

LOS ANGELES MEMORIAL COLISEUM COMMISSION

**BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

LOS ANGELES MEMORIAL COLISEUM COMMISSION
June 30, 2021

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	4-8
Basic Financial Statements:	
Statement of Net Position	9
Statement of Revenues, Expenses, and Change in Net Position	10
Statement of Cash Flows	11
Notes to the Basic Financial Statements	12
Required Supplemental Information:	
Schedule of Net Pension Liability and the Related Ratios (Unaudited)	29
Schedule of Commission's Contributions (Unaudited)	30
Schedule of Changes in the Net OPEB Liability and Related Ratios (Unaudited)	31



PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

9465 WILSHIRE BLVD., 3RD FLOOR
BEVERLY HILLS, CA 90212
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

Independent Auditor's Report

To the Honorable Board of Directors
Los Angeles Memorial Coliseum Commission
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Los Angeles Memorial Coliseum Commission (Commission), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission'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 an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2021, and the changes in financial position and cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Prior-Year Comparative Information

The financial statements of the Commission as of and for the fiscal year ended June 30, 2020, were audited by a predecessor auditor. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2020, is consistent in all material respects, with the audited financial statements from which it has been derived. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Commission's financial statements for the fiscal year ended June 30, 2020, from which such partial information was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8, 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 June 7, 2022 on our consideration of the Commission'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 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 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 Commission's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
June 7, 2022

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

As management of the Los Angeles Memorial Coliseum Commission (the Coliseum Commission) and the Los Angeles Memorial Coliseum Foundation (the Foundation) (hereafter collectively referred to as the Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the year ended June 30, 2021. The information contained in the Management's Discussion and Analysis (MD&A) should be considered in conjunction with the information contained in the Commission's financial statements.

This discussion is intended to:

- Assist the reader in understanding significant financial issues
- Provide an overview of the Commission's financial activities
- Identify changes in the Commission's financial position

FINANCIAL HIGHLIGHTS

- The Commission's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources as of June 30, 2021 by \$12.70 million. The Commission had investment in capital assets at year-end of \$0.11 million. The restricted net position and unrestricted deficit were \$0.09 million and \$12.90 million. See further discussion on page 8.
- The Commission's total net deficit, including all activities, increased by \$0.91 million during fiscal year 2020-2021 compared with an increase by \$2.38 million during fiscal year 2019-2020.
- Total operating revenues increased by \$0.07 million and operating expenses decreased by \$2.14 million in fiscal year 2020-2021 compared to fiscal year 2019-2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Commission's audited financial statements, which are comprised of the 1) basic financial statements; and 2) notes to the basic financial statements. This report also includes the required supplementary information.

The Commission's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles. It is designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business. Additional information on the Commission's significant accounting policies can be found in Note 1 on pages 12-17 of this report.

- The **Statement of Net Position (Deficit)** presents information on all of the Commission's assets, deferred outflows of resources, liabilities, deferred inflow of resources, and resulting net position. Over time, an increase or decrease in net position may serve as a useful indicator of the Commission's financial position.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

- The **Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)** presents information showing how the Commission's net position (deficit) changed during the most recent fiscal year. All changes in fund net position (deficit) are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing or related cash flows. Thus, revenue and expenses are reported in these statements for some items that will result in cash flows in future periods.
- The **Statement of Cash Flows** relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Commission's cash accounts are recorded in these statements. A reconciliation is provided at the bottom of the Statement of Cash Flows to assist in the understanding of the difference between cash flows from operating activities and operating income or loss.

A **blended component unit** is an organization that is legally separate from the Commission, but is at the same time related to the Commission financially (i.e., the Commission is financially accountable for it) or the nature of its relationship with the Commission is so significant that its exclusion would cause the Commission's financial statements to be misleading or incomplete. The Los Angeles Memorial Coliseum Foundation is a blended component unit of the Commission and its financial activity has been included in the Commission's financial statements.

The Commission's financial statements are located on pages 9-11 of this report. The component unit combining statement is discussed in Note 2 starting on page 17.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Commission's financial statements. Notes to the financial statements are on pages 12-28.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's net pension liability and other employment benefits liability and related ratios, pension and OPEB contributions and progress in funding its obligation to provide pension benefits and other postemployment benefits to former employees.

FINANCIAL ANALYSIS

Condensed Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As shown in the table below, the Commission's liabilities exceeded its assets by \$12.70 million at June 30, 2021.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

The following table summarizes the Commission's net position:

Table 1
Condensed Statement of Net Position (Deficit)
June 30, 2021, 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Current assets	\$ 842,542	\$ 1,055,913	\$ 1,222,338
Deferred rent receivable	588,074	605,628	623,183
Capital assets, net of depreciation	107,500	107,500	107,500
Total Assets	<u>1,538,116</u>	<u>1,769,041</u>	<u>1,953,021</u>
Deferred Outflows of Resources	815,561	855,681	725,531
Liabilities:			
Current and other liabilities	114,014	126,946	105,508
Noncurrent liabilities	14,729,689	13,755,891	11,372,687
Total Liabilities	<u>14,843,703</u>	<u>13,882,837</u>	<u>11,478,195</u>
Deferred Inflows of Resources	208,137	527,645	609,791
Net Position			
Net Investment in Capital Assets	107,500	107,500	107,500
Restricted for Court of Honors plaques	95,000	17,600	
Unrestricted (Deficit)	(12,900,662)	(11,910,860)	(9,516,934)
Total Net Position (Deficit)	<u>\$ (12,698,162)</u>	<u>\$ (11,785,760)</u>	<u>\$ (9,409,434)</u>

Significant changes in assets and liabilities included the following:

Current Assets

Current assets decreased by \$0.21 million, or 20.21%, from fiscal year 2019-2020 due to an increase in operating expenses.

Current Liabilities

Current liabilities decreased by \$0.01 million, or 10.19%, from fiscal year 2019-2020 largely due to a decrease in accrued expenses.

Noncurrent Liabilities

Noncurrent liabilities increased by \$0.97 million, or 7.08%, from fiscal year 2019-2020 largely due to an increase in other postretirement benefit (OPEB) liability, resulting from a change to the discount rate from 1.67% for the measurement period ended June 30, 2019 to 0.54% for the measurement period ended June 30, 2020.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Deferred Outflows of Resources / Deferred Inflows of Resources

Under Governmental Accounting Standards Board (GASB) Statements No. 68 and 75, the Commission is required to defer the recognition of changes in investment gain/loss, actuarial assumptions and methods, and plan benefits related to pension and other postretirement benefits (OPEB). At June 30, 2021, the Commission reported deferred outflows of resources of \$0.82 million, and deferred inflows of resources of \$0.21 million.

As of June 30, 2021, the Commission's total net position consists of the following three components:

Net Investment in Capital Assets

The Commission had \$0.11 million investment in capital assets, all related to the freeway sign property.

Restricted Net Position

The Commission's restricted net position is \$0.09 million, all related to the Court of Honor plaques.

Unrestricted Net Position (Deficit)

The Commission's total unrestricted net deficit is \$12.90 million. The deficit closely parallels the noncurrent liabilities for net pension liability, postretirement healthcare, straight-line rent accrual, and the USC line of credit which total \$14.72 million. The net deficit is expected to be covered by future USC rent revenue, except for the \$2.32 million USC line of credit and the \$3.81 million net pension liability.

Condensed Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)

The following table presents condensed information showing how the Commission's net position (deficit) changed during the fiscal years 2020-2021, 2019-2020 and 2018-2019.

Table 2
 Condensed Statement of Revenues, Expenses and Changes Net Position (Deficit)
 June 30, 2021 and 2020 and 2019

	2021	2020	2019
Revenues:			
Rent	\$ 1,282,446	\$ 1,282,446	\$ 1,282,446
Administrative services	559,951	546,357	530,561
Settlement Revenue	335,834	335,833	339,083
Other	79,610	40,594	62,744
Total revenues	<u>2,257,841</u>	<u>2,205,229</u>	<u>2,214,834</u>
Expenses:			
Rent	1,248,936	1,248,936	1,248,936
General operating	613,483	751,909	694,042
Retiree healthcare	774,518	2,000,677	(13,431)
Pension expense	396,389	450,822	563,305
Other	136,917	129,211	122,252
Total expenses	<u>3,170,243</u>	<u>4,581,555</u>	<u>2,615,104</u>
Change in net position (deficit)	<u>(912,402)</u>	<u>(2,376,326)</u>	<u>(400,270)</u>

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Revenue Highlights

Total revenues increased by \$0.05 million, or 2.39% when compared with fiscal year 2019-2020. This remained consistent when compared with fiscal year 2019-2020.

Operating revenue provided by USC for rent remained consistent. The agreement with USC requires semi-annual lease payments from USC on behalf of the Commission beginning in 2013 and, assuming the exercise of options, USC will continue making payments through 2054. During fiscal year 2020-2021, the Commission recognized rental income from this sublease in the amount of \$1.28 million for the rent due to the State. The Commission has also recorded lease revenue of \$0.56 million from USC for the Commission operating expenses and the postretirement healthcare expenditures, and \$0.34 million in settlement revenue.

Expense Highlights

Total expenses decreased by \$1.41 million or 30.80%, when compared with fiscal year 2019-2020. This was primarily the result of decreased retiree healthcare expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Commission's capital assets as of June 30, 2021 were \$0.11 million. Capital assets consisted of land related to the freeway sign parcel.

Debt Administration

The Commission's liabilities for long-term debt as of June 30, 2021 were \$2.32 million, which increased by \$0.14 million or 6.26% when compared with fiscal year 2019-2020. This is due to the interest accrued on the USC line of credit. Specific long-term debt changes are discussed in Note 6.

The Commission does not plan to issue any new bonds or other debt instruments in the near future.

ECONOMIC FACTORS

In fiscal year 2017-2018, the Commission accepted a settlement agreement regarding a lawsuit brought against former promoters hired by the Commission. The Commission received a net of \$1.14 million in fiscal year 2017-2018, \$0.21 million in fiscal years 2018-2019, 2019-2020 and 2020-2021, and will receive the final settlement in fiscal year 2021-2022.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general review of the Commission's finances for those with an interest in the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Al Naipo, Chief Administrative Officer, at anaipo@bos.lacounty.gov or at Los Angeles Memorial Coliseum Commission, 3911 South Figueroa Street, Los Angeles, California 90037-1207.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Statement of Net Position
Year Ended June 30, 2021
(With comparative amounts for year ended June 30, 2020)

	2021	2020
Assets		
Current assets		
Cash and cash equivalents (Note 3)	\$ 827,358	\$ 1,039,341
Accounts receivable, net of allowance for doubtful accounts of \$93,828 in 2021 and 2020	-	-
Other receivables	1,370	3,241
Prepaid expenses	13,814	13,331
Total current assets	842,542	1,055,913
Non-current assets		
Deferred rent receivable (Note 8)	588,074	605,628
Capital assets, net (Note 4)	107,500	107,500
Total non-current assets	695,574	713,128
Total assets	1,538,116	1,769,041
Deferred Outflows of Resources		
Deferred pension related items (Note 6)	815,562	855,681
	815,562	855,681
Liabilities		
Current liabilities		
Accounts payable and other accrued expenses	114,014	126,946
Total current liabilities	114,014	126,946
Non-current liabilities		
Postretirement healthcare plan (Note 7)	6,877,298	6,266,868
Net pension liability (Note 6)	3,809,589	3,532,075
Straight-line rent accrual (Note 8)	1,710,639	1,761,702
Other long-term liabilities	6,619	6,619
Long-term debt (Note 5)	2,325,544	2,188,627
Total non-current liabilities	14,729,689	13,755,891
Total liabilities	14,843,703	13,882,837
Deferred Inflows of Resources		
Deferred pension related items (Note 6)	208,137	527,645
	208,137	527,645
Net Position (Deficit)		
Net investment in capital assets	107,500	107,500
Restricted for Court of Honors plaques	95,000	17,600
Unrestricted deficit	(12,900,662)	(11,910,860)
Total Net Position	\$(12,698,162)	\$(11,785,760)

See accompanying notes to the basic financial statements.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Statement of Revenues, Expenses, and Change in Net Position (Deficit)
Year Ended June 30, 2021
(With comparative amounts for year ended June 30, 2020)

	2021	2020
Operating Revenues (Note 1):		
Rent (Note 8)	\$ 1,282,446	\$ 1,282,446
Administrative services	559,951	546,356
Other income	76,415	21,520
	<u>1,918,812</u>	<u>1,850,322</u>
Total Operating Revenues	<u>1,918,812</u>	<u>1,850,322</u>
Operating Expenses:		
Retiree healthcare (Note 7)	-	167,949
Rent (Note 8)	1,248,936	1,248,936
General operating expenses	2,590	1,307
Professional	477,560	449,320
Legal	133,333	133,333
	<u>1,862,419</u>	<u>2,000,845</u>
Total Operating Expenses	<u>1,862,419</u>	<u>2,000,845</u>
Net operating (loss)	<u>56,393</u>	<u>(150,523)</u>
Non-Operating Revenues (expenses):		
Interest income	3,195	19,074
Interest expense	(136,917)	(129,211)
Settlement income	335,834	335,833
Retiree healthcare (Note 7)	(774,518)	(2,000,677)
Pension expense (Note 6)	(396,389)	(450,822)
	<u>(968,795)</u>	<u>(2,225,803)</u>
Total non-operating expenses	<u>(968,795)</u>	<u>(2,225,803)</u>
Change in Net Position	(912,402)	(2,376,326)
Net Position, beginning of the fiscal year	<u>(11,785,760)</u>	<u>(9,409,434)</u>
Net Position, end of the fiscal year	<u><u>\$(12,698,162)</u></u>	<u><u>\$(11,785,760)</u></u>

See accompanying notes to the basic financial statements.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Statement of Cash Flows
Year Ended June 30, 2021
(With comparative amounts for year ended June 30, 2020)

	2021	2020
Cash Flows from Operating Activities:		
Receipts from customers	\$ 637,755	\$ 557,913
Payments to suppliers	(1,188,766)	(907,928)
Payments to employees	-	(181,281)
Net Cash Provided (Used) by Operating Activities	(551,011)	(531,296)
Cash Flows from Investing Activities:		
Interest received	3,194	19,074
Cash received on settlement	335,834	335,833
Net cash from investing activities	339,028	354,907
Net increase (decrease) in cash and cash equivalents	(211,983)	(176,389)
Cash and cash equivalents, beginning of the year	1,039,341	1,215,730
Cash and cash equivalents, end of the year	\$ 827,358	\$ 1,039,341
Reconciliation of operating loss to net cash from operating activities:		
Operating income (loss)	\$ 56,393	\$ (150,523)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
(Increase) decrease in assets:		
Deferred rent receivable	17,554	17,555
Other receivables	1,871	3,367
Prepaid expenses	(482)	(13,331)
Increase (decrease) in liabilities and deferred amounts:		
Accounts payable and other accrued expenses	(12,931)	21,438
Postretirement healthcare	610,430	-
Net pension liability	(78,756)	(146,429)
Straight-line rent accrual	(51,064)	(51,064)
Capital lease obligation	-	(13)
Deferred postretirement healthcare	(774,518)	-
Deferred pension related items	(319,508)	(212,296)
Total adjustments	(607,404)	(380,773)
Net cash from operating activities	\$ (551,011)	\$ (531,296)

See accompanying notes to the basic financial statements.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Los Angeles Memorial Coliseum Commission (the Coliseum Commission), was created pursuant to the Government Code of the State of California (the State) under a Joint Powers Agreement (JPA) between the City of Los Angeles (the City), the County of Los Angeles (the County), and the Sixth District Agricultural Association or California Science Center (CCSC), an institution of the State (hereinafter referred to as the member agencies). The Coliseum Commission has a single purpose; to provide for the ongoing maintenance and operation of the Los Angeles Memorial Coliseum (the Coliseum), opened in 1923, and the Los Angeles Memorial Sports Arena (the Sports Arena), opened in 1959.

On July 29, 2013, a significant change in the management of these facilities occurred when the Coliseum Commission and the University of Southern California (USC) executed the Second Amendment to the Lease and Agreement (Commission-USC Lease), which transferred to USC the responsibility for the long-term operation of the Coliseum and Sports Arena and the capital renewal of the Coliseum. The Coliseum Commission deemed this action to be in the best interest of the community to ensure that the Coliseum, a national historic landmark, is upgraded and preserved for current and future generations. The Commission-USC Lease expires in 2033, or if all options are exercised, on December 31, 2054, the same date as the expiration of the Coliseum Commission's two leases with the State of California for the Coliseum and Sports Arena properties.

Following the commencement of the Commission-USC Lease, the Commission voted in September 2013 to enter into an agreement with the County Board of Supervisors Executive Office for that office to assume the administrative support functions of the Commission no later than January 1, 2014. On October 8, 2013, the Board of Supervisors of the County also approved that agreement. As of December 14, 2013, the Coliseum Commission no longer has any employees.

An amended JPA was fully executed on February 26, 2014, after approval and execution by all three-member agencies. This amended agreement revised the governance structure, meeting requirements and operating arrangements of the Commission in view of the change in the level of daily responsibilities of the Commission as a result of the Commission-USC Lease.

An additional 2017 amendment changed the number of members to six (6) members. The Coliseum Commission consists of two (2) members appointed by the Mayor of the City of Los Angeles subject to confirmation by the City Council of Los Angeles; two (2) members appointed by the Board of Supervisors of the County of Los Angeles; and two (2) members appointed by the Governor of the State of California.

In February 1996, under the JPA, the Los Angeles Memorial Coliseum Association, Inc. (the Association) was established as a non-profit 501 (c)(3) corporation in the State of California, which is the entity that provided the food and beverage operations for the Coliseum Commission until the day-to-day activities of the food and beverage operation were transferred to USC under the Commission-USC Lease agreement.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

In May 2019, under the JPA, the Los Angeles Memorial Coliseum Foundation (the Foundation), a non-profit 501(c)(3) corporation in the State of California, was established to replace the Association. The Foundation's purpose is (a) to preserve and promote the Los Angeles Memorial Coliseum by engaging the public, Exposition Park stakeholders, civic leaders and others to ensure its historic legacy for future generations, (b) to encourage public participation at the Los Angeles Memorial Coliseum by hosting to the greatest extent possible, an array of on-site public interest events year-round which are open and free to the public for purposes of education and enjoyment, (c) to preserve and publicly display the historical artifacts and memorabilia of the Los Angeles Memorial Coliseum and Sports Arena properties detailing the history of these iconic facilities, and (d) to provide support to the Coliseum Commission, a joint exercise of powers agency and public instrumentality organized under the laws of the State California to exercise essential public functions (the "Coliseum Commission"), including financial assistance for the continued administration and operation expenses of the Coliseum Commission. The Foundation is overseen by its board, members of which also are Coliseum Commission members. The results of the Foundation are combined with those of the Coliseum Commission (collectively, the Commission). The Foundation is a blended component unit in the financial statements.

A Summary of the Commission's significant accounting policies is as follows:

Financial statement presentation: The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units and the Commission is accounted for a proprietary fund. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. The Commission records revenue primarily from rental income from the Commission-USC Lease agreement and other charges for services to external users and reports its financial statements under guidance for special purpose entities engaged in only business-type activities. This model allows all financial information for the Commission to be reported in a single column in the basic financial statements.

The accompanying financial statements include the accounts of the Coliseum Commission, the Association, and the Foundation. The Foundation which was established in May 2019 did not have any financial activities during fiscal year 2019-2020. The Association transferred all remaining assets to the Foundation during fiscal year 2020-2021. All material-related party balances and transactions have been eliminated.

The Commission's financial statements are presented in accordance with the provisions of GASB Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities.

It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. As of June 30, 2021, the Commission had \$107,500 net investment in capital assets.

Restricted net position – This component of net position represents restricted assets net of liabilities that relate to those specific restricted assets. A restricted asset is an asset for which constraints have been placed on the asset's use by creditors, contributors, laws, or regulations of other governments, or as a consequence of a restriction established by the reporting government's own governing body at the time a particular fee, charge, levy, or assessment was approved. These restrictions must be narrower than the general purpose for which the reporting government can use its resources. As of June 30, 2021, the Commission's restricted net position consists of contributions of \$95,000 restricted for the Court of Honor plaques.

Unrestricted net position – When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used. As of June 30, 2021, the Commission had \$12,900,662 in unrestricted net deficit.

As of June 30, 2021, the Commission has a net deficit of \$12,698,162. The deficit balance is primarily from noncurrent liabilities for the postretirement healthcare plan, net pension liability, straight-line rent accrual, and the USC line of credit. Under the Commission-USC Lease, USC will pay the postretirement healthcare plan liabilities and the rent liabilities over time, but the net pension liability of \$3,809,589 and USC line of credit of \$2,325,544, will remain the responsibility of the Commission. The Commission is currently evaluating options to reduce the net deficit.

Cash and cash equivalents: Cash and cash equivalents represent funds held in the County of Los Angeles Treasury Pool. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity of three months or less. For purposes of the statement of cash flows, cash represents balances that can be readily withdrawn without substantial notice or penalty.

Accounts receivable: Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition and credit history and current economic conditions. An account receivable is considered past due if any portion of the receivable balance is outstanding for more than 30 days.

Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Prepaid expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the accompanying statement of net position (deficit).

Capital assets: Capital assets are stated at cost or at the estimated fair value at the date of contribution, if contributed.

Depreciation is computed on the straight-line basis to the nearest whole month, starting in the year of acquisition, over the estimated useful lives of the respectable assets, ranging from 3 to 10 years for equipment and 20 years for building improvements and structures. Maintenance and repair costs are expensed when incurred. Upon sale or other disposition, any gain or loss is included in income.

Straight-line rent accrual: Rent expense is recorded on a straight-line basis over the term of the lease with the State. Amounts recorded as expense over amounts paid are recorded as straight-line rent accrual in the statement of net position (deficit).

Deferred Outflows and Inflows of Resources: Pursuant to GASB Statement No. 63 *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resource, and Net Position”*, and GASB Statement No. 65 *“Items Previously Reported as Assets and Liabilities”*, the Commission recognizes deferred outflows of resources and/or deferred inflows of resources in the statement of net position.

In addition to assets, the financial statements report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time, except for pension related deferred inflows of resources, which will be recognized as a credit to expense.

Specific disclosures of items representing deferred outflows and inflows of resources appear in Note 6.

Operating revenues and operating expenses: Operating revenues include gross receipts from rent due from its only tenant, USC, which is comprised of a fixed monthly operating allowance, and amounts equal to the Commission’s payment obligations for: 1) retiree healthcare; and 2) rent to the State. Operating expenses represent the direct and indirect costs for the operations of the Commission during the year. Revenues and expenses outside the normal course of operations are recorded as nonoperating revenues and expenses in the statement of revenues, expenses and changes in fund net position(deficit). Nonoperating revenues and expenses consist primarily of interest income, interest expense, retiree healthcare, and pension expense.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Taxation: As a joint powers' authority, the Commission is not subject to income or franchise taxation by federal or state authorities. The Association and the Foundation are recognized by the Internal Revenue Service (IRS) as tax-exempt organizations under Section 501(c)(3) of the U.S. Internal Revenue Code.

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Significant estimates and assumptions made by management include, but are not limited to, contingent assets and liabilities, allowance for uncollectible receivables, inventory reserves and the recoverability of the carrying value of long-lived assets.

Pronouncements issued and implemented during the year ended June 30, 2021:

Governmental Accounting Standards Board Statement No. 84

GASB Statement No. 84, "*Fiduciary Activities*," establishes criteria for the identification of fiduciary activities for accounting and financial reporting purposes. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and also the beneficiaries with whom a fiduciary relationship exists. The statement is effective for reporting periods after December 31, 2020. This statement had no material impact upon the financial statements.

Governmental Accounting Standards Statement No. 90

GASB Statement No. 90, "*Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*," improves 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. The statement is effective for reporting periods after December 31, 2020. This statement did not have a material impact upon the financial statements.

Governmental Accounting Standards Statement No. 97

GASB Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*," (1) Increases the 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; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

The definition of a pension plan and for benefits provided through those plans. GASB Statement No. 97 for paragraphs 6-9 is effective for reporting periods beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021. This statement did not have a material impact upon the financial statements.

NOTE 2. Component Units of the Commission

The following is the condensed combining detail for the statement of net position (deficit) as of June 30, 2021:

	Coliseum Commission	Association	Foundation	Total
Current assets	\$ 102,303	\$ -	\$ 740,239	\$ 842,542
Deferred rent receivable	588,074			588,074
Capital assets	107,500			107,500
Total assets	<u>797,877</u>		<u>740,239</u>	<u>1,538,116</u>
Deferred Outflows of Resources	<u>815,562</u>			<u>815,562</u>
Current liabilities	114,014			114,014
Long-term liabilities	14,729,689			14,729,689
Total liabilities	<u>14,843,703</u>			<u>14,843,703</u>
Deferred Inflows of Resources	<u>208,137</u>			<u>208,137</u>
Net investment in capital assets	107,500			107,500
Restricted for Court of Honors plaques	95,000			95,000
Unrestricted net position (deficit)	<u>(13,640,901)</u>		<u>740,239</u>	<u>(12,900,662)</u>
Total net position (deficit)	<u>\$ (13,438,401)</u>	<u>\$ -</u>	<u>\$ 740,239</u>	<u>\$ (12,698,162)</u>

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

NOTE 2. Component Units of the Commission (Continued)

The following is the condensed combining detail for the statement of revenues, expenses, and changes in fund net position (deficit) for the year ended June 30, 2021:

	Coliseum Commission	Association	Foundation	Total
Operating Revenues:				
Rental revenue from related party	\$ 1,282,446	\$ -	\$ -	\$ 1,282,446
Other income	634,417		1,949	636,366
Total Operating Revenues	<u>1,916,863</u>		<u>1,949</u>	<u>1,918,812</u>
Operating Expenses:				
Other operating expenses	455,060		158,423	613,483
Rental expense to related party	1,248,936			1,248,936
Total Operating Expenses	<u>1,703,996</u>		<u>158,423</u>	<u>1,862,419</u>
Net Operating revenue (loss)	<u>212,867</u>		<u>(156,474)</u>	<u>56,393</u>
Non-Operating Revenues (expenses):				
Non-operating revenue	4,105	1,591	333,333	339,029
Operating transfer in (out)		(563,380)	563,380	-
Other non-operating expenses	<u>(1,307,824)</u>			<u>(1,307,824)</u>
Total non-operating revenue (expenses)	<u>(1,303,719)</u>	<u>(561,789)</u>	<u>896,713</u>	<u>(968,795)</u>
Change in net position	<u>(1,090,852)</u>	<u>(561,789)</u>	<u>740,239</u>	<u>(912,402)</u>
Beginning net position (deficit)	<u>(12,347,549)</u>	<u>561,789</u>		<u>(11,785,760)</u>
Ending net position (deficit)	<u>\$ (13,438,401)</u>	<u>\$ -</u>	<u>\$ 740,239</u>	<u>\$ (12,698,162)</u>

NOTE 3. Cash and Cash Equivalents

In accordance with the California Government Code, cash balances of the Commission are deposited with and pooled and invested by the Los Angeles County Treasurer and Tax Collector (TTC) for the purpose of increasing interest earnings through investment activities. Interest earned on pooled investments is deposited to participating funds based upon each fund's average daily balance during the allocation period. Cash and equivalents as of June 30, 2021 was \$827,358.

California Government Code Sections 53601 and 53635 authorize the Treasurer to invest the External Investment Pool (Pool) and SPI funds in obligations of the United States Treasury, federal agencies, municipalities, asset-backed securities, bankers' acceptances, commercial paper, negotiable certificates of deposit, medium-term notes, corporate notes, repurchase agreements, reverse repurchase agreements, forwards, futures, options, shares of beneficial interest of a Joint Powers Authority (JPA) that invests in authorized securities, shares of beneficial interest issued by diversified management companies known as money market mutual funds (MMF) registered with the Securities and Exchange Commission (SEC), securities lending agreements, the State of California's Local Agency Investment Fund (LAIF), and supranational institutions, California Government Code Section 53534 authorizes the Treasurer to enter into interest rate swap agreements. However, these agreements should only be used in conjunction with the sale of the bonds approved by the Board. As permitted by the California Government Code, The Treasurer developed, and the Board adopted, and Investment Policy

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

NOTE 3. Cash and Cash Equivalents (Continued)

that further defines and restricts the limits within which the Treasurer may invest. The investments are managed by the Treasurer, which reports investment activity to the Board on a monthly basis. In addition, the Treasurer's investment activity is subject to annual investment, policy review, compliance oversight, quarterly financial review, and annual financial reporting. The Treasurer also maintains Other Specific Investments, which are invested pursuant to Section 1300.76.1, Title 28, California Code of Regulations. The County has not provided nor obtained any legally binding guarantees during the year ended June 30, 2021, to support the value of shares in the Pool.

Investments are stated at fair value and are valued on a monthly basis. The Treasurer categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs such as matrix pricing techniques or based on quoted prices for assets in markets that are not active. Matrix Pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs. Securities classified in Level 3 are valued using the income approach such as discounted cash flows techniques. Investment in an external government investment pool is not subject to reporting within the level hierarchy oversight, quarterly financial review, and annual financial reporting. The Treasurer also maintains Other Specific Investments, which are invested pursuant to the California Government Code.

Investment policies and associated risk factors applicable to the Commission are included in the County of Los Angeles' Annual Comprehensive Financial Report for the year ended June 30, 2021. Detailed deposit and investment risk disclosures are included in notes of the County of Los Angeles' Annual Comprehensive Financial Report.

NOTE 4. Capital Assets

The only asset remaining is the parcel of land related to the freeway sign located at 3843 S. Grand Avenue. This Parcel of land is being used as collateral for a line of credit with USC (see Note 5). See Note 11, Subsequent Events, for further details.

	July 1, 2020	Additons	Impairment	Disposals	June 30, 2021
Non-depreciable:					
Land-parking lots and freeway sign	\$ 107,500	\$ -	\$ -	\$ -	\$ 107,500
Total	<u>\$ 107,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,500</u>

Note 5. Long-Term Debt

USC line of credit: In March 2013, the Commission executed an agreement with USC providing a line of credit for \$1.5 million secured by the Commission's real property, the freeway sign located at 3843 S. Grand Avenue, Los Angeles, California. The outstanding balance bears an interest rate of 6 percent per annum and originally was due on May 16, 2014. However, as part of the Commission-USC Lease, the agreement was amended to extend the maturity date to July 29, 2023. See Note 11, Subsequent Events, for further details.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

Note 5. Long-Term Debt (Continued)

Currently year activity of long-term debt during the fiscal year ended June 30, 2021 is as follows:

	<u>July 1, 2020</u>	<u>Additons</u>	<u>Accrued Interest</u>	<u>Payments</u>	<u>June 30, 2021</u>
Long-term debt:					
USC line of credit	\$ 2,188,627	\$ -	\$ 136,917	\$ -	\$ 2,325,544
Total	<u>\$ 2,188,627</u>	<u>\$ -</u>	<u>\$ 136,917</u>	<u>\$ -</u>	<u>\$ 2,325,544</u>

Future minimum payments under the agreements at June 30, 2021 are as follows:

Years Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2022	\$ -	\$ -	\$ -
2023	-	-	-
2024	1,433,049	892,495	2,325,544
	<u>\$ 1,433,049</u>	<u>\$ 892,495</u>	<u>\$ 2,325,544</u>

Note 6. Retirement Pension Plan

Plan Description

The Commission's former employees were eligible to participate in the California Public Employee Retirement System (CalPERS) Miscellaneous Plan, a cost sharing multiple employer pension plan. CalPERS acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. Benefit provisions and other requirements are established by State statute and by employer contract with CalPERS. The Commission selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Substantially all permanent Commission employees were eligible to participate in the Plan. Benefits vest after five years of service. Commission employees may retire at or after age 50 with 5 years of credited service and are entitled to an annual retirement benefit, payable monthly for life. The Plan is based on a 2.5 percent at age 55 formula allowing employees retiring at age 55 with a minimum of five years of service to receive a benefit of 2.5 percent of their yearly salary (based on the average of the highest 36 consecutive months of service) multiplied by their number of years of service. Employees who retire earlier than age 55 receive less than 2.5 percent for each year of service. The Plan also provides death benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

For the year ended June 30, 2021, the Commission's actuarial determined contributions were \$398,264.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

Note 6. Retirement Pension Plan (Continued)

Section 20814 (c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in rate. Funding contributions for the Plan are determined annually on an actuarial basis of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by public employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the Commission reported a net pension liability of \$3,809,589 for its proportionate share of the net pension liability in accordance with the parameters of GASB Statement No. 68. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, projected forward to the measurement date taking into account any significant changes between the valuation date and the measurement date. At June 30, 2021, the Commission's proportionate share was 0.035%.

For the year ended June 30, 2021, the Commission recognized pension expense of \$396,389. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ -	\$ 27,172
Difference between expected and actual experience	196,319	-
Net difference between projected and actual investment earnings	113,170	-
Differences between employer contributions and the proportionate share of contributions	-	180,965
Change in employer's proportion	107,809	-
Pension contributions made subsequent to the measurement date	398,264	-
Total	\$ 815,562	\$ 208,137

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner in accordance with GASB Statement No. 68.

Amounts currently reported as deferred inflows and outflows of resources, other than contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

Note 6. Retirement Pension Plan (Continued)

Year Ended June 30:	Deferred (Inflows)/Outflows of Resources
2022	\$ (22,770)
2023	85,895
2024	91,757
2025	54,279

The total pension liabilities were determined by rolling forward the total pension liability determined in the June 30, 2019 actuarial valuation to June 30, 2020. The June 30, 2020, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Assumptions

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.50%
Payroll growth	Varies by entry age and service.
Projected salary increases	Varies by entry age and service.
Investment rate of return	7.15% net of pension plan investment expense, including inflation.
Mortality	Data for all Funds (1)

(1) The mortality table used (2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily requires rates, actuarially determined. Based on those assumptions, the Plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projects benefit payments to determine the total pension liability.

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

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

Note 6. Retirement Pension Plan (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11 plus years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits of cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded to the nearest one quarter of one percent. The table below reflects the long term expected real rate of return by asset class. The rate of return was calculated using the capital market assumption applied to determine the discount rate and asset allocation.

The expected real rates of return by asset class are as follows:

Asset class	Assumed Asset Allocation	Real Return Years 1-10	Real Return Years 11 plus
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

An expected inflation of 2.00% was used for Years 1 – 10.

An expected inflation of 2.92% was used for Years 11 plus.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the Commission's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.15%, as well as what the Commission's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is a 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
Net pension liability/ (asset)	\$ 5,480,686	\$ 3,809,589	\$ 2,428,815

Pension Plan Fiduciary Net Position

Detailed information about CalPERS fiduciary net position as of June 30, 2020, is available in a separately issued CalPERS financial report, which can be found at www.calpers.ca.gov.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

Note 7. Postemployment Benefits Other Than Pension

Plan Description

The Commission administers a single employer-defined benefit healthcare plan (the Retiree Health Plan). The plan provides lifetime healthcare insurance for retirees and their spouses through the Commission's group health insurance plan, which covers both active and retired members. To become eligible to retire, an employee must have been 50 years of age or higher with 5 or more years vested in CalPERS (see Note 6). The Retiree Health Plan does not issue a publicly available financial report. As of July 29, 2013, all active employees were removed from the plan, and the obligation for payment of all premiums for all retired participants was transferred to USC. In connection with the Commission-USC Lease, the Commission still pays premiums but is reimbursed by USC.

Benefits Provided

Retirees can choose among several options: PPO, HMO or EPO. All options permit Medicare supplement plans for those members eligible for Medicare. Health plans offered, covered benefits, monthly rates and co-payments are determined by the CalPERS Board, which reviews health plan contracts annually. The following HMO and PPO plans were available during fiscal years 2020 and 2021:

- Basic HMO Plans (Blue Shield Advantage, Blue Shield Net Value or Kaiser Permanente)
- Basic PPO Plans (PERS Select, PERS Choice and PERSCare)

The costs of these medical plans are shared by the Commission and the retiree. The Commission pays the costs of these medical plans as they are incurred. As of June 30, 2021, no trust or retirement fund was established or maintained to secure the employer's share of this postemployment benefit. Effective February 2012, the Commission established contribution rates of 78 percent for employer and 22 percent for employee. Prior to this, the employer/employee contribution rates varied slightly depending upon the specific plan chosen by the retiree.

Employees Covered

As of the June 30, 2020 actuarial valuation, the Commission had 18 former employees currently receiving benefits of the plan. There are no active employees.

Contributions

For the fiscal year ended June 30, 2021, the Commission contributed \$164,088 to the plan.

Total Other Postemployment Benefit (OPEB) Liability

At June 30, 2021, the Commission reported a total OPEB liability of \$6,877,298. The total OPEB liability was measured at July 1, 2020 to June 30, 2021.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

Note 7. Postemployment Benefits Other Than Pension (Continued)

Actuarial Methods and Assumptions

Measurement Date	June 30, 2020
Actuarial cost method	Entry Age Normal
Inflation	No inflation assumption was made.
Salary increases	None.
Mortality	Based on the 1994 Group Annuity Mortality Table, Combined Rates
Discount rate	0.54%
Healthcare cost trend rates	The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 10% initially, reduced to an ultimate rate of 5%, was used. The ultimate rate is reached in 2030.

Changes in the OPEB Liability

The changes in the net OPEB liability for the plan are as follows:

Balance at June 30, 2020	\$ 6,266,868
Changes recognized for the measurement period:	
Interest	21,912
Changes in assumptions	1,097,617
Actuarial experience	(345,011)
Benefit payments	(164,088)
	<hr/>
Net Changes	610,430
	<hr/>
Balance at June 30, 2021	\$ 6,877,298
	<hr/>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following represents the Commission's total OPEB liability calculated using the discount rate of 0.54%, as well as what the Commission's total liability would be if it were calculated using a discount rate that is 1-percentage point lower (no lower than 0.0%) or 1-percentage point higher (1.54%) than the current rate:

	1% Decrease (0.00%)	Discount Rate (0.54%)	1% Increase (1.54%)
	<hr/>	<hr/>	<hr/>
Net OPEB liability	\$ 8,115,771	\$ 6,877,298	\$5,892,404

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

Note 7. Postemployment Benefits Other Than Pension (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (9.00%) or 1 percentage higher (11.00%) than the current discount rate.

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 5,934,112	\$ 6,877,298	\$8,027,706

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Commission had no deferred outflows or inflows of resources related to OPEB as the Commission's OPEB does not have a fiduciary net position and pays the OPEB costs as they incurred.

Note 8. Leases

Leases: The Coliseum and Sports Arena ground leases were extended by the Commission on September 3, 2003 to continue through December 31, 2054. The rental terms for the extended leases were agreed to by the Commission and State on February 13, 2008. The aggregate annual rent is \$1,000,000, beginning January 1, 2008 and ending December 31, 2015, and \$1,300,000, beginning January 1, 2016 and ending December 31, 2054, with the annual amount beginning January 1, 2017 to be adjusted according to the U.S. Consumer Price Index.

In addition to the annual base rents, the Commission must pay to the State a portion of any revenue received for naming rights of the Coliseum and Sports Arena in the amounts of 3.125 percent, respectively. The naming rights provision of the agreement also applies to the Commission-USC lease. For the year ended June 30, 2021, the Commission did not receive any revenue related to naming rights of the Coliseum or the Sports Arena. Future minimum payments under these agreements at June 30, 2021 are as follows:

Year Ending June 30,	Amount
2022	\$ 1,300,000
2023	1,300,000
2024	1,300,000
2025	1,300,000
2026	1,300,000
2027-2031	6,500,000
2032-2036	6,500,000
2037-2041	6,500,000
2042-2046	6,500,000
2047-2051	6,500,000
2052-2055	4,550,000
	\$43,550,000

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

Note 8. Leases (Continued)

Rent expense is recorded on a straight-line basis over the lease term. Amounts expensed in excess of amounts paid are recorded as straight-line rent accrual liability. Rent expense for the year ended June 30, 2021 was \$1.25 million, which is related to the Coliseum and Sports Arena rent expense. As a result, the Commission has recorded straight-line rent accrual liability of \$1.71 million as of June 30, 2021. Because USC pays the rent directly to the State, the Commission also recognizes rental revenue on a straight-line basis and recognized a deferred rent receivable of \$588,074 for the difference between the actual payments and the amount recognized as revenue.

Sublease with primary tenant: The Commission has a sublease agreement with USC (the Commission-USC lease) for the use of the Coliseum and Sports Arena. On July 25, 2013, the Commission and USC executed an amended and restated sublease that transferred the operations and all associated assets of both the Coliseum and the Sports Arena to USC on July 29, 2013, through at least July 29, 2033, with options for USC to extend through December 31, 2054 (the date that the current lease with the State of California expires). The sublease also provides USC with full control of the property located at 3843 S. Grand Avenue (the Freeway Sign). In addition, USC has obtained the first rights to negotiate with the State of California to extend the sublease beyond December 31, 2054. In return, USC is required to make specific capital improvements to the Coliseum, which are estimated to cost in excess of \$70 million, to be completed before the Centennial Anniversary of the Coliseum on July 29, 2023.

Additional terms of the Commission-USC Lease require USC to: (1) make future rent payments to the State on behalf of the Commission; (2) reimburse the Commission for retiree healthcare premiums (estimated \$25,000 per month); (3) extend the term on the Coliseum Note Payable to USC (see Notes 5 and 8), and (4) provide the Commission with a monthly allowance for the Commission's general operating expenses. The total monthly allowance, including a trademark royalty of \$1,667, was set at \$31,534 for the fiscal year ended June 30, 2021; however, future amounts will be determined based on annual budget deliberations with USC.

Note 9. Related Party Transactions

The Commission's cash and investments are pooled, and investments are pooled and invested by the TTC. For the years ended June 30, 2021, and 2020, interest income amounted to \$3,195 and \$19,074, respectively. Interest receivable was \$1,370 as of June 30, 2021, and \$3,241 as of June 30, 2020. The County maintains the books and records of the Commission. The County also provides other administrative and support services. Total fees paid to the County for these services amounted to \$435,880 and \$432,740 for the years ended June 30, 2021, and 2020, respectively. As of June 30, 2021, and 2020, the total payable to the County was \$111,764 and \$119,356, respectively.

Note 10. Commitments and Contingencies

The Commission is exposed to claims encountered in the normal course of business. In the opinion of management, the resolution of these matters, except as discussed above, will be recovered by insurance and/or will not have a material adverse effect on the Commission's net position or results of operations.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Notes to the Basic Financial Statements
June 30, 2021

Note 11. Subsequent Events

Subsequent events have been evaluated through June 7, 2022, which is the date the financial statements were available to be issued.

In May 2022, the Commission and USC finalized an agreement for USC to forgive the entire balance of the line of credit of the Commission including interest. In exchange, the Commission transferred full ownership of the 110-freeway sign and property to USC. The agreement also stipulates that the Commission would receive 2% of gross advertising revenues if USC constructs a second freeway sign.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Required Supplementary Information
Schedule of Net Pension Liability and Related Ratios
Last Ten Years* (Unaudited)

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Pension Plan's fiduciary net position as a percentage of total pension liability	77.71%	77.73%	77.69%
Commission's proportionate share of the collective net pension liability	\$3,809,589	\$3,532,075	\$3,227,682
Commission's proportionate share as a percentage of the collective net pension liability	0.03501%	0.03447%	0.03350%
Covered employee payroll	\$ -	\$ -	\$ -
Commission's proportionate share of the collective net pension liability as a percentage of covered payroll	N/A	N/A	N/A
	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Pension Plan's fiduciary net position as a percentage of total pension liability	75.39%	74.06%	78.40%
Commission's proportionate share of the collective net pension liability	\$3,223,459	\$2,756,150	\$2,013,993
Commission's proportionate share as a percentage of the collective net pension liability	0.03250%	0.03185%	0.02934%
Covered employee payroll	\$ -	\$ -	\$ -
Commission's proportionate share of the collective net pension liability as a percentage of covered payroll	N/A	N/A	N/A

* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. Future years' information will be displayed up to ten years as information becomes available.

** The Commission no longer has any employees.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Required Supplementary Information
Schedule of Pension Plan Contributions
Last Ten Years* (Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution (ADC)	\$ 398,264	\$ 358,725	\$ 151,966
Less: Contributions in relation to the ADC	\$ 398,264	\$ 358,725	\$ 151,966
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll**	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution (ADC)	\$ 105,270	\$ 72,974	\$ 49,405
Less: Contributions in relation to the ADC	\$ 105,270	\$ 72,974	\$ 49,405
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll**	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A

* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. Future years' information will be displayed up to ten years as information becomes available.

** The Commission no longer has any employees.

LOS ANGELES MEMORIAL COLISEUM COMISSION
Required Supplementary Information
Schedule of Net OPEB Liability and Related Ratios
Last Ten Years* (Unaudited)

Measurement Period	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability				
Interest on the total OPEB liability	\$ 21,912	\$ (23,306)	\$ 149,787	\$ 121,805
Actual and expected experience difference	(345,011)	748,484	-	67,557
Changes in assumptions	1,097,617	1,443,448	-	528,623
Benefit payments	(164,088)	(167,949)	(163,218)	(156,493)
Net change in total OPEB liability	610,430	2,000,677	(13,431)	561,492
Total OPEB liability - beginning	6,266,868	4,266,191	4,279,622	3,718,130
Total OPEB liability - ending (a)	<u>\$ 6,877,298</u>	<u>\$ 6,266,868</u>	<u>\$ 4,266,191</u>	<u>\$ 4,279,622</u>
 Plan Fiduciary Net Position				
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-
Net OPEB liability - ending (a) - (b)	<u>\$ 6,877,298</u>	<u>\$ 6,266,868</u>	<u>\$ 4,266,191</u>	<u>\$ 4,279,622</u>

Changes in assumptions:

The discount rate was changed from 3.5 percent for the measurement period ended June 30, 2019 to 1.67 percent for the measurement period ended June 30, 2020. The discount rate was changed from 1.67 percent for the measurement period ended June 30, 2021.

*Historical information is only required for the four years for which GASB Statement No. 75 is applicable. Future years' information will be displayed up to ten years as information becomes available.

LOS ANGELES MEMORIAL COLISEUM COMMISSION

**MANAGEMENT REPORT
AND
AUDITOR'S COMMUNICATION LETTER**

June 30, 2021

LOS ANGELES MEMORIAL COLISEUM COMMISSION

**MANAGEMENT REPORT
AND
AUDITOR'S COMMUNICATION LETTER**

June 30, 2021

Required Communication under Statement on Auditing Standards No. 114	1
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	3
Current Year Recommendations	5
Status of Prior Year Recommendations	6



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES
9465 WILSHIRE BLVD., 3RD FLOOR
BEVERLY HILLS, CA 90212
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES
5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

June 7, 2022

To the Honorable Board of Directors
Los Angeles Memorial Coliseum Commission
Los Angeles, California

We have audited the financial statements of the Los Angeles Memorial Coliseum Commission (Coliseum) for the fiscal year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Such information has been communicated in Work Order No. 9-20A. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Coliseum are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies were not changed during the fiscal year ended June 30, 2021. We noted no transactions entered into by the Coliseum during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimates of the funding progress and net pension liability of CalPERS, and the assumptions used for estimating the other postemployment benefits liability. These estimates are based on CalPERS' actuarial estimates, the historical data, and actuarial valuations by actuaries hired by the Coliseum. We evaluated the key factors and assumptions used to develop this estimate and determined that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 7, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Coliseum's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Coliseum's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

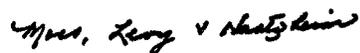
Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Coliseum and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



MOSS, LEVY & HARTZHEIM, LLP
Culver City, California



PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES
9465 WILSHIRE BLVD., 3RD FLOOR
BEVERLY HILLS, CA 90212
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES
5800 HANNUM AVE, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

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

To the Honorable Board of Directors
Los Angeles Memorial Coliseum Commission
Los Angeles, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Los Angeles Memorial Coliseum Commission (Coliseum), as of and for the fiscal year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the Coliseum's basic financial statements and have issued our report thereon dated June 7, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Coliseum's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coliseum's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coliseum's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Coliseum's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
June 7, 2022

CURRENT YEAR RECOMMENDATIONS

No findings noted in the current fiscal year.

STATUS OF PRIOR YEAR RECOMMENDATIONS

No findings noted in the prior fiscal year.