OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Financial Statements with
Independent Auditor's Reports

For the Year Ended June 30, 2016

Certified
Public
Accountants

OAKLAND-ALAMEDA COUNTY
COLISEUM AUTHORITY
For the Year Ended June 30, 2016

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Los Angeles
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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, 2016, 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 audit opinions.

Macias Gini & O'Connell LLP
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Walnut Creek, CA 94596

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Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Adverse
General Fund	Unmodified
Special Revenue Fund	Adverse
Debt Service Fund	Unmodified

Basis for Adverse Opinions 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 $155,562,629 as of June 30, 2016. These loans have increased in the amount of $6,890,325 in fiscal year 2016 and have increased a total of $92,366,439 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 considered the need to provide 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 described in the *Basis for Adverse Opinions on Governmental Activities and the Special Revenue Fund* paragraph, the financial statements referred to above do not present fairly the respective financial position of the governmental activities and the major special revenue fund of the Authority as of June 30, 2016, or 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.

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, 2016, 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 March 1, 2017 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 for the fiscal year ended June 30, 2016. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
March 1, 2017

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, 2016. All amounts in this discussion and analysis, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the fiscal year 2016 by $140,035. Of this amount, $4,119 represents assets associated with long-term debt that are subject to external restrictions as to how they may be used, and $124,441 may be used to meet the Authority's ongoing obligations to creditors.

- As of June 30, 2016, the Authority's governmental funds reported a fund balance of $98,191, an increase of $8,190 or 9 percent from last year. Of total fund balance, $67,746 is non-spendable, $19,702 is restricted, $184 is assigned, and $10,559 is unassigned.

- The total fund balance in the General Fund as of June 30, 2016 was $19,228 or 57 percent of General Fund's total expenditures of $33,508.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

The government-wide statements reflect the Authority's intent to generate revenues to recover a portion of their related costs through user fees and charges, similar to a business-type activity. The government-wide financial statements are located on pages 12 and 13 of this report.

Fund financial statements

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

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 14 to 17 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 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, 2016 is $140,035.

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 $11,475. The Authority uses these capital assets to provide facilities for sports activities for the public at the Coliseum Complex. These assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Statement of Net Position
June 30, 2016 and 2015

	Governmental Activities	
	2016	**2015**
Assets		
Current and other assets	$ 204,700	$ 193,585
Capital assets	124,595	132,453
Total assets	329,295	326,038
Liabilities		
Current liabilities	23,122	21,196
Long-term liabilities	166,138	186,620
Total liabilities	189,260	207,816
Net position		
Net investment in capital assets	11,475	9,418
Restricted for capital projects	4,119	4,358
Unrestricted	124,441	104,446
Total net position	$ 140,035	$ 118,222

The total net position increased by $21,813 during the current fiscal year. This increase was $7,832 more than the increase last year. This increase is explained in the governmental activities discussion on the next page and is primarily a result of current year revenues exceeding expenses.

$124,441 of the net position may be used to meet the ongoing obligations of the Authority. An additional portion of the Authority's net position, $4,119, represents resources that are subject to external restrictions as to how they may be used. The decrease in the Authority's long-term liability was due to $13,265 of principal payments made to the outstanding bonds on both the Arena and the Stadium.

Condensed Statement of Activities
Changes in Net Position
For the Years Ended June 30, 2016 and 2015

	2016		2015	
Revenues				
Program revenues:				
Charges for services:				
Club dues	$ 849		$ 660	
Parking & concession	8,891		6,434	
Facility fees	13,320		7,941	
Premium seating revenue	7,074	$ 30,134	6,570	$ 21,605
Operating subsidy		22,033		19,787
General revenues:				
Lease revenue		3,813		3,118
Interest income		9,230		8,342
Other revenue		3,265		3,817
Total revenues		68,475		56,669
Expenses				
General government		41,365		37,913
Interest on long-term debt		5,297		4,774
Total expenses		46,662		42,687
Increase in net position		21,813		13,981
Net position - beginning of year		118,222		104,241
Net position – end of year		$ 140,035		$ 118,222

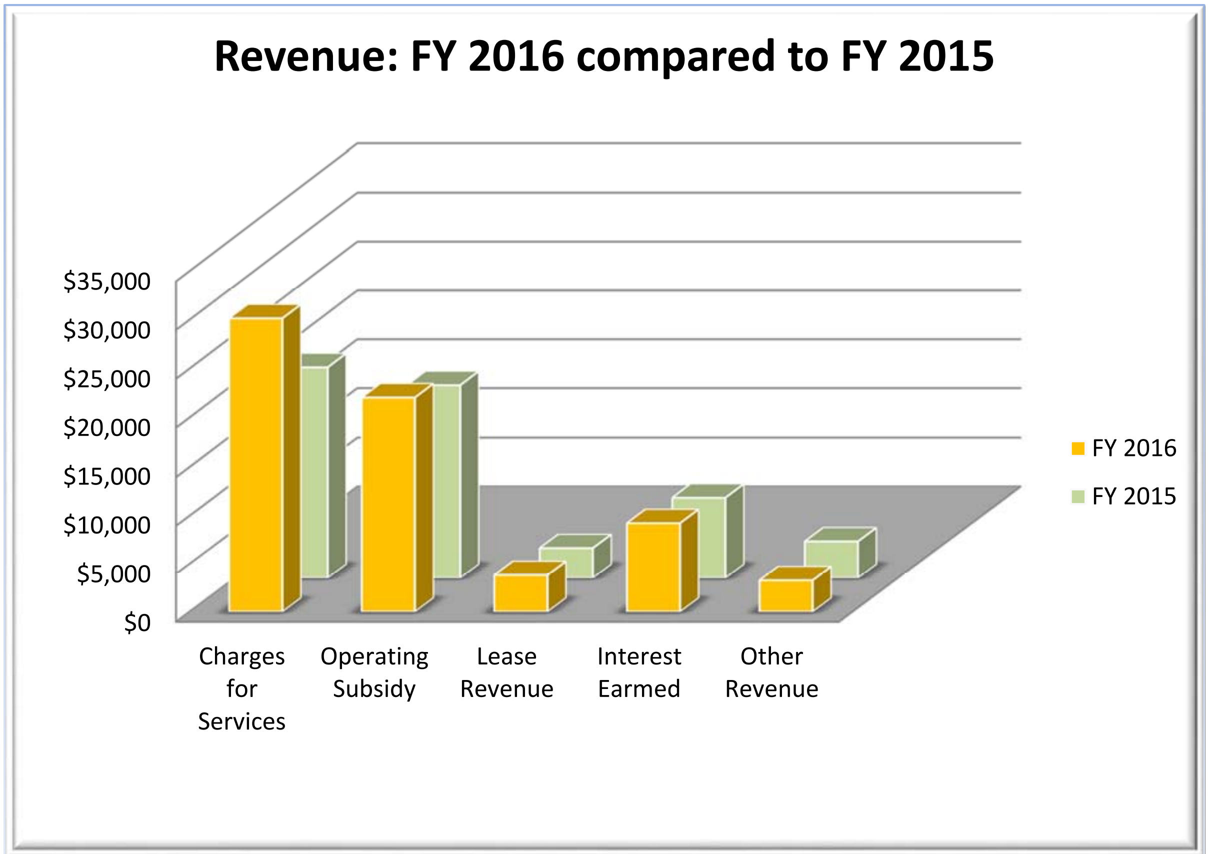
Governmental Activities:

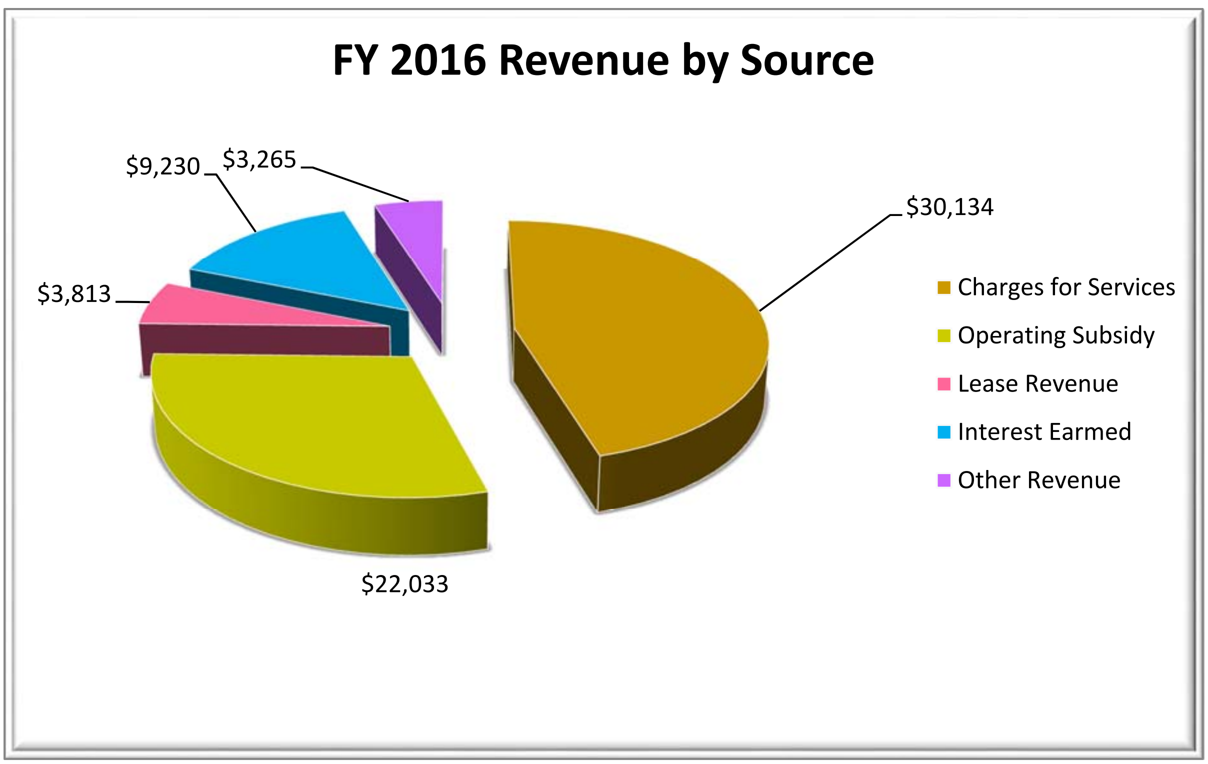
The activities of the Authority increased its net position by $21,813. This was $7,832 more than the last fiscal year. Key elements of this increase when compared to the prior year are as follows:

- Facility fee revenue increased by $5,379 when compared to the prior period due to the Golden State Warriors playing fourteen playoff games instead of twelve games and increased playoff ticket prices.

- Parking and concessions increased $2,457 when compared to the prior period due to an increase in attendance at Oakland Raiders games as well as an increase in the amount charged to park at a Warriors game.

- Total general government expenses were $3,452 higher than last fiscal year due to higher security costs at Raiders and Warriors games.


Revenue: FY 2016 compared to FY 2015
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
Charges for Services
Operating Subsidy
Lease Revenue
Interest Earmed
Other Revenue
FY 2016
FY 2015


FY 2016 Revenue by Source
$9,230
$3,265
$30,134
$3,813
$22,033
Charges for Services
Operating Subsidy
Lease Revenue
Interest Earmed
Other Revenue

Financial Analysis of the Authority's Funds

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.

At the end of the fiscal year, the Authority's governmental funds reported combined ending fund balances totaling $98,191, an increase of $8,190 or 9 percent in comparison with the beginning fund balances. Revenues for governmental funds overall totaled approximately $61,585 in the fiscal year ended June 30, 2016, which represents an increase of $11,306 from the fiscal year ended June 30, 2015. Expenditures for governmental funds, totaling $53,395 reflect a decrease of $8,482 or 14 percent from the fiscal year ended June 30, 2015 due to decrease in capital projects. In the fiscal year ended June 30, 2016, expenditures for governmental funds exceeded revenue by approximately $8,190 or about 13 percent.

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, the fund balance of the General Fund was $19,228. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The General Fund's fund balance represents 57 percent of its expenditures of $33,508. The fund balance in the Authority's General Fund increased by $7,680 or 40 percent during the fiscal year mainly due to significant increases in Parking, Concessions, and Facility Fees revenues due to the Golden State Warriors making it to the playoffs and finals.

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 increased $376 over the prior year due to an increase in parking and concessions revenues from Raiders games. All revenues are applied to interest receivable on the Raiders loan; the fund balance at the end of the year is $63,196. All of the fund balance in the Special Revenue Fund is considered non-spendable.

The fund balance in the Debt Service Fund is $15,767 at year end; this is an increase of $509 from the prior year. The majority of the fund balance in the Debt Service Fund is restricted for debt service.

General Fund budgetary highlights

The Authority's General Fund final budget differs from the original budget due to an adjustment for additional revenues and expenditures due to the Golden State Warriors making the playoffs.

Overall, the Authority's actual General Fund revenues for fiscal year 2015-16 were more than its budgeted revenues by $7,897 or 15% percent. The main reason for this is increased revenues from parking, concessions, and facility fees that were offset by lower premium seating revenues.

Actual General Fund expenditures were less than the budget by $2,630, or 7 percent. This was mostly due to a decrease in Coliseum Operations expenditures as AEG was able to control costs.

Capital assets and debt administration

Capital Assets

The Authority's capital assets as of June 30, 2016 amount to $124,595 (net of accumulated depreciation) as shown in the table below. This investment in capital assets includes property improvements, machinery, and equipment. A net decrease of $7,858 in the Authority's capital assets for the current fiscal year, net of depreciation, was 6 percent, and was primarily due to depreciation.

Capital Assets, Net of Accumulated Depreciation

	Governmental Activities	
	2016	2015
Construction in progress	$ 139	$ 355
Arena improvement	50,214	53,402
Stadium improvement	54,428	58,226
Land improvement	1,141	892
Furniture and fixtures	3,876	3,831
Heavy Equipment	229	247
Machinery and equipment	14,365	15,325
Vehicles	203	175
Total	$ 124,595	$ 132,453

Fund financial statements record capital asset purchases as expenditures. Additional information about the Authority's capital assets can be found in Note 7 to the financial statements.

Debt Administration

At the end of the current fiscal year, the Authority had total long-term obligations outstanding of $165,360. This entire amount is payable from revenues of the Authority.

Outstanding Long-term Obligations

	Governmental Activities	
	2016	2015
Revenue Bonds:		
Stadium fixed rate refunding lease revenue bonds	$ 91,025	$ 98,890
Arena fixed rate refunding lease revenue bonds	74,335	79,735
Total	$ 165,360	$ 178,625

During the fiscal year 2015-16, the Authority's total bonded debt decreased by $13,265. The decrease was due to the principal payments made during the year.

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

Economic factors and next year's budget and rates

The unemployment rate in Alameda County in June 2018 was approximately 4.7 percent, according to the US Bureau of Labor Statistics. In comparison to 5.8 percent from the prior year, this indicates that an economy has strengthened. This may affect the number of tickets sold by the Coliseum and other related revenues such as parking and concessions.

Requests for Information

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

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Statement of Net Position - Governmental Activities

June 30, 2016

Assets		
Current assets:		
Cash and investments (Note 2)	$	18,669,071
Restricted cash and investments (Note 2)		19,701,400
Accounts receivable, net (Note 3)		5,907,570
Due from the City of Oakland		309,157
Prepaid items		4,550,000
Total current assets		49,137,198
Noncurrent assets:		
Raiders loans receivable (Note 4)		155,562,629
Capital assets, net of accumulated depreciation (Note 7)		124,595,443
Total noncurrent assets		280,158,072
Total assets		329,295,270
Liabilities		
Current liabilities:		
Accounts payable		2,968,328
Interest payable		2,779,787
Due to Anschutz Entertainment Group (Note 6)		1,097,119
Unearned revenues		651,949
Bonds payable - current (Note 8)		15,624,942
Total current liabilities		23,122,125
Noncurrent liabilities		
Bonds payable (Note 8)		151,305,000
Unearned revenues (Notes 5, 9 and 10)		9,425,000
Unamortized premium on bonds		5,408,291
Total noncurrent liabilities		166,138,291
Total liabilities		189,260,416
Net Position		
Net investment in capital assets		11,475,433
Restricted for capital projects		4,118,795
Unrestricted		124,440,626
Total net position	$	140,034,854

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, 2016

		Program Revenues		Net (Expense) Revenue
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Contributions**	**and Change in Net Position**
General government	$ 41,365,216	$ 30,134,093	$ 22,032,700	$ 10,801,577
Interest on long-term debt	5,296,536	-	-	(5,296,536)
Total governmental activities	$ 46,661,752	$ 30,134,093	$ 22,032,700	5,505,041

General Revenues:	
Leases	3,812,854
Interest and investment	9,229,723
Other	3,265,595
Total general revenues	16,308,172
Change in net position	21,813,213
Net position - beginning of year	118,221,641
Net position - end of year	$ 140,034,854

The accompanying notes are in intengral part of these financial statements.

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Assets				
Cash and investments (Note 2)	$ 18,484,926	$ -	$ 184,145	$ 18,669,071
Restricted cash and investments (Note 2)	4,118,795	-	15,582,605	19,701,400
Accounts receivable, net (Note 3)	5,907,570	-	-	5,907,570
Due from City of Oakland	309,157	-	-	309,157
Prepaid items	4,550,000	-	-	4,550,000
Raiders loans receivable (Note 4)	-	155,562,629	-	155,562,629
Total assets	$ 33,370,448	$ 155,562,629	$ 15,766,750	$ 204,699,827
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	$ 2,968,328	$ -	$ -	$ 2,968,328
Due to Anschutz Entertainment Group (Note 6)	1,097,119	-	-	1,097,119
Unearned revenue (Notes 5, 9 and 10)	10,076,949	-	-	10,076,949
Total liabilities	14,142,396	-	-	14,142,396
Deferred inflows of resources				
Unavailable program revenues	-	92,366,439	-	92,366,439
Fund balances				
Nonspendable:				
Prepaid items	4,550,000	-	-	4,550,000
Raiders loan receivable	-	63,196,190	-	63,196,190
Restricted:				
Capital projects	4,118,795	-	-	4,118,795
Debt service	-	-	15,582,605	15,582,605
Assigned	-	-	184,145	184,145
Unassigned	10,559,257	-	-	10,559,257
Total fund balances	19,228,052	63,196,190	15,766,750	98,190,992
Total liabilities, deferred inflows of resources and fund balances	$ 33,370,448	$ 155,562,629	$ 15,766,750	$ 204,699,827

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

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2016

Total fund balances - governmental funds		$ 98,190,992
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.		92,366,439
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.		124,595,443
Interest on long-term debt is recognized as an expense when due, and is not accrued in the governmental funds.		(2,779,787)
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	$ (165,360,000)	
Unamortized premium on bonds	(6,978,233)	
		(172,338,233)
Net position of governmental activities		$ 140,034,854

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, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Revenues:				
Club dues	$ 849,404	$ -	$ -	$ 849,404
Parking	3,946,807	-	-	3,946,807
Concessions	4,944,294			4,944,294
Facility fees	13,319,826	-	-	13,319,826
Premium seating revenue	7,073,762	-	-	7,073,762
Unrealized gain on investments	879	-	-	879
Interest earned	85,973	2,211,331	41,215	2,338,519
Naming rights	321,316	-	-	321,316
Operating subsidy to Authority	22,032,700	-	-	22,032,700
Athletics rent	2,500,000	-	-	2,500,000
Warriors rent	912,854	-	-	912,854
Raiders operating license	400,000	-	-	400,000
CBS/Viacom revenue	995,950	-	-	995,950
Cell tower license fees	198,329	-	-	198,329
AEG operating revenue	1,750,000	-	-	1,750,000
Total revenues	59,332,094	2,211,331	41,215	61,584,640
Expenditures:				
General government:				
Administrative:				
Administration	482,457	-	-	482,457
Legal expenses	196,640	-	-	196,640
Audit fees	38,815	-	-	38,815
Total administrative	717,912	-	-	717,912
Operating:				
Warriors marketing expenditure	675,000	-	-	675,000
Management fee	1,257,986	-	-	1,257,986
Coliseum operations	27,234,865	-	-	27,234,865
Capital outlay	3,622,117	-	-	3,622,117
Total operating	32,789,968	-	-	32,789,968
Debt service:				
Arena:				
Principal	-	-	5,400,000	5,400,000
Interest and other financing costs	-	-	1,673,762	1,673,762
Stadium:				
Principal	-	-	7,865,000	7,865,000
Interest and other financing costs	-	-	4,948,500	4,948,500
Total debt service	-	-	19,887,262	19,887,262
Total expenditures	33,507,880	-	19,887,262	53,395,142
Excess (deficiency) of revenue over (under) expenditures	25,824,214	2,211,331	(19,846,047)	8,189,498
Other financing sources (uses):				
Transfers in	2,211,331	-	20,355,624	22,566,955
Transfers out	(20,355,624)	(2,211,331)	-	(22,566,955)
Total other financing sources (uses)	(18,144,293)	(2,211,331)	20,355,624	-
Net change in fund balances	7,679,921	-	509,577	8,189,498
Fund balances - beginning of year	11,548,131	63,196,190	15,257,173	90,001,494
Fund balances - end of year	$ 19,228,052	$ 63,196,190	$ 15,766,750	$ 98,190,992

The accompanying notes are in 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, 2016

Net change in fund balances - total governmental funds	$ 8,189,498
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.	13,265,000
Acquisition of capital assets recognized as an expenditure in the governmental fund statement of revenues, expenditures and changes in fund balances.	1,735,354
Amortization of bond premium recognized as an expense in the government-wide statement of activities.	1,806,624
Depreciation of capital assets recognized as an expense in the government-wide statement of activities.	(9,592,690)
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.	(480,898)
Interest on Raiders loans which was not received within the available period established for the governmental funds is not reported as revenue in the funds.	6,890,325
Change in net position of governmental activities	$ 21,813,213

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

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 O.co Coliseum (the Stadium or the Coliseum) and an enclosed arena known as Oracle Arena (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 and the Oakland Raiders professional National Football League (NFL) football team. The Arena is home to the Golden State Warriors, a professional National Basketball Association basketball 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 January 1, 1997 when the corporation was dissolved.

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 reconciliation 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

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.

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.

Major Governmental Funds

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

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

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.

E. Basis of Accounting

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

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

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

F. Budgets and Budgetary Accounting

The Authority adopts an annual operation budget on a basis consistent with generally accepted accounting principles and 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.

G. 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 72.

H. Prepaid Items

The Authority may pay for services in advance that will benefit the following fiscal period.

I. Capital Assets

Capital assets, which include property improvements, furniture and fixtures, equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial individual minimum cost of $5,000 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:

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

J. Restricted Assets

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

K. 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.

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 Pronouncements

During the year ended June 30, 2016, the Authority implemented the following GASB standards:

GASB Statement No. 72, *Fair Value Measurement and Application*. This statement is intended to improve accounting and financial reporting for state and local governments' investments by enhancing the comparability of financial statements amount governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement requires additional disclosures as discussed in Note 2 and did not have a significant impact to the Authority's financial statements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68.* This statement establishes requirements for those pensions and pension plans that are not administrated through a trust meeting specified criteria and thus are not covered by Statements Nos. 67 and 68. This statement did not have a significant impact to the Authority's financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which supersedes Statement No. 55. This statement clarifies the hierarchy of generally accepted accounting principles (GAAP), and reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within the scope of authoritative GAAP. This statement did not have a significant impact to the Authority's financial statements.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The statement addresses accounting and financial reporting for certain external investment pools and pool participants. The statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. It also establishes additional note disclosure requirements to include information about any limitations or restrictions on participant withdrawals. This statement did not have a significant impact to the Authority's financial statements.

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

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* This statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.* It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans,* as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures.* This Statement is effective for the Authority's fiscal year ending June 30, 2017.

In June 2014, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* which establishes new accounting and financial reporting requirements for OPEB plans improving the accounting and financial reporting by state and local governments for OPEB and provides information provided by state and local government employers about financial support for OPEB that is provided by other entities. This statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and Statement No. 57, OPEB Measurements by Agent Emoloyers and Agent Multiple-Employer Plans.* This Statement is effective for the Authority's fiscal year ending June 30, 2018.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures.* This statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements: (i) brief descriptive information; (ii) the gross dollar amount of taxes abated during the period; and (iii) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. This Statement is effective for the Authority's fiscal year ending June 30, 2017.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.* The objective of this statement is to address a practice issue regarding the scope and applicability of Statement No. 68 associated with pensions provided through certain cost-sharing multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Such plans are not considered a state or local government pension plan and are used to provide benefits to both employees of state and local governments and employees of employers that are not that are not state or local governments. This Statement is effective to the Authority's fiscal year ending June 30, 2017.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in GASB Statement No. 14, The Financial Reporting Entity, as amended. This Statement is effective for the Authority's fiscal year ending June 30, 2018.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements.* The statement provides recognition and measurement guidance for situations in which a government is a beneficiary of these agreements. This Statement is effective for the Authority's fiscal year ending June 30, 2018.

In March 2016, the GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68,* and *No. 73,* to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68. The statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practices for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for the Authority's fiscal year ending June 30, 2017.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* The statement addresses accounting and financial reporting for certain asset retirement obligations. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2019.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Obligations.* 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, 2020.

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2016 are classified in the financial statements as follows:

Cash and investments	$ 18,669,071
Restricted cash and investments	19,701,400
Total	$ 38,370,471

Cash and investments as of June 30, 2016 consist of the following:

Cash in County Treasury	$ 22,598,870
Investments with fiscal agents	15,766,750
Other deposits	4,851
Total	$ 38,370,471

A. Cash and Investments

The Authority's cash and investments consist of (a) deposits in the County Treasurer's cash and investment pool and (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 Treasurer and approved by the 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 376 days. Information regarding the characteristics of the entire investment pool can be found in the County's June 30, 2016 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, 2016, the Authority's share of the County's cash and investment pool totaled $22,598,870.

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.

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, 2016, investments with fiscal agents consisted of the following:

	Credit Rating	Investment Maturities (in Years)		
Investment Type	S&P/Moody's	Less than 1 year	More than 1 year	Fair Value
Federal Agency Bonds	AA+/Aaa	$ 5,497,985	$ -	$ 5,497,985
Money market mutual fund	AAA/Aaa	10,268,765	-	10,268,765
Total		$ 15,766,750	$ -	$ 15,766,750

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. 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 Authority investments are investments in Federal Home Loan Bank in the amount of $5,497,985 at June 30, 2016.

Interest Rate Risk

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

Credit Risk

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

Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The inputs and techniques used for valuing securities are not necessarily an indication of risk associated with investing in those securities. The Authority's investment in Federal Agency Bonds are measured using Level 2 inputs, while investment in the County Treasury and money market mutual funds are exempt from fair value measurement disclosures.

3. ACCOUNTS RECEIVABLE

The following table shows the detail of accounts receivable as of June 30, 2016:

CBS Outdoor	$	248,988
Golden State Warriors		6,936,138
Levy		1,433,008
Oakland Raiders		101,809
Premier Partnership		5,000
Principal Financial Group		46
Total Accounts Receivable		8,724,989
Less Allowance for Doubtful Accounts		(2,817,419)
Net Accounts Recievable	$	5,907,570

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, 2016 was $131,895,590.

- ***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, 2016 was $23,667,039.

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 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 2015-2016, $1,870,786 was applied to the operations loan and $340,545 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 expires on March 31, 2017.

5. ANSCHUTZ ENTERTAINMENT GROUP (AEG)

The Authority entered into a 5-year agreement on July 1, 2012, with an option for another 5 years in 2017, that has been 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, 2016 was $1,257,986. The compensation is accounted for as management fee on the statement of revenues, expenditures, and changes in fund balances.

AEG paid the Authority a capital advance of $3,500,000. The money is not specifically restricted to capital improvements and capital equipment. Upon renewal of the management agreement on April 15, 2016, the Authority earned the remaining $1,750,000 capital advance.

6. RELATED PARTY TRANSACTIONS

AEG Oakland is a wholly owned subsidiary of Anschutz Entertainment Group (AEG) and was created for the sole purpose to act as an agent of the Oakland-Alameda County Coliseum Authority. AEG Oakland's annual budget must be approved by the Authority each year. AEG Oakland must also have approved its annual capital project plan that outlines in detail what capital projects will take place at the facility and how much is allotted for each project. AEG Oakland receives no compensation for the management of the facility. The only compensation paid for the management of the facility is the compensation fee referred to in the Note 5 of the financial statements.

The Authority advances funds to its agent, AEG Oakland periodically during the fiscal year to fund on-going operations. AEG Oakland allocates the advances between Stadium and Arena operations per the contract, and reconciles transfers between the two facilities. The due to amount of $1,097,119 represents fiscal year 2016 funds to be returned to AEG.

7. CAPITAL ASSETS

Capital asset activity of the primary government for the year ended June 30, 2016 is shown below:

	Balance 7/1/2015	Increases	Transfers	Balance 6/30/2016
Capital assets, not being depreciated:				
Construction in progress	$ 355,266	$ 138,756	$ (355,266)	$ 138,756
Total capital assets, not being depreciated	355,266	138,756	(355,266)	138,756
Capital assets, being depreciated:				
Arena improvement	106,272,969	-	-	106,272,969
Stadium improvement	126,577,019	-	-	126,577,019
Land improvement	1,862,113	186,519	152,736	2,201,368
Furniture and fixtures	6,072,024	406,486	202,530	6,681,040
Heavy equipment	359,847	-	-	359,847
Machinery and equipment	21,633,437	929,629	-	22,563,066
Vehicles	492,400	73,964	-	566,364
Total capital assets, being depreciated	263,269,809	1,596,598	355,266	265,221,673
Less accumulated depreciation for:				
Arena improvement	(52,870,802)	(3,188,189)	-	(56,058,991)
Stadium improvement	(68,351,592)	(3,797,311)	-	(72,148,903)
Land improvement	(969,849)	(90,342)	-	(1,060,191)
Furniture and fixtures	(2,240,804)	(564,582)	-	(2,805,386)
Heavy equipment	(112,453)	(17,992)	-	(130,445)
Machinery and equipment	(6,308,970)	(1,889,327)	-	(8,198,297)
Vehicles	(317,826)	(44,947)	-	(362,773)
Total accumulated depreciation	(131,172,296)	(9,592,690)	-	(140,764,986)
Total capital assets, being depreciated, net	132,097,513	(7,996,092)	355,266	124,456,687
Capital assets, net	$ 132,452,779	$ (7,857,336)	$ -	$ 124,595,443

8. LONG-TERM DEBT

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 3.04 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.

On April 14, 2015, the Authority issued $79,735,000 in Refunding Bonds Series 2015 with coupons of 0.8 to 3.793 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 3.33 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 Warriors 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 $7,428,000 annually from premium seating revenues, 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 the Warriors and from Arena operations 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.

Debt Obligations

Long-term debt outstanding as of June 30, 2016 is as follows:

Type of Indebtedness	Maturity	Interest Rate	Authorized and Issued	Outstanding as of June 30, 2016
STADIUM BONDS				
2012 Refunding Series A Lease Revenue Bonds	February 1, 2025	5%	$ 122,815,000	$ 91,025,000
ARENA BONDS				
2015 Refunding Series A Lease Revenue Bonds	February 1, 2026	1%-4%	79,735,000	74,335,000
Total Long-term debt			$ 202,550,000	$ 165,360,000

Debt payments during the fiscal year ended June 30, 2016 were as follows:

	Stadium	Arena	Total
Principal	$ 7,865,000	$ 5,400,000	$ 13,265,000
Interest	4,944,500	1,670,762	6,615,262
Total	$ 12,809,500	$ 7,070,762	$ 19,880,262

The following is a summary of long-term debt transactions for the year ended June 30, 2016:

	Balance July 1, 2015	Payments/ Adjustments	Balance June 30, 2016	Amounts Due Within One Year
Lease revenue bonds				
2012 Refunding Series A	$ 98,890,000	$ (7,865,000)	$ 91,025,000	$ 8,255,000
2015 Refunding Series A	79,735,000	(5,400,000)	74,335,000	5,800,000
2012 Unamortized Premium	8,784,858	(1,806,625)	6,978,233	1,569,942
Total Bonds	$ 187,409,858	$ (15,071,625)	$ 172,338,233	$ 15,624,942

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

2012 Lease Revenue Bonds: (Stadium)

Year Ending June 30	Principal	Interest	Total
2017	$ 8,255,000	$ 4,551,250	$ 12,806,250
2018	8,670,000	4,138,500	12,808,500
2019	9,100,000	3,705,000	12,805,000
2020	9,555,000	3,250,000	12,805,000
2021	10,035,000	2,772,250	12,807,250
2022 – 2025	45,410,000	5,814,500	51,224,500
Total	$ 91,025,000	$ 24,231,500	$ 115,256,500

2015 Lease Revenue Bonds: (Arena)

Year Ending June 30	Principal	Interest	Total
2017	$ 5,800,000	$ 2,168,103	$ 7,968,103
2018	6,200,000	2,095,603	8,295,603
2019	6,600,000	1,990,637	8,590,637
2020	7,000,000	1,837,451	8,837,451
2021	7,600,000	1,650,481	9,250,481
2022 - 2026	41,135,000	4,200,190	45,335,190
Total	$ 74,335,000	$ 13,942,465	$ 88,277,465

9. 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. As of June 30, 2016, the Authority has $8,500,000 in unearned revenue. The Authority recognized $1,000,000 in rent revenue during the fiscal year.

10. LEVY PREMIUM FOODSERVICE, 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. As of June 30, 2016, the Authority has $925,000 in unearned revenue. The Authority recognized $300,000 in concessions revenue during the fiscal year.

11. COMMITMENTS AND CONTINGENCIES

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.

12. 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, long-term receivables, or non-financial assets held for resale, or 2) required to be maintained intact such as an endowment. The Authority has prepaid items and also classifies the Raider's 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, 2016, the Authority also had cash restricted for use in projects to update Arena per the settlement agreement entered with the Golden State Warriors.

- Committed – Resources that are constrained to specific purposes by a formal action of the Authority's Board, such as 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, 2016.

- 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 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.

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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, 2016

	Budget		Actual	Variance
	Original	Final		Positive/(Negative)
Revenues:				
Club dues	$ 650,000	$ 650,000	$ 849,404	$ 199,404
Parking	1,876,800	1,876,800	3,946,807	2,070,007
Concessions	4,380,000	4,380,000	4,944,294	564,294
Facility fees	4,950,000	8,450,000	13,319,826	4,869,826
Premium seating revenues	7,200,000	7,200,000	7,073,762	(126,238)
Unrealized gain on investments	-	-	879	879
Interest earned	80,000	80,000	85,973	5,973
Naming rights	1,095,000	1,095,000	321,316	(773,684)
Operating subsidy to Authority	22,032,700	22,032,700	22,032,700	-
Athletics rent	1,250,000	1,250,000	2,500,000	1,250,000
Warriors rent	1,500,000	1,500,000	912,854	(587,146)
Raiders operating license	925,000	925,000	400,000	(525,000)
CBS/Viacom revenue	996,000	996,000	995,950	(50)
Cell tower license fee	200,000	200,000	198,329	(1,671)
AEG operating revenue	-	-	1,750,000	1,750,000
Miscellaneous revenues	800,000	800,000	-	(800,000)
Total revenues	47,935,500	51,435,500	59,332,094	7,896,594
Expenditures:				
Administrative:				
Administration	460,000	460,000	482,457	(22,457)
Legal	500,000	500,000	196,640	303,360
Audit	42,000	42,000	38,815	3,185
Total administrative	1,002,000	1,002,000	717,912	284,088
Operating:				
Warriors marketing expense	675,000	675,000	675,000	-
Management fees	900,000	1,250,000	1,257,986	(7,986)
Coliseum operations	27,608,000	30,758,000	27,234,865	3,523,135
Coliseum capital	2,452,500	2,452,500	3,622,117	(1,169,617)
Total operating	31,635,500	35,135,500	32,789,968	2,345,532
Total expenditures	32,637,500	36,137,500	33,507,880	2,629,620
Excess (deficiencies) of revenues over (under) expenditures	15,298,000	15,298,000	25,824,214	10,526,214
Other financing sources (uses):				
Transfers in	-	-	2,211,331	2,211,331
Transfers out	-	-	(20,355,624)	(20,355,624)
Total other financing sources (uses)	-	-	(18,144,293)	(18,144,293)
Net change in fund balance	15,298,000	15,298,000	7,679,921	7,618,079
Fund balance, beginning of year	11,548,131	11,548,131	11,548,131	-
Fund balance, end of year	$ 26,846,131	$ 26,846,131	$ 19,228,052	$ 7,618,079

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