

**OAKLAND-ALAMEDA COUNTY
COLISEUM AUTHORITY**

Financial Statements with
Independent Auditor's Reports

For the Year Ended June 30, 2020



Certified
Public
Accountants

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

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Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinions on the governmental activities and the special revenue fund and unmodified audit opinions on the general fund and debt service fund.

Summary of Opinions

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

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

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

Adverse Opinion

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

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the major debt service fund of the Authority, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Macias Gini E O'Connell LPA". The signature is written in a cursive, flowing style.

Walnut Creek, California
December 21, 2020

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OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2020

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

Financial Highlights

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

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

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

For the Year Ended June 30, 2020

Fund financial statements

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

Governmental funds

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

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

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

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

Notes to the financial statements

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

Government-wide Financial Analysis

Analysis of net position

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

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

For the Year Ended June 30, 2020

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

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

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

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

For the Year Ended June 30, 2020

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

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

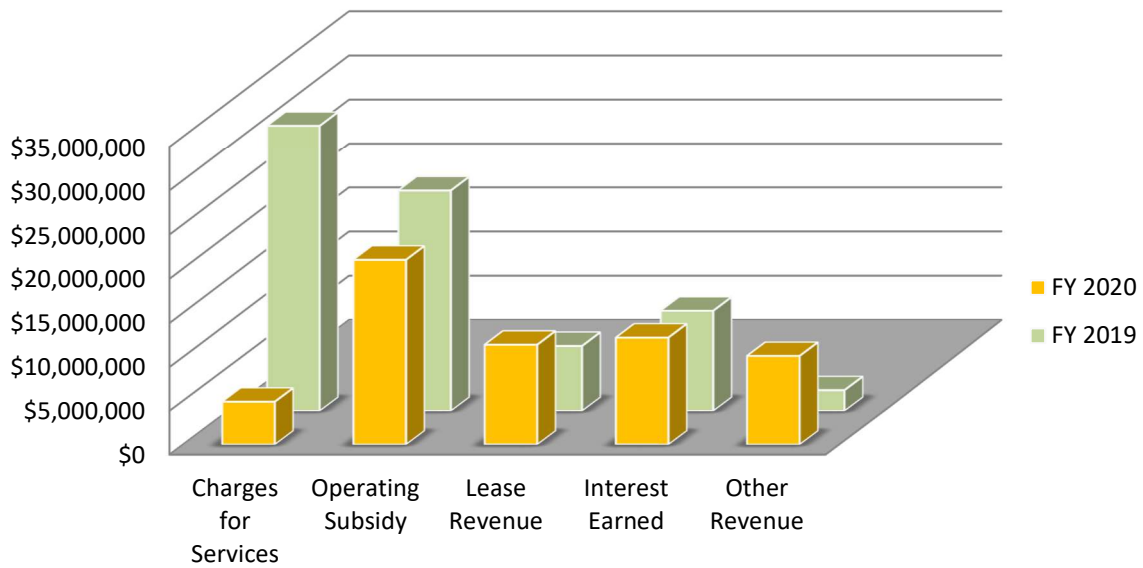
Governmental Activities:

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

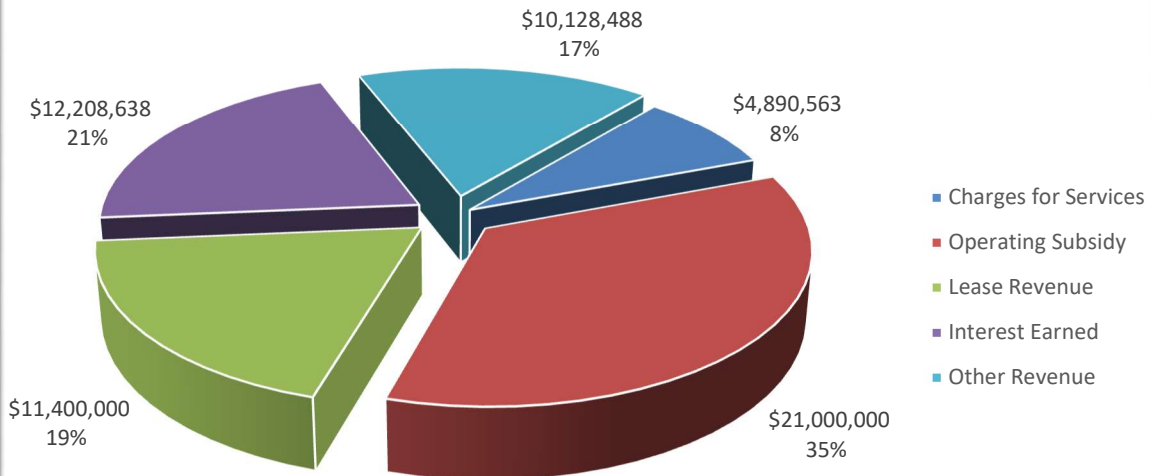
- Charges for services decreased by \$27,500,690 when compared to the prior period primarily due to the Golden State Warriors no longer using the Arena for its basketball games. The departure of the Warriors decreased revenues approximately \$26 million due to the loss of facility fees, premium seating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

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

Revenue: FY 2020 compared to FY 2019



FY 2020 Revenue by Source



OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

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

For the Year Ended June 30, 2020

Financial Analysis of the Authority's Funds

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

Governmental funds

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

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

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

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

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

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

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

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

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

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

General Fund Budgetary Highlights

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

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

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

For the Year Ended June 30, 2020

Capital Assets and Debt AdministrationCapital Assets

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

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

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

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

Debt Administration

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

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

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

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

For the Year Ended June 30, 2020

Economic factors and next year's budget and rates

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

Requests for Information

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Statement of Net Position – Governmental Activities

For the Year Ended June 30, 2020

Assets

Current assets:

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

Noncurrent assets:

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

Liabilities

Current liabilities:

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

Noncurrent liabilities

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

Net Position

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Statement of Activities – Governmental Activities

For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions	
General government	\$ 38,368,747	\$ 4,890,563	\$ 21,000,000	\$ (12,478,184)
Interest on long-term debt	3,886,763	-	-	(3,886,763)
Total governmental activities	<u>\$ 42,255,510</u>	<u>\$ 4,890,563</u>	<u>\$ 21,000,000</u>	<u>(16,364,947)</u>

General Revenues:

Leases	11,400,000
Interest and investment	12,208,638
Other	<u>10,128,488</u>
Total general revenues	<u>33,737,126</u>
Change in net position	17,372,179
Net position - beginning of year	<u>211,154,532</u>
Net position - end of year	<u>\$ 228,526,711</u>

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Balance Sheet

Governmental Funds

For the Year Ended June 30, 2020

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Reconciliation of the Governmental Funds Balance Sheet

to the Statement of Net Position

For the Year Ended June 30, 2020

Total fund balances - governmental funds	\$ 115,811,393
-------------------------------------------------	-----------------------

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

As the focus of governmental fund is on short-term financing, some assets will not be available to pay current expenditures. Those assets (receivables) are offset by deferred inflows of resources in the governmental funds as they are not measurable and available.	126,645,324
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	94,100,332
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Interest on long-term debt is recognized as an expense when due, and is not accrued in the governmental funds.	(1,842,805)
----------------------------------------------------------------------------------------------------------------	-------------

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

Lease revenue bonds	\$ (104,180,000)
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Unamortized premium on bonds	<u>(2,007,533)</u>
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	<u>(106,187,533)</u>
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Net position of governmental activities	<u>\$ 228,526,711</u>
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The accompanying notes are an integral part of these financial statements.

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

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

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

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

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

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

Debt service expenditures for principal payments - recognized as an expenditure in the governmental funds statement of revenues, expenditures and changes in fund balances. 16,555,000

Acquisition of capital assets recognized as an expenditure in the governmental fund statement of revenues, expenditures and changes in fund balances. 1,345,832

Amortization of bond premium recognized as an expense in the government-wide statement of activities. 927,972

Depreciation of capital assets recognized as an expense in the government-wide statement of activities. (10,168,893)

Accrued interest on bonds is reported in the statement of activities and does not require the use of current financial resources and thus is not reported as expenditures in governmental funds. This is the change from the prior years ending accrued interest balance. 276,966

Interest on Raiders loans and parking tax revenues which were not received within the available period established for the governmental funds are not reported as revenues in the funds. 9,724,466

Change in net position of governmental activities \$ 17,372,179

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

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

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

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

B. Oakland-Alameda County Coliseum Financing Corporation

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

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

C. Oakland-Alameda County Coliseum, Inc.

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

D. Basis of Presentation

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

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

Major Governmental Funds

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

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

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

Basis of Accounting

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

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

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

E. Investments

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

F. Prepaid Items

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

G. Capital Assets

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

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

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

H. Fund Balances

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

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

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

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

I. Restricted Assets

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

J. Bond Issuance Costs and Premiums/Discounts

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

K. Deferred Inflows of Resources

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

The Authority reports the following deferred items:

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

L. Use of Estimates

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

M. New Accounting Standards Implemented

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

N. New Accounting Pronouncements

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

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

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

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

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

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

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

2. CASH AND INVESTMENTS

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

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

A. Cash and Investments

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

a. Cash in the County Treasury

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

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

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

b. Investments with Fiscal Agents

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

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

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

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

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

Concentration of Risk

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

Interest Rate Risk

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

Credit Risk

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

Fair Value Hierarchy

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

3. RECEIVABLES

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

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

4. RAIDERS LOANS RECEIVABLE

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

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

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

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

5. CAPITAL ASSETS

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

6. ANSCHUTZ ENTERTAINMENT GROUP (AEG)

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

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

7. RELATED PARTY TRANSACTIONS

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

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

8. UNEARNED REVENUES

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

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

9. BONDS PAYABLE

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

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

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

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

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

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

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

Events of Default, Termination Events and Acceleration Clauses

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

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

Debt Obligations

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

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

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

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

2012 Lease Revenue Bonds: (Stadium)

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

2015 Lease Revenue Bonds: (Arena)

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

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

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

B. Contract Commitments

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

C. Board Nominations

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

11. UNCERTAINTIES

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

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

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REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Note to Required Supplementary Information

For the Year Ended June 30, 2020

1. Budgets and Budgetary Accounting

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