LOS ANGELES MEMORIAL COLISEUM COMMISSION

BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

LOS ANGELES MEMORIAL COLISEUM COMMISSION
June 30, 2022

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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, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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, 2022, and the changes in its financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Note 1 to the financial statements, in fiscal year 2021-22, the Commission adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, "*Leases*". Our opinion is not modified with respect to this matter.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

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 9, 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 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 12, 2023 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 12, 2023

LOS ANGELES MEMORIAL COLISEUM COMMISSION

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2022

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, 2022. 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, 2022 by $10.32 million. The Commission had no investment in capital assets at year-end. The restricted net position and unrestricted deficit were $0.01 million and $10.33 million, respectively.

- The Commission's total net deficit, including all activities, decreased by $2.38 million during fiscal year 2021-22 compared with an increase of $0.91 million during fiscal year 2020-21.

- Total operating revenues decreased by $0.01 million and operating expenses increased by $0.10 million in fiscal year 2021-22.

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 13-18 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.

- 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 10 through 12 of this report. The component unit combining statement is discussed in Note 2 starting on page 19.

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 13-31.

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 assets and deferred outflows exceeded its liabilities and deferred inflows by $31.31 million at June 30, 2022.

The following table summarizes the Commission's net position:

Table 1
Condensed Statement of Net Position (Deficit)
June 30, 2022

	2022
Assets:	
Current assets	$ 1,854,585
Lease receivable	37,199,841
Right-to-use lease asset, net	38,252,774
Total Assets	77,307,200
Deferred Outflows of Resources	810,137
Liabilities:	
Current and other liabilities	1,206,697
Noncurrent liabilities	44,792,079
Total Liabilities	45,998,776
Deferred Inflows of Resources	42,435,613
Net Position	
Net Investment in Capital Assets	(13,928)
Restricted for Court of Honors plaques	12,925
Unrestricted (Deficit)	(10,316,049)
Total Net Position (Deficit)	$ (10,317,052)

Significant changes in assets and liabilities included the following:

Current Assets and Liabilities

Current assets increased by $1.01 million, or 120.12%, and current liabilities increased by $1.09 million, or 958.38%, from fiscal year 2020-21 mainly due to an increase in lease receivable and lease liability resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement 87.

Noncurrent Assets and Liabilities

Noncurrent liabilities increased by $30.06 million, or 204.09%, from fiscal year 2020-21 largely due to the implementation of GASB Statement 87.

Deferred Outflows of Resources / Deferred Inflows of Resources

Under GASB Statements 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, 2022, the Commission reported deferred outflows of resources of $0.81 million, and deferred inflows of resources of $4.28 million.

Under GASB Statement 87, the Commission, as a lessor to USC, is required to recognize a lease receivable and a deferred inflow of resources to enhance the relevance and consistency of information about leasing activities. At June 30, 2022, the Commission reported a lease receivable of $38.27 million and deferred inflows of resources of $38.16 million.

As of June 30, 2022, the Commission's total net position consists of the following three components:

Net Investment in Capital Assets

The Commission's net investment in capital assets is ($0.01) million, related to the GASB 87 lease liability.

Restricted Net Position

The Commission's restricted net position is $0.01 million, related to the Court of Honor plaques.

Unrestricted Net Position (Deficit)

The Commission's total unrestricted net deficit is $10.32 million. The deficit closely parallels the noncurrent liabilities for net pension liability and postretirement healthcare and their deferred resource items totaling $11.87 million. The postretirement healthcare is expected to be covered by future USC rent revenue.

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 fiscal year 2021-22.

Table 2
Condensed Statement of Revenues, Expenses and Changes Net Position (Deficit)
June 30, 2022

		2022
Revenues:		
Rent	$	1,174,003
Administrative services		736,403
Settlement Revenue		501,000
Interest Income - lease receivable		238,617
Other		2,742
Total revenues		2,652,765
Expenses:		
General operating		765,443
Pension expense		1,539,513
Amortization right-to-use lease assets		1,195,399
Interest expense right-to-use assets		118,528
Total expenses		3,618,883
Special Item:		
Gain on loan forgiveness		2,224,663
Change in net position (deficit)		1,258,545

Revenue Highlights

Total revenues increased by $0.39 million, or 17.49% when compared with fiscal year 2020-21.

As a result of the implementation of GASB 87, recognition of operating revenue provided by USC for rent was affected. 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 2021-22, the Commission recognized rental and interest income from this sublease in the amounts of $1.17 million and 0.24 million. The Commission also recorded administrative revenue of $0.74 million from USC for the Commission operating expenses and the postretirement healthcare expenditures, and $0.50 million in settlement revenue.

Expense Highlights

Total expenses increased by $0.45 million or 14.15%, when compared with fiscal year 2020-21. This was primarily the result of the increase lease expenses resulting from implementation of GASB 87 as well as increase in pension expense, offset by the decrease in retiree healthcare expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Commission no longer has any capital assets as of June 30, 2022. See Note 4 for additional information.

Debt Administration

As of June 30, 2022, the Commission had no liabilities for long-term debt other than the lease liabilities. During fiscal year 2021-22, the USC line of credit was forgiven in exchange for a transfer of the Coliseum's remaining capital asset. Specific long-term debt changes are discussed in Note 7.

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

ECONOMIC FACTORS

The Commission is currently exploring options to prefund the Pension obligation in Fiscal Year 2023-24.

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
June 30, 2022

		2022
Assets		
Current assets		
Cash and cash equivalents (Note 3)	$	585,242
Accounts receivable - operating costs		201,035
Other receivables		432
Lease receivable (Note 6)		1,067,876
Total current assets		1,854,585
Non-current assets		
Lease receivable (Note 6)		37,199,841
Right-to-use lease asset, net (Note 5)		38,252,774
Capital assets, net (Note 4)		-
Total non-current assets		75,452,615
Total assets		77,307,200
Deferred Outflows of Resources		
Deferred pension related items (Note 8)		783,332
Deferred OPEB related items (Note 9)		26,805
Total deferred outflows of resources		810,137
Liabilities		
Current liabilities		
Accounts payable and other accrued expenses		138,878
Current portion long term debt (Note 7)		1,067,819
Total current liabilities		1,206,697
Non-current liabilities		
Postretirement healthcare plan (Note 9)		4,999,683
Net pension liability (Note 8)		2,593,513
Long term portion long term debt (Note 7)		37,198,883
Total non-current liabilities		44,792,079
Total liabilities		45,998,776
Deferred Inflows of Resources		
Deferred pension related items (Note 8)		2,521,522
Deferred OPEB related items (Note 9)		1,758,994
Deferred lease related items (Note 6)		38,155,097
Total deferred inflows of resources		42,435,613
Net Position (Deficit)		
Net investment in capital assets		(13,928)
Restricted for Court of Honors plaques		12,925
Unrestricted deficit		(10,316,049)
Total Net Position	$	(10,317,052)

See accompanying notes to the basic financial statements.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Statement of Revenues, Expenses, and Change in Net Position (Deficit)
Fiscal Year Ended June 30, 2022

	2022
Operating Revenues (Note 1):	
Rent (Note 6)	$ 1,174,003
Administrative services	736,403
Total Operating Revenues	1,910,406
Operating Expenses:	
Amortization right-to-use lease assets	1,195,399
General operating expenses	85,045
Professional	480,398
Legal	200,000
Total Operating Expenses	1,960,842
Net operating loss	(50,436)
Nonoperating Revenues (expenses):	
Interest income	2,742
Interest income lease receivable	238,617
Interest expense right-to-use lease assets	(118,528)
Settlement income	501,000
Pension expense (Note 8)	(1,539,513)
Total nonoperating expenses	(915,682)
Income (loss) before special item	(966,118)
Special Item	
Gain on loan forgiveness (Note 12)	2,224,663
Change in Net Position	1,258,545
Net Position, beginning of the fiscal year	(12,698,162)
Prior Period Adjustment (Note 1)	1,122,565
Net Position - beginning of the fiscal year, restated	(11,575,597)
Net Position, end of the fiscal year	$ (10,317,052)

See accompanying notes to the basic financial statements.

LOS ANGELES MEMORIAL COLISEUM COMMISSION
Statement of Cash Flows
Fiscal Year Ended June 30, 2022

	2022
Cash Flows from Operating Activities:	
Receipts from customers	$ 646,542
Payments to suppliers	(1,393,340)
Net Cash Provided (Used) by Operating Activities	(746,798)
Cash Flows from Investing Activities:	
Interest received	3,682
Cash received on settlement	501,000
Net cash from investing activities	504,682
Net increase (decrease) in cash and cash equivalents	(242,116)
Cash and cash equivalents, beginning of the fiscal year	827,358
Cash and cash equivalents, end of the fiscal year	$ 585,242
Reconciliation of operating loss to net cash used in operating activities:	
Operating income (loss)	$ (50,436)
Amortization expense	1,195,399
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
(Increase) decrease in assets:	
Other receivables	(200,097)
Prepaid expenses	13,814
Increase (decrease) in liabilities and deferred amounts:	
Accounts payable and other accrued expenses	24,864
Postretirement healthcare plan	(1,877,615)
Net pension liability	(2,755,589)
Lease receivable	(1,174,942)
Deferred postretirement healthcare plan	1,732,189
Deferred pension related items	2,345,615
Total adjustments	(1,891,761)
Net cash used in operating activities	$ (746,798)

Noncash investing, capital and financing activities

The Commission entered into a debt forgiveness agreement totaling $2,332,163 and in return provided land recorded at a cost of $107,500.

See accompanying notes to the basic financial statements.

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 former Los Angeles Memorial Sports Arena (former Sports Arena property), 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 the former Sports Arena property 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 the former Sports Arena properties.

Following the commencement of the Commission-USC Lease, the Coliseum 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 Coliseum 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 Coliseum Commission in view of the change in the level of daily responsibilities of the Coliseum 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. The Association was dissolved in 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 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 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 the former 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 as 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 and the Foundation. 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.

These classifications are defined as follows:

NOTE 1 Organization and Summary of Significant Accounting Policies (Continued)

Net investment in capital assets – This component of net position consists of capital assets and right-to-use leased assets, including restricted capital assets, net of accumulated depreciation and amortization and is reduced by the outstanding balances of any bonds, mortgages, notes, leases or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at fiscal 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, 2022, the Commission had a $13,928 net deficit 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, 2022, the Commission's restricted net position consists of contributions of $12,925 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, 2022, the Commission had $10,316,049 in unrestricted net deficit.

As of June 30, 2022, the Commission has a net deficit of $10,317,052. The deficit balance is primarily from noncurrent liabilities and deferred outflows for the postretirement healthcare plan and net pension liability. Under the Commission-USC Lease, USC will pay the postretirement healthcare plan liabilities over time, but the net pension liability of $2,593,513 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 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.

NOTE 1 Organization and Summary of Significant Accounting Policies (Continued)

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.

Right-to-use lease assets: Right-to-use lease assets are leased assets with a useful life of more than one year. They are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus any ancillary charges necessary to place the lease into service. The Commission has recorded the Coliseum and the former Sports Arena property lease as a right-to-use lease asset which is amortized on a straight-line basis over the life of the lease.

Lease receivables: As a lessor, the Commission recognizes a lease receivable and a corresponding deferred inflow of resources based on the payment provisions of the lease. The lease receivable is measured at the present value of payments expected to be received during the lease term. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The portion of the lease payment for rent is recognized as an operating revenue and the portion of the lease payment for interest is recognized as a nonoperating revenue in the Statement of Revenues, Expenses, and Change in Net Position.

Deferred outflows and inflows of resources: Pursuant to GASB Statement No. 63 "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, 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 in a separate section the deferred outflows of resources. The 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 and other postemployment benefits related deferred inflows of resources, which will be recognized as a credit to expense. Deferred inflows related to leases represent the difference between the actual payments received each year on the lease each fiscal year and the straight-line amortization over the lifetime of the lease.

Specific disclosures of items representing deferred outflows and inflows of resources appear in Notes 6, 8 and 9.

NOTE 1 Organization and Summary of Significant Accounting Policies (Continued)

Lease liability: As a lessee, a lease is defined as a contractual agreement that conveys control of the right-to-use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The Coliseum leases the Coliseum and the former Sports Arena property from the Sixth District Agricultural Association (an institution of the State of California). The related lease liabilities are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. A lease liability, as discussed in Note 7, and the associated right-to-use lease asset, discussed in Note 5, is recognized in the Statement of Net Position.

Operating revenues and operating expenses: Operating revenues include 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 fiscal year and the amortization of the right-to-use lease assets. 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.

Taxation: As a JPA, the Commission is not subject to income or franchise taxation by federal or state authorities. The Foundation is recognized by the Internal Revenue Service (IRS) as a tax-exempt organization 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 fiscal year ended June 30, 2022:

Governmental Accounting Standards Board Statement No. 87

GASB Statement No. 87, "*Leases*," establishes a single model for lease accounting based on the foundational principle that leases are the financing of the right to use underlying assets. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. See below for the restatement of net position due to the implementation of this Statement as of July 1, 2021:

Straight-line rent accrual	$ 1,710,639
Deferred rent receivable	(588,074)
Total prior period adjustment	$ 1,122,565

NOTE 1 Organization and Summary of Significant Accounting Policies (Continued)

Governmental Accounting Standards Statement No. 92

GASB Statement No. 92, "*Omnibus 2020"* enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The statement is effective for reporting periods beginning after June 15, 2021. This statement did not have a material impact on the financial statements.

Governmental Accounting Standards Statement No. 93

GASB Statement No. 93, "*Replacement of Interbank Offered Rates",* addresses the accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate. GASB Statement No. 93, except for paragraphs 11b, 13 and 14 is effective for reporting periods beginning after June 15, 2020, and was implemented in the prior fiscal year. Paragraph 11b is effective for reporting periods ending after December 31, 2021, and the requirements in paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021. This statement did not have a material impact on the financial statements.

Governmental Accounting Standards Statement No. 99

GASB Statement No. 99, "Omnibus 2022", enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. GASB Statement No. 99, paragraphs 26-32 were effective upon issuance. This statement did not have a material impact on the financial statements.

NOTE 2 Component Unit of the Commission

The following is the condensed combining detail for the statement of net position (deficit) as of June 30, 2022:

	Coliseum Commission	Foundation	Total
Cash	$ 12,925	$ 572,317	$ 585,242
Other receivables	27	405	432
Accounts receivable operating costs	201,035	-	201,035
Lease receivable	38,267,717	-	38,267,717
Right-to-use lease asset	38,252,774	-	38,252,774
Total assets	76,734,478	572,722	77,307,200
Deferred Outflows of Resources	810,137	-	810,137
Current liabilities	1,206,697	-	1,206,697
Long-term liabilities	44,792,079	-	44,792,079
Total liabilities	45,998,776	-	45,998,776
Deferred Inflows of Resources	42,435,613	-	42,435,613
Net investment in capital assets	(13,928)	-	(13,928)
Restricted for Court of Honors plaques	12,925	-	12,925
Unrestricted net position (deficit)	(10,888,771)	572,722	(10,316,049)
Total net position (deficit)	$ (10,889,774)	$ 572,722	$ (10,317,052)

NOTE 2 Component Unit 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 fiscal year ended June 30, 2022:

	Coliseum Commission	Foundation	Total
Operating Revenues:			
Rental revenue from related party	$ 1,174,003	$ -	$ 1,174,003
Other income	736,224	179	736,403
Total Operating Revenues	1,910,227	179	1,910,406
Operating Expenses:			
Other operating expenses	565,318	200,125	765,443
Amortization right-to-use lease assets	1,195,399	-	1,195,399
Total Operating Expenses	1,760,717	200,125	1,960,842
Net Operating revenue (loss)	149,510	(199,946)	(50,436)
Nonoperating Revenues (expenses):			
Nonoperating revenue	239,819	502,540	742,359
Operating transfer in (out)	470,111	(470,111)	-
Other nonoperating expenses	(1,658,041)	-	(1,658,041)
Total nonoperating revenue (expenses)	(948,111)	32,429	(915,682)
Income (loss) before special item	(798,601)	(167,517)	(966,118)
Gain on loan forgiveness	2,224,663	-	2,224,663
Change in net position	1,426,062	(167,517)	1,258,545
Net Position, beginning of the fiscal year	(13,438,401)	740,239	(12,698,162)
Prior Period Adjustment	1,122,565	-	1,122,565
Net Position, beginning of the fiscal year, restated	(12,315,836)	740,239	(11,575,597)
Ending net position (deficit)	$ (10,889,774)	$ 572,722	$ (10,317,052)

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 County Treasurer and Tax Collector (Treasurer) 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, 2022, was $585,242.

California Government Code Sections 53601 and 53635 authorize the Treasurer to invest the External Investment Pool (Pool) and Specific Purpose Investment funds in obligations of the United States Treasury, interest of a JPA that invests in authorized securities, shares of beneficial interest issued by diversified management companies known as money market mutual funds registered with the Securities and Exchange Commission, securities lending agreements, the State of California's Local Agency Investment Fund, and supranational institutions, California Government Code Section 53534 authorizes the Treasurer to enter into

NOTE 3 Cash and Cash Equivalents (Continued)

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 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 fiscal year ended June 30, 2022, 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 fiscal year ended June 30, 2022. Detailed deposit and investment risk disclosures are included in the notes of the County of Los Angeles’ Annual Comprehensive Financial Report.

NOTE 4 Capital Assets

The only asset remaining at the beginning of the fiscal year was a parcel of land related to the freeway sign located at 3843 S. Grand Avenue. This parcel of land was being used as collateral for a line of credit with USC. During the fiscal year, USC and the Coliseum entered into an agreement for USC to forgive the line of credit and the Coliseum transferred the parcel to USC.

	July 1, 2021	Additons	Impairment	Disposals	June 30, 2022
Non-depreciable:					
Land-parking lots and freeway sign	$ 107,500	$ -	$ -	$ (107,500)	$ -
Total	$ 107,500	$ -	$ -	$ (107,500)	$ -

NOTE 5 Right-to-use Lease Assets

	July 1, 2021	Additons	Impairment	Disposals	June 30, 2022
Right-to-use lease assets					
Coliseum and sports arena	$ -	$39,448,173	$ -	$ -	$ 39,448,173
Total Right-to-use lease assets	-	39,448,173	-	-	39,448,173
Accumulated Amortization					
Coliseum and sports arena	-	1,195,399	-	-	1,195,399
Total Accumulated amortization	-	1,195,399	-	-	1,195,399
Total right-to-use lease assets, net	$ -	$38,252,774	$ -	$ -	$ 38,252,774

NOTE 6 Lease Receivable

The Commission has one sublease for the Coliseum and the former Sports Arena property in place as of June 30, 2022. Revenue recognition is in accordance with GASB Statement No. 87. Lease receivable at June 30, 2022, was $38,267,717.

The Commission has a sublease agreement with USC (the Commission-USC lease) for the use of the Coliseum and the former Sports Arena property. Lease receivable at June 30, 2022 was $38,267,717. 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 former Sports Arena property 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). 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); and (3) provide the Commission with a monthly allowance for the Commission's general operating expenses. Current rent payments are set at $1,300,000 paid semiannually in advance on July 1st and January 1st. The total monthly allowance, including trademark royalty of $1,667, was set at $32,480 for the fiscal year ended June 30, 2022, however, future amounts will be determined based on annual budget deliberations with USC. The Commission recognized rent revenue of $1,174,003 and interest income of $238,617 during the fiscal year ended June 30, 2022. Deferred inflows of resources related to lease receivable at June 30, 2022 were $38,155,097.

Note 7 Long-Term Debt

Current year activity of long-term debt during the fiscal year ended June 30, 2022, is as follows:

	July 1, 2021	Additions	Accrued Interest	Deductions	June 30, 2022	Due Within One Year
Long-term debt:						
USC line of credit	$ 2,325,544	$ -	$ -	$ 2,325,544	$ -	$ -
Lease liability	-	39,448,173	-	1,181,471	38,266,702	1,067,819
Total	$ -	$39,448,173	$ -	$ 1,181,471	$ 38,266,702	$1,067,819

Note 7 Long-Term Debt (Continued)

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. 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 outstanding balance of the line of credit at June 30, 2022 was $0.

Lease Liability Sixth District Agricultural Association: The Coliseum and the former Sports Arena property 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 the Sixth District Agricultural Association (an institute of the State of California) 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. Payments are due semiannually in advance on July 1st and January 1st. 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 the former sports arena property in the amount of 3.125 percent. The naming rights provision of the agreement also applies to the Commission-USC lease. The lease liability was determined based on the base rent of $1,300,000 per year utilizing a discount rate of 0.61% for the remaining 33.5 years of the lease term. The lease liability as of June 30, 2022, was $38,266,702. See schedule of payments below:

Fiscal Years Ending June 30,	Amount
2023	$ 1,067,819
2024	1,074,353
2025	1,080,928
2026	1,087,542
2027	1,094,197
2028-2032	5,572,246
2033-2037	5,744,838
2038-2042	5,922,775
2043-2047	6,106,223
2048-2052	6,295,354
2053-2055	3,220,427
	$ 38,266,702

Note 8 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 contracts 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 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 fiscal year ended June 30, 2022, the Commission's actuarial determined contributions were $409,974.

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 fiscal 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, 2022, the Commission reported a net pension liability of $2,593,513 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, projected forward to the measurement date taking into account any significant changes between the valuation date and the measurement date. At June 30, 2022, the Commission's proportionate share was 0.047%.

Note 8 Retirement Pension Plan (Continued)

For the fiscal year ended June 30, 2022, the Commission recognized pension expense of $1,539,513. 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, 2022, 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
Difference between expected and actual experience	$ 290,835	$ -
Net difference between projected and actual investment earnings	-	2,263,999
Differences between employer contributions and the proportionate share of contributions	27,272	61,985
Change in employer's proportion	55,251	195,538
Pension contributions made subsequent to the measurement date	409,974	-
Total	$ 783,332	$ 2,521,522

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.

$409,974 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

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:

Year Ended June 30:	Deferred (Inflows)/Outflows of Resources
2023	$ (487,096)
2024	(491,914)
2025	(543,502)
2026	(625,652)

The total pension liabilities in the June 30, 2020 actuarial valuation was based on the following actuarial methods and assumptions:

Note 8 Retirement Pension Plan (Continued)

Actuarial Assumptions

Valuation date	June 30, 2020
Measurement date	June 30, 2021
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 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.

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.

Note 8 Retirement Pension Plan (Continued)

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
Public 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)	$ 4,147,401	$ 2,593,513	$ 1,308,935

Pension Plan Fiduciary Net Position

Detailed information about CalPERS' fiduciary net position as of June 30, 2021, is available in a separately issued CalPERS' financial report, which can be found at www.calpers.ca.gov.

Note 9 Postretirement Healthcare Plan

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 8). 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.

Note 9 Postretirement Healthcare Plan (Continued)

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 year 2022:

- 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, 2022, 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, 2021 actuarial valuation, the Commission had 16 former employees currently receiving benefits of the plan. There are no active employees.

Contributions

For the fiscal year ended June 30, 2022, the Commission contributed $144,964 to the plan.

Total Other Postemployment Benefit (OPEB) Liability

At June 30, 2022, the Commission reported a total OPEB liability of $4,999,683. The total OPEB liability was measured at July 1, 2021 for the period July 1, 2021 to June 30, 2022.

Actuarial Methods and Assumptions

Measurement Date	July 1, 2021
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	0.61%
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 2031.

Note 9 Postretirement Healthcare Plan (Continued)

Changes in the OPEB Liability

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

Balance at June 30, 2021	$ 6,877,298
Changes recognized for the measurement period:	
Interest	26,805
Changes in assumptions	(54,515)
Actuarial experience	(1,704,941)
Benefit payments	(144,964)
Net Changes	(1,877,615)
Balance at June 30, 2022	$ 4,999,683

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 0.61%, 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 (1.61%) than the current rate:

	1% Decrease (0.00%)	Discount Rate (0.61%)	1% Increase (1.61%)
Net OPEB liability	$ 5,866,752	$ 4,999,683	$ 4,305,930

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	$ 4,335,315	$ 4,999,683	$ 5,805,414

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

At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Note 9 Postretirement Healthcare Plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 26,805	$ 1,704,941
Change in assumptions	-	54,053
Total	$ 26,805	$ 1,758,994

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net OPEB liability to be recognized in future periods in a systematic and rational manner in accordance with GASB Statement No. 75. Amounts currently reported as deferred inflows and outflows of resources will be recognized in pension expense as follows:

Fiscal Year Ended June 30:	Deferred (Inflows)/Outflows of Resources
2023	$ (433,048)
2024	(433,048)
2025	(433,048)
2026	(433,045)

Note 10 Related Party Transactions

The Commission's cash and investments are pooled, and investments are pooled and invested by the TTC. For the fiscal year ended June 30, 2022, interest income amounted to $2,742. Interest receivable was $432 as of June 30, 2022. 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 $468,550 for the fiscal year ended June 30, 2022. As of June 30, 2022, the total payable to the County was $125,785.

Note 11 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.

Note 12 Special Item Gain on loan forgiveness

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. See below for the breakdown of the gain on forgiveness:

Gain on forgiveness of USC line of credit	$ 2,325,544
Cost of 110 freeway sign	(107,500)
Write off of accounts payable	6,619
Total Special Item Gain on forgiveness	$ 2,224,663

Note 13 Subsequent Events

Subsequent events have been evaluated through June 12, 2023, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Pension Plan's fiduciary net position as a percentage of total pension liability	90.49%	77.71%	77.73%	77.69%
Commission's proportionate share of the collective net pension liability	$ 2,593,513	$ 3,809,589	$ 3,532,075	$ 3,227,682
Commission's proportionate share as a percentage of the collective net pension liability	0.04795%	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	N/A

	6/30/2017	6/30/2016	6/30/2015
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)

	2022	2021	2020	2019
Actuarially determined contribution (ADC)	$ 409,974	$ 398,264	$ 358,725	$ 151,966
Less: Contributions in relation to the ADC	$ 409,974	$ 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	N/A

	2018	2017	2016
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	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability					
Interest on the total OPEB liability	$ 26,805	$ 21,912	$ (23,306)	$ 149,787	$ 121,805
Actual and expected experience difference	(1,704,941)	(345,011)	748,484	-	67,557
Changes in assumptions	(54,515)	1,097,617	1,443,448	-	528,623
Benefit payments	(144,964)	(164,088)	(167,949)	(163,218)	(156,493)
Net change in total OPEB liability	(1,877,615)	610,430	2,000,677	(13,431)	561,492
Total OPEB liability - beginning	6,877,298	6,266,868	4,266,191	4,279,622	3,718,130
Total OPEB liability - ending (a)	$ 4,999,683	$ 6,877,298	$ 6,266,868	$ 4,266,191	$ 4,279,622
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)	$ 4,999,683	$ 6,877,298	$ 6,266,868	$ 4,266,191	$ 4,279,622

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 to 0.61 percent for the measurement period ended June 30, 2021.

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