

Table C
Audit Objectives and the Methods Used to Address Them

AUDIT OBJECTIVE	METHOD
1 Identify the status of leases and any sale negotiations regarding Angels Stadium.	<ul style="list-style-type: none"> • Obtained copies of the stadium lease agreement and amendments. • Obtained and reviewed city council meeting minutes and agendas related to lease statuses and sale negotiations to identify any current or previous developments related to the lease and sale negotiation statuses. • Interviewed city staff to understand the current status of lease and sale negotiations and to identify the city's plan for negotiations in the future.
2 Identify the key terms of current and recent leases, including any extensions, reinstatements, termination clauses and appraisals, between the City and Angels.	<ul style="list-style-type: none"> • Reviewed the city's stadium lease agreement and amendments to identify key terms. • Obtained and reviewed the lease agreements for three additional publicly owned stadiums to compare the terms of these three lease agreements with the key terms of the city's lease agreement. Reviewed the three lease agreements to determine whether there were potential best practices that Anaheim could consider.
3 Identify the process and documents utilized to create estimates of the Fair Market Value/Appraisals of the Stadium in November of 2018 (following the termination of the lease in October and before the reinstatement in January 2019) and 2024. Based on an evaluation of the process and documents, identify how the Fair Market Value/Appraisal value of the stadium has changed during the identified lease periods, including any reasons for identified changes.	<ul style="list-style-type: none"> • Obtained copies of the appraisals of the stadium that were prepared in 2019 and 2014. Interviewed city staff to confirm that the city did not conduct or contract for an appraisal of the stadium in 2024. • Obtained available documentation and interviewed city staff to identify processes used to select the appraisal companies. • Reviewed the methodology and supporting documents that appraisers used for the 2014 and 2019 appraisals. Compared the methodologies and scenarios used in the two appraisals. Reviewed the changes in stadium appraised value between the two appraisals. • Reviewed city council minutes and agendas to identify discussions related to the stadium appraisals and directions given from the city to the appraiser.
4 Determine whether the parties have complied with all terms of the identified leases, including applicable payments, parking revenue, stadium property maintenance obligations, and public property access	<ul style="list-style-type: none"> • Interviewed city staff regarding the city's monitoring of lease compliance and the city's process for reviewing revenue and expenditures related to the stadium. • Obtained city records of revenue payments received from Angels ownership. Reviewed available documentation supporting the amounts. • Performed reasonableness testing for ticket and parking revenue amounts received by comparing revenue data received from Angels with public ticket attendance data. We could not perform reasonableness testing for other events revenue because of the lack of information from the city. • Obtained and reviewed three stadium capital expenditures for four sample years to evaluate the city's review of the documentation and to determine whether the documentation supported the expenditure amounts. • Interviewed city staff to identify the city's process for reviewing stadium maintenance. • Obtained and reviewed documentation related to the city's communication with Angels ownership regarding access to the stadium.
5 To the extent possible, provide an accounting of all total net direct revenue offset by city expenses that the City collected from 1996 to the present from the Stadium in a yearly breakdown.	<ul style="list-style-type: none"> • Obtained available general ledger records from the city showing the city's revenue and expenses from the lease (the city did not have general ledger detail before fiscal year 2006). • Compared general ledger amounts to supporting documentation such as revenue and capital reserve fund letters between the city and Angels ownership.
6 Determine whether sufficient transparency and accountability exists to ensure compliance with the lease terms.	Used the methods and information from the previous five objectives to evaluate the parties' compliance with the lease.

Source: Audit workpapers.