

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**

**BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**June 30, 2023**

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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, 2023, 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, 2023, 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.

### 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.

In preparing the financial statements management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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.

### ***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, the Schedule of Net Pension Liability and the Related Ratios on page 30, the Schedule of Pension Plan Contribution on page 31, and the Schedule of Net OPEB Liability and Related Ratios on page 32, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 July 29, 2024 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  
July 29, 2024

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

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, 2023. 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, 2023 by \$6.85 million. The Commission had net investment in capital assets at year-end of (\$0.14) million. The restricted net position and unrestricted deficit were \$0.01 million and \$6.72 million, respectively.
- The Commission's total net deficit, including all activities, decreased by \$3.47 million during fiscal year 2022-23 compared to a decrease of \$2.38 million during fiscal year 2021-22.
- Total operating revenues decreased by \$0.08 million and operating expenses decreased by \$0.28 million in fiscal year 2022-23.

**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.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

- 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 13-29.

### **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 and deferred inflows exceeded its assets and deferred outflows inflows by \$6.85 million at June 30, 2023.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

The following table summarizes the Commission's net position:

**Table 1**  
Condensed Statement of Net Position (Deficit)  
June 30, 2023

	<b>2023</b>
Assets:	
Current assets	\$ 1,459,920
Lease receivable	36,125,487
Right-to-use lease asset, net	37,057,375
Total Assets	74,642,782
Deferred Outflows of Resources	1,699,915
Liabilities:	
Current and other liabilities	1,204,913
Noncurrent liabilities	44,274,273
Total Liabilities	45,479,186
Deferred Inflows of Resources	37,715,308
Net Position	
Net Investment in Capital Assets	(141,508)
Restricted for Court of Honors plaques	12,925
Unrestricted (Deficit)	(6,723,214)
Total Net Position (Deficit)	\$ (6,851,797)

Significant changes in assets and liabilities included the following:

**Current Assets and Liabilities**

Current assets decreased by \$0.39 million, or 21.28%, and current liabilities decreased by \$1.78 thousand, or 0.15%, from fiscal year 2021-22 primarily due to a decrease in accounts payable while offset by a slight increase in the current portion of long-term debt.

**Noncurrent Assets and Liabilities**

Noncurrent assets decreased by \$2.27 million, or 3.01% from fiscal year 2021-22 due to a decrease in lease receivable and right-to-use lease assets, net. Noncurrent liabilities decreased by \$0.52 million, or 1.16%, from fiscal year 2021-22 primarily due to a decrease in OPEB liability and lease liability, while offset by an increase in net pension liability.



**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

**Deferred Outflows of Resources / Deferred Inflows of Resources**

Under GASB Statement No 68, the Commission is required to defer the recognition of changes in investment gain/loss, actuarial assumptions and methods, and plan benefits related to pension. At June 30, 2023, the Commission reported deferred outflows of resources of \$1.70 million, and deferred inflows of resources of \$0.73 million.

Under GASB Statement No. 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, 2023, the Commission reported a lease receivable of \$37.20 million and deferred inflows of resources of \$36.98 million.

As of June 30, 2023, 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 (\$0.14) 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 \$6.72 million. The deficit closely parallels the noncurrent liabilities for net pension liability and postretirement healthcare and their deferred resource items totaling \$8.88 million. The postretirement healthcare is expected to be covered by future USC rent revenue.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

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

The following table presents condensed information showing how the Commission's net position (deficit) changed during fiscal year 2022-23.

**Table 2**  
Condensed Statement of Revenues, Expenses and Changes Net Position (Deficit)  
June 30, 2023

	<b>2023</b>
Revenues:	
Rent	\$ 1,174,003
Administrative services	654,398
Interest Income - lease receivable	232,124
Other	14,784
Total revenues	2,075,309
Expenses:	
General operating	485,315
Pension expense (credit)	(846,916)
OPEB expense (credit)	(860,600)
Retiree healthcare	136,864
Amortization right-to-use lease assets	1,195,399
Interest expense right-to-use assets	232,181
Total expenses	342,243
Change in net position (deficit)	1,733,066

**Revenue Highlights**

Total revenues decreased by \$0.58 million, or 21.77% when compared with fiscal year 2021-22.

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 2022-23, the Commission recognized rental and interest income from this sublease in the amounts of \$1.17 million and 0.23 million. The Commission also recorded administrative revenue of \$0.65 million from USC for the Commission operating expenses and the postretirement healthcare expenditures. The overall decrease is primarily due to \$0.50 million in settlement revenue that was recognized in the prior fiscal year, but no longer applicable in the current fiscal year.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

**Expense Highlights**

Total expenses decreased by \$3.28 million or 90.54%, when compared with fiscal year 2021-22. The decrease is primarily attributable to recognition of pension expense in the prior fiscal year, compared to recognition of pension credit in the current fiscal year. Pension expense (credit) decreased by 2.39 million, or 155.01% when compared with fiscal year 2021-22.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Commission no longer has any capital assets as of June 30, 2023. See Note 4 for additional information.

**Debt Administration**

As of June 30, 2023, the Commission had no liabilities for long-term debt other than the lease liabilities. The Commission does not plan to issue any new bonds or other debt instruments in the near future.

**ECONOMIC FACTORS**

In October 2023, the Commission made a payment to CalPERS to prefund the future Pension liabilities, as estimated by CalPERS. Each of the three member agencies contributed amounts to fund this payment. This will result in a reduction of the Pension liability on the FY 2023-24 financial statements.

**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](mailto: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, 2023**

	<b>2023</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents (Note 3)	\$ 381,756
Other receivables	3,811
Lease receivable (Note 5)	1,074,353
Total current assets	1,459,920
Non-current assets	
Lease receivable (Note 5)	36,125,487
Capital assets	
Right-to-use lease asset, net (Note 4)	37,057,375
Total non-current assets	73,182,862
<b>Total assets</b>	<b>74,642,782</b>
<b>Deferred Outflows of Resources</b>	
Deferred pension related items (Note 7)	1,699,915
Total deferred outflows of resources	1,699,915
<b>Liabilities</b>	
Current liabilities	
Accounts payable and other accrued expenses	130,560
Current portion of long term debt (Note 6)	1,074,353
Total current liabilities	1,204,913
Non-current liabilities	
Postretirement healthcare plan (Note 8)	4,139,083
Net pension liability (Note 7)	4,010,660
Noncurrent portion of long term debt (Note 6)	36,124,530
Total non-current liabilities	44,274,273
<b>Total liabilities</b>	<b>45,479,186</b>
<b>Deferred Inflows of Resources</b>	
Deferred pension related items (Note 7)	734,214
Deferred lease related items (Note 5)	36,981,094
Total deferred inflows of resources	37,715,308
<b>Net Position (Deficit)</b>	
Net investment in capital assets	(141,508)
Restricted for Court of Honors plaques	12,925
Unrestricted deficit	(6,723,214)
<b>Total Net Position (Deficit)</b>	<b>\$ (6,851,797)</b>

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, 2023**

<b>Operating Revenues (Note 1):</b>	<b>2023</b>
Rent (Note 5)	\$ 1,174,003
Administrative services	654,398
<b>Total Operating Revenues</b>	<b>1,828,401</b>
<b>Operating Expenses:</b>	
Amortization right-to-use lease assets	1,195,399
General operating expenses	121
Professional fees	485,194
<b>Total Operating Expenses</b>	<b>1,680,714</b>
<b>Net operating income</b>	<b>147,687</b>
<b>Nonoperating Revenues (expenses):</b>	
Interest income	14,784
Interest income lease receivable	232,124
Interest expense right-to-use lease assets	(232,181)
OPEB credit	860,600
Retiree healthcare (Note 8)	(136,864)
Pension credit (Note 7)	846,916
<b>Total nonoperating revenues (expenses)</b>	<b>1,585,379</b>
<b>Change in Net Position</b>	<b>1,733,066</b>
<b>Net Position, beginning of the fiscal year, as originally stated</b>	<b>(10,317,052)</b>
<b>Prior Period Adjustment (Note 1 )</b>	<b>1,732,189</b>
<b>Net Position (deficit) - beginning of the fiscal year, restated</b>	<b>(8,584,863)</b>
<b>Net Position (deficit) - end of the fiscal year</b>	<b>\$ (6,851,797)</b>

See accompanying notes to the basic financial statements.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Statement of Cash Flows**  
**Fiscal Year Ended June 30, 2023**

	<b>2023</b>
<b>Cash Flows from Operating Activities:</b>	
Receipts from customers	\$ 861,502
Payments to suppliers	(1,076,394)
<b>Net Cash (Used) by Operating Activities</b>	<b>(214,892)</b>
 <b>Cash Flows from Investing Activities:</b>	
Interest received	11,406
<b>Net Cash Provided by Investing Activities</b>	<b>11,406</b>
 <b>Net increase (decrease) in cash and cash equivalents</b>	 (203,486)
Cash and cash equivalents, beginning of the fiscal year	585,242
Cash and cash equivalents, end of the fiscal year	<b>\$ 381,756</b>
 <b>Reconciliation of operating income to net cash used in operating activities:</b>	
Operating income	\$ 147,687
Amortization expense	1,195,399
Adjustments to reconcile operating income to net cash used in operating activities:	
(Increase) decrease in assets:	
Other receivables	201,467
Increase (decrease) in liabilities and deferred amounts:	
Accounts payable and other accrued expenses	(8,318)
Postretirement healthcare plan	(860,600)
Net pension liability	2,264,063
Lease receivable	(1,174,435)
Deferred postretirement healthcare plan	723,736
Deferred pension related items	(2,703,891)
Total adjustments	<b>(1,557,978)</b>
Net cash used in operating activities	<b>\$ (214,892)</b>

See accompanying notes to the basic financial statements.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**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 (CSC), 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.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**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:



**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**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, 2023, the Commission had a \$141,508 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, 2023, 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, 2023, the Commission had \$6,723,214 in unrestricted net deficit.

As of June 30, 2023, the Commission has a net deficit of \$6,851,797. The deficit balance is primarily from noncurrent liabilities and deferred outflows for the net pension liability. Under the Commission-USC Lease, USC will pay the postretirement healthcare plan liabilities over time, but the net pension liability of \$4,010,660 will remain the responsibility of the Commission. The Commission prepaid the pension liability in FY 2023-24.

**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.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**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 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 5 and 7.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**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 6, and the associated right-to-use lease asset, discussed in Note 4, 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-of-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. The Commission has no uncertain tax positions. The Foundation's tax returns for the fiscal years ended 6/30/21, 6/30/22, and 6/30/23 are subject to IRS examination.

**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.

**Restatement of Net Position - Error Correction**

During FY 2022-23, the Commission determined that inaccurate estimates were previously used to present Deferred Inflows and Deferred Outflows of Resources for OPEB related items. The Commission's postretirement healthcare plan is a retiree only plan comprised of former employees receiving benefits. Since there are no active employees, the expected remaining service lives for the plan is less than one year as of the beginning of the measurement period. In this circumstance, all changes to total OPEB liability should be recognized in OPEB expense in full within the reporting period in which they are reflected. Therefore, Deferred Inflows and Deferred Outflows of Resources for OPEB related items should have been omitted in the prior fiscal year's financial statements. The correction resulted in a change to beginning net position as reflected in the table below:

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**Note 1    Organization and Summary of Significant Accounting Policies (Continued)**

Net position (deficit) at July 1, 2022, as previously stated	\$ (10,317,052)
Add Deferred Inflows of Resources for OPEB related items	1,758,994
Less Deferred Outflows of Resources for OPEB related items	<u>(26,805)</u>
Net position (deficit) at July 1, 2022, as restated	<u>\$ (8,584,863)</u>

**Pronouncements issued and implemented during the fiscal year ended June 30, 2023**

Governmental Accounting Standards Board Statement No. 94

GASB Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*,” improves financial reporting by addressing issues related to public-private private and public-public partnership arrangements (PPP). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement is effective for reporting periods beginning after June 15, 2022. This statement did not have a material impact on the financial statements.

Governmental Accounting Standards Statement No. 96

Statement No. 96, “*Subscription-Based Information Technology Arrangements*”, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The statement is effective for reporting periods beginning after June 15, 2022. This statement did not have a material impact on the financial statements.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**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, 2023:

	<u>Coliseum Commission</u>	<u>Foundation</u>	<u>Total</u>
Cash	\$ 68,227	\$ 313,529	\$ 381,756
Other receivables	578	3,233	3,811
Lease receivable	37,199,840	-	37,199,840
Right-to-use lease asset	37,057,375	-	37,057,375
Total assets	<u>74,326,020</u>	<u>316,762</u>	<u>74,642,782</u>
Deferred Outflows of Resources	<u>1,699,915</u>	<u>-</u>	<u>1,699,915</u>
Current liabilities	1,204,913	-	1,204,913
Long-term liabilities	44,274,273	-	44,274,273
Total liabilities	<u>45,479,186</u>	<u>-</u>	<u>45,479,186</u>
Deferred Inflows of Resources	<u>37,715,308</u>	<u>-</u>	<u>37,715,308</u>
Net investment in capital assets Restricted for Court of Honors plaques	(141,508)	-	(141,508)
	12,925	-	12,925
Unrestricted net position (deficit)	<u>(7,039,976)</u>	<u>316,762</u>	<u>(6,723,214)</u>
Total net position (deficit)	<u>\$ (7,168,559)</u>	<u>\$ 316,762</u>	<u>\$ (6,851,797)</u>

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**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, 2023:

	Coliseum Commission	Foundation	Total
Operating Revenues:			
Rental revenue from related party	\$ 1,174,003	\$ -	\$ 1,174,003
Other income	654,398	-	654,398
Total Operating Revenues	<u>1,828,401</u>	<u>-</u>	<u>1,828,401</u>
Operating Expenses:			
Other operating expenses	485,215	100	485,315
Amortization right-to-use lease assets	1,195,399	-	1,195,399
Total Operating Expenses	<u>1,680,614</u>	<u>100</u>	<u>1,680,714</u>
Net Operating revenue (loss)	<u>147,787</u>	<u>(100)</u>	<u>147,687</u>
Nonoperating Revenues (expenses):			
Nonoperating revenue	235,721	11,187	246,908
Transfer in (out)	267,047	(267,047)	-
Other nonoperating expenses	1,338,471	-	1,338,471
Total nonoperating revenue (expenses)	<u>1,841,239</u>	<u>(255,860)</u>	<u>1,585,379</u>
Change in net position	<u>1,989,026</u>	<u>(255,960)</u>	<u>1,733,066</u>
Net Position, beginning of the fiscal year, restated	<u>(9,157,585)</u>	<u>572,722</u>	<u>(8,584,863)</u>
Ending net position (deficit)	<u>\$ (7,168,559)</u>	<u>\$ 316,762</u>	<u>\$ (6,851,797)</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 (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, 2023, was \$381,756.

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, 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 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 interest rate swap agreements, however, these agreements should only

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**Note 3 Cash and Cash Equivalents (Continued)**

be used in conjunction with the sale of the bonds approved by the Board of Supervisors. As permitted by the California Government Code, the Treasurer developed, and the Board of Supervisors adopted, an 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 of Supervisors 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, 2023, 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, 2023. 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 - Right-to-use Lease Assets**

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Impairment</u>	<u>Disposals</u>	<u>June 30, 2023</u>
Right-to-use lease assets					
Coliseum and sports arena	\$ 39,448,173	\$ -	\$ -	\$ -	\$ 39,448,173
Total Right-to-use lease assets	<u>39,448,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,448,173</u>
Accumulated Amortization					
Coliseum and sports arena	1,195,399	1,195,399	-	-	2,390,798
Total Accumulated amortization	<u>1,195,399</u>	<u>1,195,399</u>	<u>-</u>	<u>-</u>	<u>2,390,798</u>
Total right-to-use lease assets, net	<u>\$ 38,252,774</u>	<u>\$ (1,195,399)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,057,375</u>

**Note 5 Lease Receivable**

The Commission has one sublease for the Coliseum and the former Sports Arena property in place as of June 30, 2023. Revenue recognition is in accordance with GASB Statement No. 87. Lease receivable at June 30, 2023, was \$37,199,840.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**Note 5 Lease Receivable (Continued)**

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, 2023 was \$37,199,840. 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 1<sup>st</sup> and January 1<sup>st</sup>. The total monthly allowance, including trademark royalty of \$1,667, was set at \$43,127 for the fiscal year ended June 30, 2023, 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 \$232,124 during the fiscal year ended June 30, 2023. Deferred inflows of resources related to lease receivable at June 30, 2023 were \$36,981,094.

**Note 6 Long-Term Debt**

Current fiscal year activity of long-term debt during the fiscal year ended June 30, 2023, is as follows:

	July 1, 2022	Additions	Accrued Interest	Deductions	June 30, 2023	Due Within One Year
Long-term debt:						
Lease liability	\$38,266,702	\$ -	\$ -	\$ 1,067,819	\$ 37,198,883	\$ 1,074,353
Total	<u>\$38,266,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,067,819</u>	<u>\$ 37,198,883</u>	<u>\$ 1,074,353</u>

**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 1<sup>st</sup> and January 1<sup>st</sup>. 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, 2023, was \$37,198,883. See schedule of payments below:



**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**Note 6 Long-Term Debt (Continued)**

<u>Fiscal Years Ending June 30,</u>	<u>Amount</u>
2024	\$ 1,074,353
2025	1,080,928
2026	1,087,542
2027	1,094,197
2028	1,100,893
2029-2033	5,606,345
2034-2038	5,779,992
2039-2043	5,959,019
2044-2048	6,143,589
2049-2053	6,333,877
2054-2055	1,938,148
	<u>\$ 37,198,883</u>

**Note 7 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](http://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, 2023, the Commission's actuarial determined contributions were \$439,828.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**Note 7 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 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, 2023, the Commission reported a net pension liability of \$4,010,660 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, 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 measurement date), the Commission's proportionate share was 0.08571%.

For the fiscal year ended June 30, 2023, the Commission recognized pension credit of \$846,916. Pension credit 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, 2023, 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 in assumptions	\$ 410,976	\$ -
Difference between expected and actual experience	80,542	53,943
Net difference between projected and actual investment earnings	734,646	-
Differences between employer contributions and the proportionate share of contributions	17,171	6,964
Change in employer's proportion	16,752	673,307
Pension contributions made subsequent to the measurement date	439,828	-
Total	\$ 1,699,915	\$ 734,214

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.

\$439,828 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, 2024.

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, 2023**

**Note 7 Retirement Pension Plan (Continued)**

Fiscal Year Ended June 30:	Deferred (Inflows)/Outflows of Resources
2024	\$ 49,539
2025	20,409
2026	6,590
2027	449,335

The total pension liabilities in the June 30, 2021 actuarial valuation was based on the following actuarial methods and assumptions:

Actuarial Assumptions

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	Varies by entry age and service
Projected salary increases	Varies by entry age and service
Investment rate of return	6.90% 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 rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details please refer to the 2021 experience study report that can be found on the CalPERS' website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
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**Note 7 Retirement Pension Plan (Continued)**

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

<u>Asset class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10</u>
Global equity - cap-weighted	30.00%	4.45%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

An expected inflation of 2.30% was used for this period.  
 Figures are based on the 2021-22 Asset Liability Management study.

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 6.90%, 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 (5.90%) or 1-percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Net pension liability/ (asset)	\$ 5,635,531	\$ 4,010,660	\$ 2,673,794

Pension Plan Fiduciary Net Position

Detailed information about CalPERS' fiduciary net position as of June 30, 2022, is available in a separately issued CalPERS' financial report, which can be found at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Note 8 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 7). The Retiree Health Plan does not issue a

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**Note 8 Postretirement Healthcare Plan (Continued)**

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 year 2023:

- 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, 2023, 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 July 1, 2022 actuarial valuation, the Commission had 15 former employees currently receiving benefits of the plan. There are no active employees.

Contributions

For the fiscal year ended June 30, 2023, the Commission contributed \$136,864 to the plan.

Total Other Postemployment Benefit (OPEB) Liability

At June 30, 2023, the Commission reported a total OPEB liability of \$4,139,083. The total OPEB liability was measured at July 1, 2022 for the period July 1, 2022 to June 30, 2023.

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**Note 8 Postretirement Healthcare Plan (Continued)**

Actuarial Methods and Assumptions

Measurement Date	July 1, 2022
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	2.00%
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 2032.

Changes in the OPEB Liability

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

<b>Balance at June 30, 2022</b>	\$ 4,999,683
<b>Changes recognized for the measurement period:</b>	
Interest	92,517
Actuarial experience	(816,253)
Benefit payments	<u>(136,864)</u>
<b>Net Changes</b>	<u>(860,600)</u>
<b>Balance at June 30, 2023</b>	<u>\$ 4,139,083</u>

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 2.00%, 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 (1.00%) or 1-percentage point higher (3.00%) than the current rate:

	<u>1% Decrease</u> <u>(1.00%)</u>	<u>Discount Rate</u> <u>(2.00%)</u>	<u>1% Increase</u> <u>(3.00%)</u>
Net OPEB liability	\$ 4,768,275	\$ 4,139,083	\$ 3,626,488

**LOS ANGELES MEMORIAL COLISEUM COMMISSION**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

**Note 8 Postretirement Healthcare Plan (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 health care trend rate that is 1 percentage point lower (9.00%) or 1 percentage higher (11.00%) than the health care trend rate.

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 3,642,799	\$ 4,139,083	\$ 4,786,290

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 they Commission's OPEB does not have a fiduciary net position and pays the OPEB costs as they are incurred.

**Note 9 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, 2023, interest income amounted to \$14,784. Interest receivable was \$3,810 as of June 30, 2023. 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 \$472,768 for the fiscal year ended June 30, 2023. As of June 30, 2023, the total payable to the County was \$115,895.

**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.

**Note 11 Subsequent Events**

In October 2023, the Commission prepaid its pension liability of \$4,074,568. Each member agency contributed equal amounts to make the prepayment.

**REQUIRED SUPPLEMENTARY INFORMATION**



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

Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Pension Plan's fiduciary net position as a percentage of total pension liability	78.19%	90.49%	77.71%	77.73%
Commission's proportionate share of the collective net pension liability	\$ 4,010,660	\$ 2,593,513	\$ 3,809,589	\$ 3,532,075
Commission's proportionate share as a percentage of the collective net pension liability	0.08571%	0.13659%	0.03501%	0.03447%
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
	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Pension Plan's fiduciary net position as a percentage of total pension liability	77.69%	75.39%	74.06%	78.40%
Commission's proportionate share of the collective net pension liability	\$ 3,227,682	\$ 3,223,459	\$ 2,756,150	\$ 2,013,993
Commission's proportionate share as a percentage of the collective net pension liability	0.03350%	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	N/A

**Notes to Schedule**

There were no changes in benefits.

In fiscal year 2016-17, the discount rate was lowered from 7.65% to 7.15%.

In fiscal year 2018-19 the assumptions for individual salary and overall payroll growth was reduced from 3.00% to 2.75%.

In fiscal year 2022-23 the discount rate was lowered from 7.15% to 6.90%.

\* 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution (ADC)	\$ 439,828	\$ 409,974	\$ 398,264	\$ 358,725
Less: Contributions in relation to the ADC	\$ 439,828	\$ 409,974	\$ 398,264	\$ 358,725
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll**	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution (ADC)	\$ 151,966	\$ 105,270	\$ 72,974	\$ 49,405
Less: Contributions in relation to the ADC	\$ 151,966	\$ 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	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 Net OPEB Liability and Related Ratios**  
**Last Ten Years\* (Unaudited)**

Measurement Period	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
<b>Total OPEB Liability</b>				
Interest on the total OPEB liability	\$ 92,517	\$ 26,805	\$ 21,912	\$ (23,306)
Actual and expected experience difference	(816,253)	(1,704,941)	(345,011)	748,484
Changes in assumptions	-	(54,515)	1,097,617	1,443,448
Benefit payments	<u>(136,864)</u>	<u>(144,964)</u>	<u>(164,088)</u>	<u>(167,949)</u>
Net change in total OPEB liability	(860,600)	(1,877,615)	610,430	2,000,677
Total OPEB liability - beginning	<u>4,999,683</u>	<u>6,877,298</u>	<u>6,266,868</u>	<u>4,266,191</u>
Total OPEB liability - ending (a)	<u><u>\$ 4,139,083</u></u>	<u><u>\$ 4,999,683</u></u>	<u><u>\$ 6,877,298</u></u>	<u><u>\$ 6,266,868</u></u>
<b>Plan Fiduciary Net Position</b>				
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability - ending (a) - (b)	<u><u>\$ 4,139,083</u></u>	<u><u>\$ 4,999,683</u></u>	<u><u>\$ 6,877,298</u></u>	<u><u>\$ 6,266,868</u></u>

(Continued)

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

Measurement Period	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB Liability</b>		
Service cost	\$ -	\$ -
Interest on the total OPEB liability	\$ 149,787	\$ 121,805
Actual and expected experience difference	-	67,557
Changes in assumptions	-	528,623
Changes in benefit terms	-	-
Benefit payments	<u>(163,218)</u>	<u>(156,493)</u>
Net change in total OPEB liability	(13,431)	561,492
Total OPEB liability - beginning	<u>4,279,622</u>	<u>3,718,130</u>
Total OPEB liability - ending (a)	<u><u>\$ 4,266,191</u></u>	<u><u>\$ 4,279,622</u></u>
 <b>Plan Fiduciary Net Position</b>		
Net change in plan fiduciary net position	\$ -	\$ -
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>
Net OPEB liability - ending (a) - (b)	<u><u>\$ 4,266,191</u></u>	<u><u>\$ 4,279,622</u></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 to 0.61 percent for the measurement period ended June 30, 2021. The discount rate was changed to 2.00 percent for the measure period ended June 30, 2022.

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