<u>185,288</u>	<u>5,070,288</u>
Total	<u>\$ 24,135,000</u>	<u>\$ 1,607,566</u>	<u>\$ 25,742,566</u>

2021 Lease Revenue Note: (Stadium)

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	10,865,000	181,142	11,046,142
2025	<u>2,357,000</u>	<u>32,291</u>	<u>2,389,291</u>
Total	<u>\$ 13,222,000</u>	<u>\$ 213,433</u>	<u>\$ 13,435,433</u>

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9. PENSION PLAN

A. Plan Description

The Plan is a single employer defined benefit pension plan for former employees of OACC Inc which dissolved on or about December 31, 1998 and is administered by Empower. The Plan provides retirement benefits to plan members and beneficiaries. The Authority assumed liabilities that exist under the plan pursuant to a resolution adopted by the Authority’s Board on April 11, 2008 and the plan was frozen as of the dissolution date and no further new employees nor benefit accruals were added to the plan.

The Plan benefit formula is based on the length of service, earnings and salary history, and retirement age when retirement income begins. The benefit formula is 2.9% of final earnings multiplied by years of service up to a maximum of 35 years. The length of service includes all years of service with the OACC Inc from date of employment to the earliest retirement, termination of employment or death. The earnings and salary history equals total compensation, including elective deferrals, up to a maximum of \$150,000 as adjusted for cost-of-living increases. The final earnings is calculated using the highest earnings received in any three consecutive calendar years during the last ten years before retirement date or the average earnings received in the last three full calendar years before early retirement or termination of employment.

At June 30, 2023, the following numbers of participants were covered by the benefit terms:

Number of participants

Inactive employees or beneficiaries currently receiveing benefits	30
Inactive employees entitled to but not yet receiving benefits	<u>14</u>
Total participants	<u>44</u>

B. Funding Policy

The Authority assumed liabilities that exist under the Plan in April 2008. The Board of Commissioners passed a resolution in September 2019 authorizing payment of up to \$485,000 annually in employer contributions to the Plan for five years ending June 2024.

C. Net Pension Liability

For the year ended June 30, 2023, the Authority reported a liability of \$1,301,040 for the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of November 1, 2022. The plan fiduciary net position as a percentage of total pension liability for the year ended June 30, 2023 is 73.22%.

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The following table summarizes the changes in the net pension liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at June 30, 2022, restated	\$ 5,119,252	\$ 3,653,070	\$ 1,466,182
Changes for the year:			
Interest cost	207,768	-	207,768
Differences between expected and actual experience	14,839	-	14,839
Assumption changes	(17,611)	-	(17,611)
Benefit payments*	(466,010)	(466,010)	-
Net investment Income	-	(17,589)	17,589
Contributions - employer	-	484,524	(484,524)
Administrative expenses	-	(96,797)	96,797
Net changes for the year	<u>4,858,238</u>	<u>3,557,198</u>	<u>(165,142)</u>
Balance at June 30, 2023	<u>\$ 4,858,238</u>	<u>\$ 3,557,198</u>	<u>\$ 1,301,040</u>

*Including refunds of employee contributions

D. Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	November 1, 2022
Discount Rate	4.30%
Inflation Rate	2.75%
Mortality Rate Table	Derived using the IRS 2022 Static Mortality Table
Post Retirement Benefit Increase	2.75%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using capital market assumptions applied to determine the discount rate and asset allocation. These arithmetic real rates of return are net of administrative expenses.

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<u>Asset class</u>	<u>Target allocation</u>	<u>Long term expected real rate of return</u>
Large cap equity		7.75%
Small cap equity		8.75%
Mid cap equity		8.50%
International equity		7.25%
Fixed income		6.00%
Real estate		6.75%
Stable value	100%	4.60%

Discount Rate – The discount rate used to measure the total pension liability was 4.30 percent as of June 30, 2023, which is an increase from 4.25 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes employer contributions will be made at rates equal to the negotiated contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following presents the Authority’s net pension liability calculated using the discount rate of 4.30 percent, as well as what the Authority’s net pension liability would be if it were calculated using the discount rate that is 1-percentage point lower (3.30 percent) or 1-percentage-point higher (5.30 percent) than the current rate:

	<u>1% Decrease (3.30%)</u>	<u>Current Discount rate (4.30%)</u>	<u>1% Increase (5.30%)</u>
The Authority's net pension liability	\$ 1,667,514	\$ 1,301,040	\$ 979,485

E. Pension Expense and Deferred Flows of Resources Related to Pensions

For the year ended June 30, 2023, the Authority recognized pension expense of \$179,583. At June 30, 2023, the Authority reported deferred outflow of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on investments	\$ 139,789
Total	<u>\$ 139,789</u>

Amounts reported as deferred outflow of resources related to pensions will be recognized in the pension expense as follows:

Year ended June 30:	
2024	\$ 34,947
2025	34,947
2026	34,947
2027	34,948

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10. COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Contract Commitments

As discussed in note 1.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 year-end, the Authority has committed \$2,448,739 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.

11. RESTATEMENT OF BEGINNING NET POSITION

The Authority restated the beginning net position in the government-wide financial statements due to GASB Statement No. 68 implementation. The implementation established pension deferred outflows of resources and net pension liability line items in the statement of net position. In addition, pension expense is recorded as part of general government expenses in the statement of activities. The pension trust fund is reported as a fiduciary fund in the statement of fiduciary net position and the statement of changes in fiduciary net position.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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OAKLAND-ALAMEDA COUNTY COLSIEUM AUTHORITY
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Total pension liability		<u>6/30/2023</u>
Interest	\$	207,768
Difference between expected and actual experience and assumptions		(2,772)
Benefit payments, including refunds of member contributions		<u>466,010</u>
Net change in total pension liability		(261,014)
Total pension liability - beginning		<u>5,119,252</u>
Total pension liability - ending (a)	\$	<u><u>4,858,238</u></u>
Plan fiduciary net position		
Contributions - employer		484,524
Net investment income		(17,589)
Benefit payments, including refunds of member contributions		466,010
Administrative expense		<u>96,797</u>
Net change in plan fiduciary net position		(95,872)
Plan fiduciary net position - beginning		<u>3,653,070</u>
Plan fiduciary net position - ending (b)	\$	<u><u>3,557,198</u></u>
Net pension liability - ending (a) - (b)	\$	<u><u>1,301,040</u></u>
Plan fiduciary net position as a percentage of the total pension liability		73.22%
Covered employee payroll	\$	-
Net pension liability as a percentage of covered- employee payroll		N/A

These schedules are intended to show information for ten years, information will be added as it becomes available.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY
Schedule of Employer Contributions and Investment Returns
For the Year Ended June 30, 2023

	<u>6/30/2023</u>
Actuarially determined contribution	\$ 153,357
Contributions in relation to the actuarially determined contributor	(484,524)
Contribution deficiency (excess)	<u>\$ (331,167)</u>
Covered employee payroll	\$ -
Contributions as a percentage of covered employee payroll	N/A

Notes to Schedule

Valuation date	November 1, 2022
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Projected unit credit
Remaining amortization period	15
Asset valuation method	Stated contract value of funds with a market value adjustment factor applied, which is considered the best representation of Fair Value.
Inflation	2.75%
Salary increases	N/A
Investment rate of return	4.25%
Retirement age	Age 55 or the completion of 5 years of service. Participants at or beyond this age are assumed to retire immediately
Mortality	IRS 2022 Static Mortality Table

These schedules are intended to show information for ten years, information will be added as it becomes available.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY
Schedule of Revenues, Expenses and Changes in Fund Balance—
Budget and Actual—General Fund
For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		Positive/(Negative)
Revenues:				
Facility fees	\$ 2,450,000	\$ 2,450,000	\$ 4,440,893	\$ 1,990,893
Investment income	400,000	400,000	939,217	539,217
Operating subsidy to Authority	20,000,000	20,000,000	20,000,000	-
Athletics rent	1,250,000	1,250,000	1,625,000	375,000
Advertising	1,000,000	1,000,000	994,979	(5,021)
Cell tower license fee	276,000	276,000	961,649	685,649
Naming allowance	1,250,000	1,250,000	962,500	(287,500)
Miscellaneous revenues	-	-	14,506	14,506
Total revenues	<u>26,626,000</u>	<u>26,626,000</u>	<u>29,938,744</u>	<u>3,312,744</u>
Expenditures:				
Administrative:				
Administration	400,000	400,000	363,249	36,751
Coliseum Inc. annuity contributions	500,000	500,000	484,524	15,476
Legal	150,000	150,000	-	150,000
Audit	54,000	64,600	64,502	98
Total administrative	<u>1,104,000</u>	<u>1,114,600</u>	<u>912,275</u>	<u>202,325</u>
Operating:				
Management fees	1,314,000	2,721,000	2,720,261	739
Coliseum operations	10,890,000	9,472,400	645,349	8,827,051
Coliseum capital	6,218,000	6,218,000	4,880,875	1,337,125
Total operating	<u>18,422,000</u>	<u>18,411,400</u>	<u>8,246,485</u>	<u>10,164,915</u>
Total expenditures	<u>19,526,000</u>	<u>19,526,000</u>	<u>9,158,760</u>	<u>10,367,240</u>
Excess of revenues over expenditures	<u>7,100,000</u>	<u>7,100,000</u>	<u>20,779,984</u>	<u>13,679,984</u>
Other financing uses:				
Transfers out	-	-	(12,508,493)	(12,508,493)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(12,508,493)</u>	<u>(12,508,493)</u>
Net change in fund balance	7,100,000	7,100,000	8,271,491	(1,171,491)
Fund balance, beginning of year	20,955,033	20,955,033	20,955,033	-
Fund balance, end of year	<u>\$ 28,055,033</u>	<u>\$ 28,055,033</u>	<u>\$ 29,226,524</u>	<u>\$ (1,171,491)</u>

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Schedule of Employer Contributions and Investment Returns

For the Year Ended June 30, 2023

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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oakland-Alameda County Coliseum Authority (Authority), as of and for the year ended June 30, 2023, 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 28, 2023.

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 & O'Connell LLP

Walnut Creek, California
December 28, 2023