ROSE BOWL OPERATING COMPANY
(A COMPONENT UNIT OF THE
CITY OF PASADENA, CALIFORNIA)

BASIC FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITORS' REPORT

YEAR ENDED JUNE 30, 2021

WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

ROSE BOWL OPERATING COMPANY
(A COMPONENT UNIT OF THE CITY OF PASADENA, CALIFORNIA)

BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Rose Bowl Operating Company
Pasadena, California

Report on the Financial Statements

We have audited the accompanying financial statements of each enterprise fund of the Rose Bowl Operating Company (the Company), a component unit of the City of Pasadena, California as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors
Rose Bowl Operating Company

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each enterprise fund of the Rose Bowl Operating Company as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules of changes in the net pension liability and related ratios of the defined benefit plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 23, 2021, on our consideration of the Company's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Company's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
December 23, 2021

ROSE BOWL OPERATING COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

TABLE OF CONTENTS

The objective of management's discussion and analysis is to help readers of the Rose Bowl Operating Company's ("RBOC") financial statements better understand the financial position and operating activities for the fiscal year ended June 30, 2021, with selected comparative information with the year ended June 30, 2020. This discussion should be read in conjunction with the financial statements. Unless otherwise indicated, years (2020, 2021) in this discussion refer to the fiscal year ended June 30.

I. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis intends to serve as an introduction to the RBOC's basic financial statements. The RBOC's financial statements consist of two components: 1) fund financial statements and 2) notes to the financial statements.

BASIC FINANCIAL STATEMENTS

The ***statement of net position*** presents information on all the RBOC's assets and deferred outflows of resources, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the RBOC is improving or deteriorating.

The ***statement of revenues, expenses, and changes in net position*** presents information showing how the RBOC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.*

The ***statement of cash flows*** presents information on the cash inflows and outflows of cash during the fiscal year, directly attributing cash flows to types of sources and uses and reconciling those cash flows to the changes in net position for the fiscal year.

The basic financial statements can be found on pages 19-21 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 22-41 of this report.

II. EXECUTIVE SUMMARY (STADIUM AND GOLF COURSE)

In Fiscal 2021, Stadium and Golf Course had some significant changes to events and operations impacting net income in general due to the below highlights:

- The impact of COVID-19 on the cancellation of major events was mostly mitigated by RBOC cost reductions and the City of Pasadena payments of the RBOC bond debt.
- Legacy Connections continues successful fundraising efforts
- Increased Enterprise events net income was due to campus availability with no major events occurring and staff setting record sales volume.
- Increased Flea market net event income due to increased attendance.
- Golf operations set new record rounds, rates, and revenues.
- Lower Payroll/Benefits were mainly due to 5 retired positions not yet backfilled and salary reductions of 10% to 12% for salaried staff for most of the year.
- Decreased Investment gain from lower investments values due to the market.
- Increased Non-Operating revenues from the City of Pasadena contributions toward bond debt and Legacy Connections transfer.

III. FINANCIAL STATEMENTS

ROSE BOWL OPERATING COMPANY
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDING JUNE 30, 2021

	Rose Bowl	Golf Course	Combined Totals 2021	Combined Totals 2020	Variance
Operating Revenues:					
Green fees and other golf revenues	$ -	$ 2,487,962	$ 2,487,962	$ 812,837	1,675,125
Golf displacement	-	-	-	926,280 *	(926,280)
Advertising	830,000	-	830,000	3,068,055	(2,238,055)
Facility rentals and parking revenues	4,034,478	15,678	4,050,155	14,548,164	(10,498,009)
Concessions	109,193	-	109,193	2,271,198	(2,162,005)
Pro shop	-	32,628	32,628	11,371	21,257
Restaurant	-	188,677	188,677	310,978	(122,300)
Admission tax	-	-	-	330,302	(330,302)
Cost recoveries	3,113,743	-	3,113,743	6,224,585	(3,110,842)
Total operating revenues	**8,087,414**	**2,724,945**	**10,812,359**	**28,503,770**	**(17,691,411)**
Operating Expenses:					
Salaries and benefits	(3,580,237)	(222,492)	(3,802,728)	(4,933,430)	1,130,702
Annual PERs Valuation Adj	(244,916)	4,653	(240,262)	(204,695)	(35,567)
General and administrative	(3,610,074)	(607,984)	(4,218,059)	(4,714,301)	496,242
Depreciation	(13,178,616)	(1,236,512)	(14,415,128)	(13,191,441)	(1,223,687)
Events and parking expenses	(4,421,388)	(13,246)	(4,434,634)	(12,263,992)	7,829,358
Total Operating Expenses	**(25,035,230)**	**(2,075,581)**	**(27,110,811)**	**(35,307,859)**	**8,197,048**
Operating Income (Loss)	**(16,947,816)**	**649,364**	**(16,298,452)**	**(6,804,089)**	**(9,494,363)**
Nonoperating Revenues (Expenses):					
Investment gain (loss)	(122,228)	18,496	(103,732)	960,391	(1,064,124)
Interest expense	(12,312,912)	-	(12,312,912)	(12,327,400)	14,488
Other nonoperating revenues	16,458,182	94,848	16,553,030	5,889,665	10,663,366
Total Nonoperating Revenues (Expenses)	**4,023,043**	**113,344**	**4,136,386**	**(5,477,344)**	**9,613,730**
Income (Loss) Before Transfers	**(12,924,774)**	**762,708**	**(12,162,066)**	**(12,281,433)**	**119,367**
Changes in Net Position	**(12,924,774)**	**762,708**	**(12,162,066)**	**(12,281,433)**	**119,367**
Net Position:					
Beginning of Year	**(18,603,552)**	**17,421,302**	**(1,182,250)**	**11,099,183**	**(12,281,433)**
End of Year	**$ (31,528,326)**	**$ 18,184,010**	**$ (13,344,316)**	**$ (1,182,250)**	**(12,162,067)**

* 2020 Golf displacement made up of parking revenues (net) and Golf displacement.

Rounding adjusted

FINANCIAL STATEMENTS (Continued)

ROSE BOWL OPERATING CO.
STATEMENT OF NET POSITION
YEAR ENDING JUNE 30, 2021

	Rose Bowl	Golf Course	Totals 2021	Totals 2020	Variance
Assets:					
Current assets:					
Cash and investments	$ 7,094,714	$ 12,841,069	$ 19,935,783	$ 19,348,222	587,561
Accounts receivable, net of allowance of $353,141 for the Rose Bowl	2,420,429	315,559	2,735,988	3,609,605	(873,617)
Inventory	861	13,842	14,703	10,674	4,029
Prepaid assets	92,109	7,802	99,911	42,410	57,501
Total Current Assets	9,608,113	13,178,272	22,786,385	23,010,911	(224,526)
Noncurrent assets:					
Due from City of Pasadena	455,325	-	$ 455,325	471,481	(16,156)
Cash and investments restricted	15,352,313	-	15,352,313	15,712,015	(359,701)
Capital assets:					
Construction in progress	134,135	970	135,105	4,737,926	(4,602,821)
Other capital assets, net	159,251,628	6,910,299	166,161,927	173,619,550	(7,457,623)
Total Noncurrent Assets	175,193,401	6,911,269	182,104,670	194,540,972	(12,436,302)
Total Assets	**184,801,514**	**20,089,541**	**204,891,056**	**217,551,882**	**(12,660,827)**
Deferred outflows of Resources:					
Deferred refunding charge	$ 2,157,461	$ -	2,157,461	2,538,189	(380,728)
liability	916,478	24,249	940,727	1,085,090	(144,362)
Total Deferred Outflows of Resources	**3,073,939**	**24,249**	**3,098,188**	**3,623,279**	**(525,091)**
Liabilities:					
Current:					
Accounts payable and other liabilities	$ 1,817,812	$ 923,109	$ 2,740,921	2,789,662	(48,741)
Accrued salaries and benefits	590,413	40,412	630,825	791,531	(160,706)
Interest payable	3,140,299	-	3,140,299	3,172,160	(31,861)
Due to City of Pasadena	445,181	-	445,181	583,417	(138,236)
Deposits	1,003,662	-	1,003,662	317,046	686,615
Unearned revenues	2,372,958	49,622	2,422,580	1,106,324	1,316,256
Current portion of advance	100,000	-	100,000	100,000	-
Current portion compensated absence	167,438	7,008	174,446	207,608	(33,162)
Current portion of long-term debt	3,845,000	51,769	3,896,769	3,361,769	535,000
Total Current Liabilities	13,482,763	1,071,920	14,554,683	12,429,517	2,125,166
Noncurrent:					
Long-term advance	$ 600,000	$ -	600,000	700,000	(100,000)
Compensated absences	47,318	5,726	53,045	55,013	(1,968)
Long-term debt	202,538,236	569,455	203,107,691	206,250,640	(3,142,949)
Net pension liability	2,714,639	282,128	2,996,766	2,788,864	207,902
Total Noncurrent Liabilities	205,900,193	857,309	206,757,502	209,794,517	(3,037,015)
Total Liabilities	**219,382,956**	**1,929,229**	**221,312,185**	**222,224,034**	**(911,849)**
Deferred Inflows of Resources:					
Deferred inflow related to net pension liability	$ 20,823	$ 551	21,374	133,378	(112,004)
Net position:					
Net investment in capital assets	(14,128,889)	6,217,040	(7,911,849)	2,324,793	(10,236,642)
Restricted for debt service	15,352,313	-	15,352,313	15,712,015	(359,702)
Unrestricted	(32,751,750)	11,966,970	(20,784,780)	(19,219,058)	(1,565,722)
Total Net Position	**$ (31,528,326)**	**$ 18,184,010**	**$ (13,344,316)**	**$ (1,182,250)**	**(12,162,067)**

Rounding adjusted

IV. FINANCIAL ANALSYS

a. Statistical and Fiscal Trends

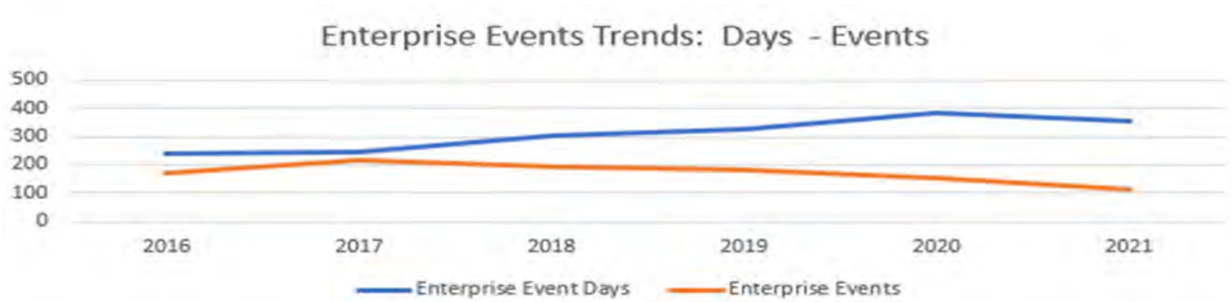
Stadium:

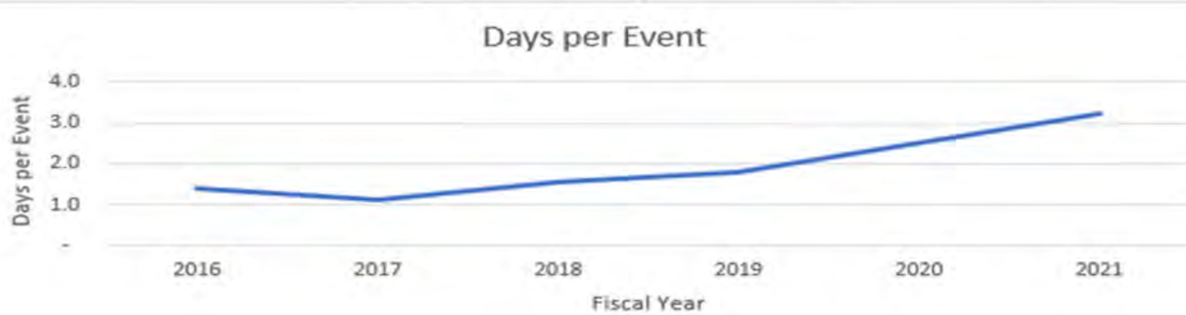
Stadium statistics reflect that while the stadium did not host major events, Enterprise events utilized the campus for longer event days and in innovative manners as in drive through theater programming, graduations, and filming. Enterprise Event trends in the below charts reflect a growing number of days per event and net event income.

<u>Events Statistics and Net Event Income Comparison</u>:

Major/Displacement

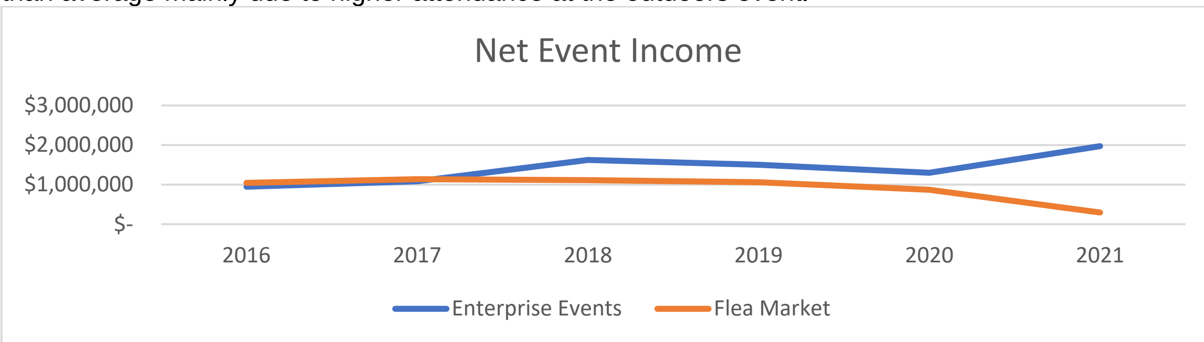
Major Event		2021 Count	Event	2020 Count	Event	Scanned Attendance
1	UCLA	4	Football games (No fans)	6	Football games	137,860
2	Rose Bowl Game	0	Not Applicable	1	Oregon vs Wisconsin	69,840
3	Music Festival	0	Not Applicable	1	Pasadena Daydream Music Festivals	25,092
4	Concerts	0	Not Applicable	1	Rolling Stones	55,534
5	Soccer Matches	0	Not Applicable	1	US Womens National vs Ireland	34,019
6	Americafest 4th of July Celebration	0	Not Applicable	1	Thursday - July 4th, 2019	17,924
	Total Major/Displacement	4		11		340,269
Number of Enterprise Event days		**357**		**385**		
Number of Enterprise Events		**111**		**154**		
Average days per event		**3.2**		**2.5**		

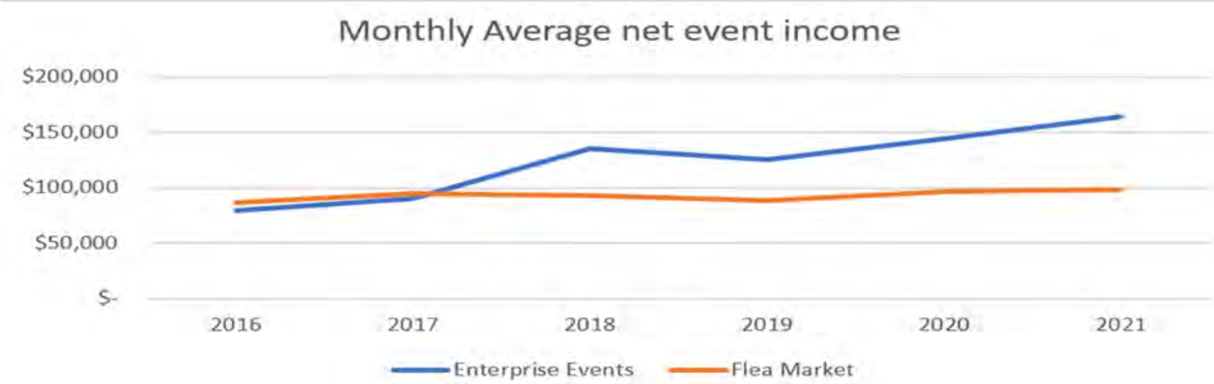




Rounding adjusted

Enterprise events net income during 2021 is $1.975M ($628K higher than 2020). Average monthly net income in 2021 is $165K and 5-year monthly average net income was $123K. The Flea Market(iii) operated for 9 months during 2020 and 3 months of during 2021 due to COVID-19. The monthly average net event income was $98K in 2021, higher than the past 5-year monthly average of $93K. The current year is higher than average mainly due to higher attendance at the outdoors event.





Major events net income includes UCLA(i) 4 events with no fans where revenues were mainly due to advertising revenues. The Rose Bowl Game(ii) did not occur at the Rose Bowl in 2021, the net income is reflective of the displacement hold of the event net of expenses in preparation for the event.

Stadium Net Event Income Comparison:

Major/Displacement Events:	2021	2020	Variance
1. UCLA (i)	$ 635,891	$ 4,346,696	$ (3,710,805)
2. Rose Bowl Game (ii)	690,739	4,439,981	(3,749,242)
3. Arroyo Seco Weekend	-	2,845,446	(2,845,446)
4. Concerts	-	856,401	(856,401)
5. Soccer	-	297,691	(297,691)
6. Americafest July 4th Celebration	-	(168,665)	168,665
7. Other/Prior Year Events Collection/Expenses	70,844	-	70,844
Total Major/Displacement Events Net Income	1,397,474	13,544,063	(11,220,076)
Enterprise Events			
1. Stadium	1,973,262	1,286,037	687,225
2. Golf Course	2,407	61,638	(59,231)
Total Enterprise Events Net Income:	1,975,669	1,347,675	627,994
Flea Market (iii)	295,304	867,413	(572,109)
Total Net Event Income:	$ 3,668,447	$ 15,759,150	$ (12,090,703)
Average Net Event Income			
Enterprise Events	$ 17,799	$ 3,500	
Flea Market	$ 98,435	$ 96,379	

Rounding adjusted

FINANCIAL ANALYSIS (Continued)

Golf Complex:

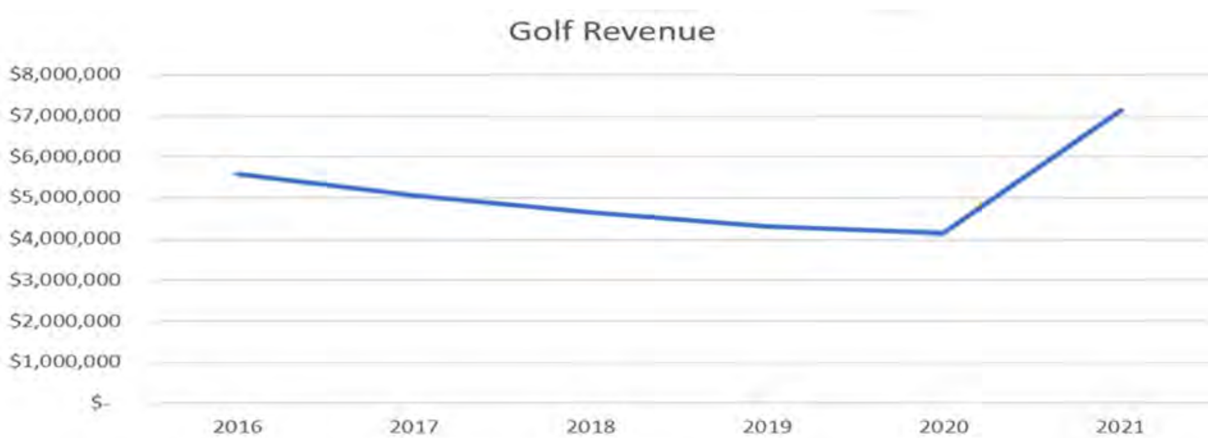
Golf Complex trends reflect Golf volume increases driven by higher demand for outdoor sports during COVID-19. A 5-year trends show golf regaining popularity in 2021 with 179,280 annual rounds and $7.1M in gross revenues. The Golf Complex Net Income $1.5M is higher than a 5-year average of $1.36M.

Below are key statistics of green fees year to year comparison and 5-year trends:

Golf Statistical Summary:		2021		2020
Rounds		179,280		117,204
Playable Days		353		278
Rounds/Day		508		422
Average Per Round *	$	35.24	$	30.12
Average Range Fees Per Round	$	4.56	$	4.68
Total Revenue Per Round	$	39.80	$	34.80

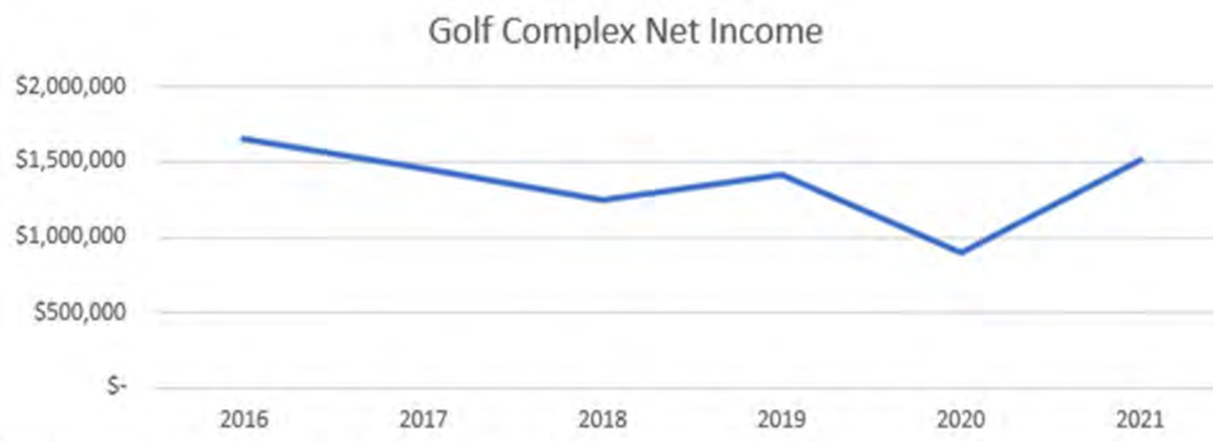
* Includes Green and Cart Fees.

Golf operations for 10 months during 2020 due to COVID-19.



Rounding adjusted

FINANCIAL ANALYSIS (Continued)



Net Income after set aside for capital - No set aside for 2019-2020.
2021 limited revenues from Enterprise Events and Food & Beverage.
2020 Golf Operations for 10 months

b. Net Event and Operations Income comparison (Stadium and Golf Complex)

Below is a year-to-year comparison of Net Event and Operations Income excluding Depreciation and Nonoperating Revenues.

Changes to Combined Net Event and Operations Income:

SUMMARY	2021	2020	Variance
Stadium Net Event and Operations Income /(Loss)	(3,646,513)	(5,674,895)	2,028,382
Golf Net Operations Income /(Loss)	1,899,719	899,934	999,785
Combined Stadium and Golf Net Operating Income/(loss)	**(1,746,795)**	**(4,774,961)**	**3,028,167**

Stadium

Key changes to Net Event and Operations Income were mainly due to the stadium not hosting major events - with lower event revenues of approximately $19.9M and associated lower event expenses of $8.9M. Overhead (or fixed) expenses were reduced by $1.7M, mainly due to Payroll/benefits and Service/supplies. Other significant factors impacting the 2021 financials include the City of Pasadena paying approximately $12.3M in gross interest expenses and Investment Gains/(Loss) decrease by $986K from 2020. The net impact was a Stadium loss of $3.646M or $2.028M better than 2020.

Rounding adjusted

FINANCIAL ANALYSIS (Continued)

DETAILS

Stadium Net Event and Operations Income /(Loss)	2021	2020	Variance
Operating Revenues / Expenses	8,087,414	28,043,662	(19,956,249)
Overhead and Event Expenses			
Salaries and benefits	(3,580,237)	(4,706,761)	1,126,524
General and administrative	(3,610,074)	(4,225,832)	615,758
Events and parking expenses (1)	(4,421,388)	(13,321,946)	8,900,558
Net Event and Operations Income	(3,524,285)	5,789,123	(9,313,408)
Before Non Operating/Capital contributions, Bond subsidies, Depreciation and Annual PERs Valuation Adjustment(iv)			
Investment Gain /(Loss)	(122,228)	863,381	(985,610)
Interest Expense (2)	-	(12,327,400)	12,327,400
Investment Gain/Interest Expense	(122,228)	(11,464,019)	11,341,790
Stadium Net Event and Operations Income /(Loss)	**(3,646,513)**	**(5,674,895)**	**2,028,382**

(1) Parking Expenses adjusted into Events and parking expenses

(2) City of Pasadena paid FY21 Bond Debt (11.5M Net)

Golf Complex

The Golf Complex Net Operating Income increased by $1M mainly due to $1.675M increase in green fees revenues based on play and rates. Other revenue sources as Restaurant, Parking and Events decreased by $500K. During 2021 Overhead (or fixed) expenses increased by $115K mainly due to increased golf operations, public safety/COVID-19 and 12 months of operations versus 10 months of operations in 2020. Golf Investment Gain/ (Loss) decreased by $78K due to market valuation of investments. Internally- RBOC designated a set aside of $380K for future golf capital projects, resuming a practice from 2018 and prior.

Golf Net Operations Income /(Loss)	2021	2020	Variance
Operating Revenues (net)			
Green fees and other golf revenues	$ 2,487,962	$ 812,837	1,675,125
Restaurant	188,677	310,978	(122,300)
Parking (net)	-	289,714	(289,714)
Facility Rental (Events)	15,678	193,587	(177,909)
Pro shop	32,628	11,371	21,257
Cost recoveries	-	61,695	(61,695)
Event Expenses	(13,246)	(162,120)	148,874
Total Operating Revenues:	2,711,699	1,518,062	1,193,637
Operating Expenses			
Salaries and benefits	(222,492) (v)	(226,669)	4,177
General and administrative	(607,984)	(488,469)	(119,515)
Total Overhead Expenses:	(830,476)	(715,138)	(115,338)
Before Non Operating/Capital contributions, Depreciation and Annual PERs Valuation Adjustment (v)			
Investment Gain /(Loss)	18,496	97,010	(78,514)
Golf Net Operations Income /(Loss)	**1,899,719**	**899,934**	**999,785**

Rounding adjusted

FINANCIAL ANALYSIS (Continued)

c. Expense Comparison

Overhead Expenses:

Stadium:	2021	2020	Variance
Payroll & Benefits			
Payroll & Taxes	2,548,493	3,188,855	
Benefits	1,276,659	1,714,523	
Subtotal Payroll & Benefits	3,825,152	4,903,378	(1,078,225)
Services & Supplies:			
Utilities: Water, gas, water/power, refuse	1,319,565	1,351,999	
Professional Services: City Legal, HR, IT, Contract Negotiation Support	880,712	949,192	
Contracted Services: Admin Support, Plumbing, Electrical, Pest Control, Janitorial, Landscaping, Security, Fleet/Fuel Maintenance, etc..	695,727	873,833	
* Insurance	205,059	47,971	
Premium Seating Sales / Contract Services	198,200	324,106	
Operating Leases/Rental Expense: Vehicles, Office Equipment, Storage, etc..	111,219	262,354	
Other: Advertising, dues, permits, banking fees.	103,302	194,915	
Supplies: Medical, vehicle parts, electrical, plumbing equipment, general (ie office/postage, reference materials, communications/conferencing)	96,289	221,462	
Subtotal Services & Supplies:	3,610,074	4,225,832	(615,758)

* Insurance increases due to City of Pasadena adjusted allocation based on cases and increased rates.

Golf Complex:	2021	2020	Variance
Payroll & Benefits			
Payroll & Taxes	187,329	191,443	
Benefits	30,509	43,305	
Subtotal Payroll & Benefits	217,838	234,747	(16,909)
Services & Supplies:			
Utilities: Water, gas, water/power, refuse	163,443	173,145	
Professional Services: City Legal, HR, IT, Contract Negotiation Support	27,000	42,000	
Contracted Services: Admin Support, Plumbing, Electrical, Pest Control, Janitorial, Landscaping, Security, Fleet/Fuel Maintenance, etc..	357,325	225,994	
Insurance	6,285	2,458	
Premium Seating Sales / Contract Services	N/A	N/A	
Operating Leases/Rental Expense: Vehicles, Office Equipment, Storage, etc..	1,348	390	
Other: Advertising, dues, permits, banking fees.	10,846	12,754	
Supplies: Medical, vehicle parts, electrical, plumbing equipment, general (ie office/postage, reference materials, communications/conferencing)	41,738	31,728	
Subtotal Services & Supplies:	607,984	488,469	119,515

* Overhead increases due to increased business and public saftey/COVID expenses.

Rounding adjusted

FINANCIAL ANALYSIS (Continued)

Event Expenses:

Drive through theaters program offering was new in 2021 and drove the Event Production expenses category (which includes plumbing, lighting, theater etc.); whereas major event or attendance driven expenses such as security, public safety, rentals, catering, shuttle expenses - were drastically lower in 2021.

Enterprise Events cost recovery were 82% of cost in 2021 and 80% in 2020 - driven by additional expenses not included in Facility License Fee (Rent).

Stadium Event and Parking Expenses By Category	2021	2020	Variance
Event production	2,118,078	2,162,517	(44,439)
Security	578,521	2,668,711	(2,090,190)
RBOC staffing	490,461	301,096	189,365
Janitorial	358,428	1,583,415	(1,224,987)
Public safety	173,832	2,314,258	(2,140,426)
Rentals	105,947	725,220	(619,273)
Temp support	68,588	138,706	(70,118)
Field and sod related	52,086	634,792	(582,706)
Advertising	31,290	107,728	(76,438)
Permits and fees	26,821	135,835	(109,014)
Professional consulting	15,599	153,573	(137,974)
Catering	12,194	845,387	(833,193)
Shuttle expenses	-	330,634	(330,634)
Parking	389,542	1,220,074	(830,532)
Total Expenses	4,421,388	13,321,946	(8,900,558)
Cost recovery	3,113,743	6,162,890	(3,049,147)
% of Total Expenses	70%	51%	
* Enterprise events only	82%	80%	

Rounding adjusted

FINANCIAL ANALYSIS (Continued)

d. Non-Operating Income/Expense:

Contribution from Legacy Connections, Federal Government subsidies (on bonds), Cell site annual space rental and utilities cost recovery are received consistently and annually.

Non-Recurring contributions in 2021 include a net bond debt contribution from the City of Pasadena and a non-refundable ticketing contract initial payment from AXS.

Summary:	2021	2020	Details Ref.
Legacy Connections	$ 1,100,000	$ 1,300,000	#1
Recurring Sources	3,437,567	3,738,119	#2-10
Non- Recurring Sources	12,015,463	851,547	#11-15
Total non-operating Revenue Sources Fiscal 2020 / 2021	**16,553,030**	**5,889,666**	
*** Estimated recurring funds 5.0M to 6.0M annually.**			

	Details:		2021	2020	Variance
	Sources	Bus.Unit	16,553,030	5,889,666	10,663,366
	Legacy and Recurring:				
1	Legacy Connections	Stadium	1,100,000	1,300,000	(200,000)
	** Transfer to RBOC allocated to $343K Payroll and $657K Capita; Legacy also direct paid 100k toward project phase I*				
2	ToR - Contribution	Stadium	-	75,000	(75,000)
3	Broadcasting cost recovery (5k per use)	Stadium	-	15,000	(15,000)
4	Concessionaire contribution 3% of revenues	Stadium	5,762	146,633	(140,871)
		Golf	94,847	69,783	25,064
5	Subisidy from 2010 Bonds	Stadium	2,735,956	2,725,801	10,155
6	Misc. Non-Operating: Finance Credits	Stadium	2,600	4,454	(1,854)
7	Misc. Non-Operating: Utilities Recovery	Stadium	384,601	442,159	(57,558)
8	Misc. Non-Operating: ATM Mach use	Stadium	-	4,733	(4,733)
9	Misc. Non-Operating: Sales/Marketing support	Stadium	-	48,000	(48,000)
10	Misc. Non-Operating: Cell Site rentals	Stadium	213,801	206,554	7,246
	Sub-total Recurring:		4,537,567	5,038,119	(500,551)
	Non- Recurring Sources				
11	City of Pasadena Contribution to Bond Debt	Stadium	11,515,463	-	11,515,463
12	AXS Ticketing Contract initiation	Stadium	500,000	-	500,000
13	Misc. Non-Operating: Capital related reimb	Stadium	-	11,062	(11,062)
14	Concessionaire Pavilion Capital Contribution (at contract signing)	Stadium	-	824,915	(824,915)
15	Other Contributions:(IMG, Tenant reimbursements)	Stadium	-	15,570	(15,570)
	Sub-total non recurring:		12,015,463	851,546	11,163,917
	Total Other nonoperating revenue:		16,553,030	5,889,666	10,663,366

Rounding adjusted

FINANCIAL ANALYSIS (Continued)

e. Balance Sheet Highlights:

On full accrual basis the Net Position decreased by **$12,162,067,** as outlined by the Statement of Revenue and Expenses (Income Statement) and below Statement of Net Position (Balance Sheet).

Assets:		2021		2020	Variance
Total Assets	$	204,891,056	$	217,551,882	$ (12,660,827)
Total Deferred Outflows of Resources		3,098,188		3,623,279	(525,091)
Total Combined Assets:	$	207,989,244	$	221,175,161	$ (13,185,918)
Liabilities:					
Total Liabilities	$	221,312,185	$	222,224,034	$ (911,849)
Total Deferred inflows of Resources		21,374		133,378	(112,004)
Total Combined Liabilities:	$	221,333,559	$	222,357,412	$ (1,023,853)
Assets Less Liabilities (Change in Net position)	$	(13,344,316)	$	(1,182,250)	$ (12,162,067)

Key areas of changes in Assets include Cash, Accounts receivables, Net Assets:

Unrestricted **Cash** balances at year end increased by $587K; mainly due to Golf operations increased by $1.925M and Stadium cash decreased by $1.337M from 2020 at year end, due to lack of major events (Stadium) and increased golf play (Golf Complex).

Cash Suumary:		Change in Cash
Stadium	$	(1,337,761)
Golf		1,925,322
Combined Net Change	$	587,561

Accounts Receivables decreased by $873K due to **Events** accounts receivable lower by $1.1M and Non-Events accounts receivables higher by $218K.

Stadium accounts receivables decreased by $995K mainly due to the no major events at year end $1.1M and Non-Events higher by $106K mainly due to payroll tax refunds due at year end.

Golf Course accounts receivable increased by $121K mainly due to concessionaire accounts receivable and in transit golf credit card receipts.

Accounts Receivables		Change in Accounts Receivables	Events			Non-Events
Stadium	$	(995,212)	$	(1,100,787)	$	105,576
Golf		121,595		8,986		112,609
Combined Net Change	$	(873,617)	$	(1,091,801)	$	218,185

Rounding adjusted

Balance Sheet highlights (Continued)

Change in Capital reflect Assets decreased by $12.060M mainly due to $7.457M in depreciation net of activated assets in Total Other capital assets and Construction in progress (CIP) lower by $4.602M. Two large dollar asset activations (video board and stadium LED lights) make up the majority of the $4.181M in lower CIP at the stadium.

Summary:

	2021	2020	Variance
Stadium	$ 159,251,627	$ 166,480,249	$ (7,228,622)
Golf Course	6,910,299	7,139,300	(229,002)
Total Other capital assets, net	$ 166,161,926	$ 173,619,549	$ (7,457,624)
Combined Construction in progress	$ 135,105	$ 4,737,926	$ (4,602,821)
Change in Capital			**$ (12,060,445)**

Detail:

Stadium

	June 30, 2021	June 30, 2020	Variance
Building and improvements	$ 254,138,172	$ 248,246,982	$ 5,891,189
Machinery and equipment	17,872,958	17,814,153	58,805
Sub-total	272,011,129	266,061,135	5,949,994
Less accumulated depreciation	(112,759,502)	(99,580,887)	(13,178,616)
Total NBV/Other Capital Asset, net	$ 159,251,627	$ 166,480,249	$ (7,228,622)
Construction in Progress	$ 134,135	$ 4,315,499	$ (4,181,364)

Golf Course

	June 30, 2021	June 30, 2020	Variance
Building and improvements	$ 8,854,714	$ 12,964,653	$ (4,109,939)
Machinery and equipment	6,495,855	1,378,406	5,117,449
Sub-total	15,350,569	14,343,059	1,007,510
Less accumulated depreciation	(8,440,271)	(7,203,759)	(1,236,512)
Total NBV/Other Capital Asset, net	$ 6,910,299	$ 7,139,300	$ (229,002)

Reference: Balance Sheet: Other capital asset, net

Construction in Progress	$ 970	$ 422,427	$ (421,457)

Rounding adjusted

Balance Sheet highlights (Continued)

CHANGE IN DEBT

Debt decreased by $2.608M (from $209.6M to $207M) mainly due to principal payments on the 2010 and 2018 Bonds ($3.4M), 1 year of the 2016 bond premium amortization ($550K), net of accreted interest amortization(i) $1.482M.

Summary:	2021	2020	
Long-Term Debt(Stadium)	$ 202,538,236	$ 205,629,416	$ (3,091,180)
Current Portion of Long-Term Debt (Stadium)	3,845,000	3,310,000	535,000
Long-Term Debt(Golf)	569,455	621,224	(51,769)
Current Portion of Long-Term Debt (Golf)	51,769	51,769	-
Total Debt	**$ 207,004,460**	**$ 209,612,409**	**$ (2,607,949)**

Details:

Stadium

	June 30, 2021	June 30, 2020	Variance
2010 Revenue Bonds	$ 125,648,265	$ 127,303,265	$ (1,655,000)
2016 Revenue Bonds	21,865,000	21,865,000	-
2016 Bond Premium	3,163,664	3,713,867	(550,203)
2018 Bond and Premium	44,012,035	45,845,358	(1,833,323)
Accreted Interest	11,694,271	10,211,926	1,482,345
Total Bond Related:	$ 206,383,235	$ 208,939,416	$ (2,556,181)
Golf Course			
* Golf Course Debt Now includes Long Term Note Due American Golf (15 year schedule)	621,224	672,992	(51,768)
Total Debt (Long term and Current)	**$ 207,004,460**	**$ 209,612,409**	**$ (2,607,948)**

(i) Accreted Interest is a discount rate on bonds amortized over the life of the bond.

Rounding adjusted

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the RBOC's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the *Office of the Controller,* Rose Bowl Operating Company, 1001 Rose Bowl Dr., Pasadena, California 91103.

Rounding adjusted

ROSE BOWL OPERATING COMPANY

STATEMENT OF NET POSITION
JUNE 30, 2021

	Rose Bowl	Golf Course	Total
Assets:			
Current:			
Cash and investments	$ 7,094,714	$ 12,841,069	$ 19,935,783
Accounts receivable, net of allowance of $353,141 for the Rose Bowl	2,420,429	315,559	2,735,988
Inventory	861	13,842	14,703
Prepaid expenses	92,109	7,802	99,911
Total Current Assets	**9,608,113**	**13,178,272**	**22,786,385**
Noncurrent:			
Due from City of Pasadena	455,325	-	455,325
Cash and investments, restricted	15,352,313	-	15,352,313
Capital Assets:			
Construction in progress	134,135	970	135,105
Depreciable capital assets	159,251,628	6,910,299	166,161,927
Total Noncurrent Assets	175,193,401	6,911,269	182,104,670
Total Assets	**184,801,514**	**20,089,541**	**204,891,055**
Deferred Outflows of Resources:			
Deferred refunding charge	2,157,461	-	2,157,461
Deferred outflows related to net pension liability	916,478	24,249	940,727
Total Deferred Outflows of Resources	**3,073,939**	**24,249**	**3,098,188**
Liabilities:			
Current:			
Accounts payable and accrued expenses	1,817,812	923,109	2,740,921
Accrued salaries and benefits	590,413	40,412	630,825
Accrued interest payable	3,140,299	-	3,140,299
Due to City of Pasadena	445,181	-	445,181
Deposits	1,003,662	-	1,003,662
Unearned revenues	2,372,958	49,622	2,422,580
Current portion of long-term advance	100,000	-	100,000
Current portion of compensated absences	167,438	7,008	174,446
Current portion of long-term debt	3,845,000	51,769	3,896,769
Total Current Liabilities	**13,482,763**	**1,071,920**	**14,554,683**
Noncurrent:			
Long-term advance	600,000	-	600,000
Compensated absences	47,318	5,726	53,044
Long-term debt, net of current portion	202,538,236	569,455	203,107,691
Net pension liability	2,714,639	282,128	2,996,767
Total Noncurrent Liabilities	**205,900,193**	**857,309**	**206,757,502**
Total Liabilities	**219,382,956**	**1,929,229**	**221,312,185**
Deferred Inflows of Resources:			
Deferred inflows related to net pension liability	20,823	551	21,374
Net Position:			
Net investment in capital assets	(14,128,889)	6,217,040	(7,911,849)
Restricted for debt service	15,352,313	-	15,352,313
Unrestricted	(32,751,750)	11,966,970	(20,784,780)
Total Net Position	**$ (31,528,326)**	**$ 18,184,010**	**$ (13,344,316)**

See accompanying Notes to Basic Financial Statements.

ROSE BOWL OPERATING COMPANY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED JUNE 30, 2021

	Rose Bowl	Golf Course	Total
Operating Revenues:			
Green fees and other golf revenues	$ -	$ 2,487,962	$ 2,487,962
Advertising revenue	830,000	-	830,000
Facility rentals and parking revenues	4,034,478	15,678	4,050,156
Concessions	109,193	-	109,193
Pro shop	-	32,628	32,628
Restaurant	-	188,677	188,677
Admission tax	-	-	-
Cost recoveries	3,113,743	-	3,113,743
Total Operating Revenues	**8,087,414**	**2,724,945**	**10,812,359**
Operating Expenses:			
Salaries and benefits	3,825,152	217,839	4,042,991
General and administrative	3,610,074	607,984	4,218,058
Depreciation	13,178,616	1,236,512	14,415,128
Events and parking	4,421,388	13,246	4,434,634
Total Operating Expenses	25,035,230	2,075,581	27,110,811
Operating Income (Loss)	(16,947,816)	649,364	(16,298,452)
Nonoperating Revenues (Expenses):			
Investment income (loss)	(122,228)	18,496	(103,732)
Interest expense	(12,312,912)	-	(12,312,912)
Contribution from the City of Pasadena	11,515,463	-	11,515,463
Other nonoperating revenues	4,942,719	94,848	5,037,567
Total Nonoperating Revenues (Expenses)	4,023,042	113,344	4,136,386
Changes in Net Position	(12,924,774)	762,708	(12,162,066)
Beginning of Year	(18,603,552)	17,421,302	(1,182,250)
End of Year	**$ (31,528,326)**	**$ 18,184,010**	**$ (13,344,316)**

See accompanying Notes to Basic Financial Statements.

ROSE BOWL OPERATING COMPANY

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

	Rose Bowl	Golf Course	Total
Cash Flows from Operating Activities:			
Cash received from customers	$ 7,298,885	$ 2,811,490	$ 10,110,375
Cash payments to employees for services	(3,779,307)	(219,259)	(3,998,566)
Cash payments to suppliers for goods and services	(9,107,882)	(142,431)	(9,250,313)
Other cash receipts	3,943,743	-	3,943,743
Net Cash Provided (Used) by Operating Activities	(1,644,561)	2,449,800	805,239
Cash Flows from Non-Capital Financing Activities:			
Non-capital contributions	13,722,226	94,848	13,817,074
Net Cash Provided by Non-Capital Financing Activities	13,722,226	94,848	13,817,074
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(1,768,631)	(586,053)	(2,354,684)
Payment on advance	(100,000)	-	(100,000)
Federal interest subsidy on bonds payable	2,735,956	-	2,735,956
Principal payments on long-term debt	(3,310,000)	(51,769)	(3,361,769)
Interest payments on long-term debt	(11,210,225)	-	(11,210,225)
Net Cash Used by Capital and Related Financing Activities	(13,652,900)	(637,822)	(14,290,722)
Cash Flows from Investing Activities:			
Proceeds from sale of investments	15,500,000	-	15,500,000
Purchase of investment	(15,500,000)	-	(15,500,000)
Interest received	419,807	18,496	438,303
Net Cash Provided by Investing Activities	419,807	18,496	438,303
Net Increase (Decrease) in Cash and Cash Equivalents	(1,155,428)	1,925,322	769,894
Cash and Cash Equivalents at Beginning of Year, as restated	8,558,465	10,915,747	19,474,212
Cash and Cash Equivalents at End of Year	$ 7,403,037	$ 12,841,069	$ 20,244,106
Reconciliation of Cash and Investments to Amounts Reported on the Statement of Net Position:			
Cash and investments	$ 7,094,714	$ 12,841,069	$ 19,935,783
Cash and investments, restricted	15,352,313	-	15,352,313
Total Reported on Statement of Net Position	22,447,027	12,841,069	35,288,096
Less: Investments	(15,043,990)	-	(15,043,990)
Cash and Cash Equivalents at End of Year	$ 7,403,037	$ 12,841,069	$ 20,244,106
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ (16,947,816)	$ 649,364	$ (16,298,452)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	13,178,616	1,236,512	14,415,128
Change in allowance for doubtful accounts	(124,496)	-	(124,496)
(Increase) decrease in accounts receivables	1,119,708	(121,595)	998,113
(Increase) decrease in inventory	-	(4,029)	(4,029)
(Increase) decrease in prepaid expenses	(58,137)	636	(57,501)
(Increase) decrease in due from City of Pasadena	16,156	-	16,156
(Increase) decrease in deferred outflows related to pension liability	114,566	29,797	144,363
Increase (decrease) in accounts payable and accrued expenses	(755,551)	706,810	(48,741)
Increase (decrease) in accrued salaries and benefits	(162,199)	1,493	(160,706)
Increase (decrease) in due to City of Pasadena	(138,236)	-	(138,236)
Increase (decrease) in deposits payable	686,616	-	686,616
Increase (decrease) in accrued compensated absences	(36,872)	1,741	(35,131)
Increase (decrease) in net pension liability	199,722	8,181	207,903
Increase (decrease) in deferred revenue	1,332,734	(16,478)	1,316,256
Increase (decrease) in deferred inflows related to pension liability	(69,372)	(42,632)	(112,004)
Net Cash Provided (Used) by Operating Activities	$ (1,644,561)	$ 2,449,800	$ 805,239
Non-Cash Capital and Related Financing Activities:			
Accretion of interest on bonds payable	$ 1,482,345	$ -	$ 1,482,345
Amortization of deferred charge and bond discounts/premiums	$ (347,797)	$ -	$ (347,797)

See accompanying Notes to Basic Financial Statements.

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Basis of Presentation

The Rose Bowl Operating Company (the Company) was incorporated on January 18, 1994, as a legally separate entity with the primary purpose of returning economic and civic value to the City of Pasadena, California, (the City) by managing a world class stadium and a professional quality golf course complex, Brookside Municipal Golf Course (the Golf Course), in a residential open-space environment. A fourteen-member Board of Directors governs the Company. The Board of Directors consists of the City Manager, two members from the City Mayor's office, seven members appointed by the City, one member from the Pasadena Tournament of Roses Association (a separate not-for-profit entity unrelated either to the City or the Company), one member from the University of California, Los Angeles (UCLA), one member from the joint City Council, and one non-voting member from the Pasadena Center Operating Company. These operations constitute part of the overall financial reporting entity of the City and are accounted for as a discretely presented component unit in the City's Annual Comprehensive Financial Report consistent with accounting principles generally accepted in the United States of America. Revenues and expenses of the Company include direct revenues and expenses and certain allocations from the City.

b. Basis of Accounting

The Company is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The Company utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

c. Classification of Revenues

Operating revenues consist of charges to customers for sales and use of the facilities. *Nonoperating revenues* consist of investment earnings and other nonoperating income. Capital contributions consist of contributed capital assets.

d. Capital Assets

Capital assets are recorded at cost and are depreciated over the estimated useful life of the asset using the straight-line method of depreciation. The Company capitalizes all assets with a historical cost of at least $10,000 consistent with City practice. The cost of normal maintenance and reports that do not add value to the assets or materially extend asset lives are not capitalized.

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

d. Capital Assets (Continued)

The estimated useful lives of the assets are as follows:

Building and improvements	1 - 55 years
Improvements other than building	1 - 95 years
Machinery and equipment	1 - 93 years

e. Cash Equivalents

For the purposes of the statement of cash flows, investments 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 date of three months or less. On the statement of cash flows for the Rose Bowl operations, cash and cash equivalents at the beginning of the year has been restated by $15,586,025 to remove an investment that did not meet the criteria of a cash equivalent.

f. Investments

Investments are reported in the accompanying statements at fair value. Changes in fair value that occur during the fiscal year are recognized as *investment earnings* reported for that fiscal year.

Investment earnings includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

g. Compensated Absences

Only full-time employees accrue vacation. Vacation time is accrued two to four weeks per year, depending on how long an employee has been with the Company. The Company also grants employees personal paid time off. Regular full-time and part-time (24 hours per week minimum) employees are eligible to accrue personal time off with pay. Full-time employees may accrue up to 20 personal days per calendar year. Part-time employees who work 24 hours per week or more are eligible to accrue personal paid time off on a pro rata basis. It is the Company's policy to permit employees to accumulate earned but unused vacation benefits from year to year up to a maximum of two times a full-time employee's annual vacation amount. Personal paid time off is not accumulated from year to year. All accumulated compensated absences are recorded as an expense and a liability at the time the benefit is earned.

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Company has two items that qualify for reporting in this category:

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

h. Deferred Outflows/Inflows of Resources (Continued)

1. The deferred outflows relating to the net pension liability reported in the statement of net position. These outflows are the results of contributions made after the measurement period, which reduces the net pension liability in the following year; differences between expected and actual experience, changes in proportion and differences between employer contributions, and proportionate share of contributions, which are amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees that are provide pension benefits through the plan; and, the net differences between projected and actual earnings on plan investments are amortized over five years.

2. The deferred charge on refunding results in the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the life of the refunded debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Company has one item that qualifies for reporting in this category:

1. The deferred inflows relating to the net pension liability are the results of changes in assumptions, which are amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees that are provide pension benefits through the plan.

i. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

j. Net Position

Sometimes the Company will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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

k. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Company's California Public Employees' Retirement System (CalPERS) Plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund has typically been used in prior years to liquidate pension liabilities.

Note 2: Cash and Investments

Cash and Investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	$ 19,935,783
Cash and investments, restricted	15,352,313
Total cash and investments	$ 35,288,096

Cash and investments as of June 30, 2021, consist of the following:

Cash on hand	$ 3,000
Deposits with financial institutions	6,819,209
Cash with fiscal agent - deposits	171,970
Investment in the City cash and investment pool	28,293,917
Total cash and investments	$ 35,288,096

Investments Authorized by the California Government Code and the Company's Investment Policy

The table below identifies the investment types that are authorized for the Company by the California Government Code and the Company's investment policy. The table also identifies certain provisions of the California Government Code (or the Company's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Company, rather than the general provisions of the California Government Code or the Company's investment policy.

Note 2: Cash and Investments (Continued)

Investment Types Authorized by State Law	Authorized by Investment Policy	*Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment in One Issuer
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Bankers' Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	Yes	92 days	20%	None
Medium-Term Notes	Yes	5 years	30%	5%
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	None
Joint Power Agency Pools (Other Investment Pools)	Yes	N/A	None	None

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Company's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Rating
U.S. Treasury Obligations	None	N/A
U.S. Agency Securities	None	N/A
State and Local Agency Bonds	None	Aa
Bankers' Acceptances	360 Days	Aa
Commercial Paper	270 Days	Aa
Negotiable Certificates of Deposit	None	Aa
Repurchase Agreements	None	Aa
Money Market Mutual Funds	N/A	Aaa
Investment Contracts	None	Aa

Note 2: Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Company manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The Company's investments in the City cash and investment pool are pooled the City of Pasadena. See the City's of Pasadena's June 30, 2021, Annual Comprehensive Financial Report for more information about interest rate risk for the pooled cash and investments.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Company's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

			Ratings at End
Investment Type		Minimum Legal Rating	Not Rated
Investments in the City cash and investment pool	$ 28,293,917	N/A	$ 28,293,917
Total	$ 28,293,917		$ 28,293,917

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Note 2: Cash and Investments (Continued)

The California Government Code and the Company's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Company deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2021, $500,000 of the Company's deposits (bank balances) were insured by the Federal Deposit Insurance Corporation and $56,015 were uninsured and uncollateralized.

Fair Value Hierarchy

The Company categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets; Level 3 inputs are significant unobservable inputs.

The Company's investments in the City cash and investment pool are not subject to the fair value hierarchy. Further details on the City's cash and investment pool fair value hierarchy can be found in the City's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021.

Note 3: Capital Assets

Rose Bowl

Capital Assets activity for the year ended June 30, 2021, is as follows:

	Balance at July 1, 2020	Transfers	Additions	Deletions	Balance at June 30, 2021
Capital assets being depreciated:					
Buildings and improvements	$ 209,232,153	$ -	$ -	$ -	$ 209,232,153
Improvements other than buildings	39,014,829	5,891,190	-	-	44,906,019
Machinery and equipment	17,814,153	-	58,805	-	17,872,958
Total depreciable capital assets	266,061,135	5,891,190	58,805	-	272,011,130
Less accumulated depreciation:					
Buildings and improvements	(54,283,508)	-	(7,627,665)	-	(61,911,173)
Improvements other than buildings	(32,642,512)	-	(3,899,861)	-	(36,542,373)
Machinery and equipment	(12,654,866)	-	(1,651,090)	-	(14,305,956)
Total accumulated depreciation	(99,580,886)	-	(13,178,616)	-	(112,759,502)
Net depreciable assets	166,480,249	5,891,190	(13,119,811)	-	159,251,628
Capital assets not depreciated:					
Construction in progress	4,315,499	(5,891,190)	1,802,765	(92,939)	134,135
Capital assets, net	$ 170,795,748	$ -	$ (11,317,046)	$ (92,939)	$ 159,385,763

Depreciation expense for the year was $13,178,616.

Note 3: Capital Assets (Continued)

Golf Course

Capital asset activity for the year ended June 30, 2021, is as follows:

	Balance at July 1, 2020	Transfers	Additions	Deletions	Balance at June 30, 2021
Capital assets being depreciated:					
Buildings and improvements	$ 4,926,144	$ (3,287,620)	$ -	$ -	$ 1,638,524
Improvements other than buildings	8,174,083	3,903,430		-	12,077,513
Machinery and equipment	1,242,832	391,700	-	-	1,634,532
Total depreciable capital assets	14,343,059	1,007,510	-	-	15,350,569
Less accumulated depreciation:					
Buildings and improvements	(2,594,851)	1,476,511	(11,722)	-	(1,130,062)
Improvements other than buildings	(4,046,114)	(2,092,214)	(379,845)	-	(6,518,173)
Machinery and equipment	(562,793)	615,703	(844,945)	-	(792,035)
Total accumulated depreciation	(7,203,758)	-	(1,236,512)	-	(8,440,270)
Net depreciable assets	7,139,301	1,007,510	(1,236,512)	-	6,910,299
Capital assets not depreciated:					
Construction in progress	422,427	(1,007,510)	586,053	-	970
Capital assets, net	$ 7,561,728	$ -	$ (650,459)	$ -	$ 6,911,269

Depreciation expense for the year was $1,236,512.

Note 4: Long-Term Debt

Rose Bowl

Long-Term liabilities for the year ended June 30, 2021, are as follows:

	Balance at July 1, 2020	Additions/ Accretions	Deletions/ Amortizations	Balance at June 30, 2021	Due in One Year
2010A Tax-Exempt Lease Revenue Bonds:					
Current Interest Bonds	$ 1,655,000	$ -	$ 1,655,000	$ -	$ -
Capital Appreciation Bonds	21,800,191	1,482,345		23,282,536	-
2010B Taxable Build America Lease Revenue Bonds	106,660,000	-	-	106,660,000	-
2010D Taxable Recovery Zone Economic Development Lease Revenue Bonds	7,400,000	-	-	7,400,000	-
2016A Tax-Exempt Lease Revenue Bonds	21,865,000	-	-	21,865,000	1,980,000
2016A Bond Premium	3,713,867	-	550,202	3,163,665	-
2018A Tax-Exempt Lease Revenue Bonds	30,585,000	-	-	30,585,000	-
2018A Bond Premium	4,253,123	-	184,919	4,068,204	-
2018B Taxable Lease Revenue Bonds	11,060,000	-	1,655,000	9,405,000	1,865,000
2018B Bond Discount	(52,765)	-	(6,595)	(46,170)	-
Subtotal - Bonded Long-Term Liabilities	208,939,416	1,482,345	4,038,526	206,383,235	3,845,000
Compensated Absences	251,628	159,314	196,186	214,756	167,438
Total Long-Term Liabilities	$ 209,191,044	$ 1,641,659	$ 4,234,712	$ 206,597,991	$ 4,012,438

Note 4: Long-Term Debt (Continued)

2010 Rose Bowl Lease Revenue Bonds

On November 18, 2010, the City of Pasadena issued four series of lease revenue bonds, Series 2010A through D (Rose Bowl Renovation Project) in the aggregate amount of $155,873,265. Series A in the amount of $36,808,265 contained $25,220,000 of current interest bonds maturing between fiscal year 2019-2020 and fiscal year 2026-2027, with the remaining $11,588,265 in the form of capital appreciation bonds maturing serially from fiscal year 2026-2027 to 2032-2033. Series B contained $106,660,000 of taxable Build America Bonds. These bonds are in two coupons, the initial series maturing during fiscal year 2033-2034 and the final maturing during fiscal year 2042-2043. Series C contained $5,005,000 of taxable bonds which have fully matured as of fiscal year 2019-2020. Finally, Series D contained $7,400,000 of taxable Recovery Zone Economic Development Bonds that have one maturity during fiscal year 2042-2043. The bonds, except for the capital appreciation bonds in Series 2010A, commenced interest payments on March 1, 2011, and are payable semiannually. The Company received $154,878,301 of the proceeds from the bonds. The bonds were issued to finance improvements to the Rose Bowl Stadium, to fund capitalized interest on a portion of the 2010 Bonds, to fund a Bond Reserve Fund, and to pay the costs of issuance of the 2010 Bonds. Renovations of the existing Rose Bowl Stadium are proposed to continue to allow use by the UCLA Bruins football team, the Rose Bowl Game, Bowl Championship Series (BCS) games, soccer matches, concerts, and special events as well as to bring certain building systems up to current City Building Code requirements and improve public safety.

The 2010B bonds were issued for purposes of the American Recovery and Reinvestment Act of 2009 signed into law on February 17, 2009 (the Recovery Act). Pursuant to the Recovery Act, the City expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable by the City on or about each interest payment date. The cash payment does not constitute a full faith and credit guarantee of the United States Government but is required to be paid by the Treasury under the Recovery Act. Any cash subsidy payments received by the City do not constitute revenues that can offset interest expense and are not pledged under the indenture to secure the 2010 bonds.

The 2010D bonds were issued for purposes of the Recovery Act. Pursuant to the Recovery Act, the City expects to receive a cash subsidy payment from the United States Treasury equal to 45% of the interest payable by the City on or about each interest payment date. The cash payment does not constitute a full faith and credit guarantee of the United States Government but is required to be paid by the Treasury under the Recovery Act. Any cash subsidy payments received by the City do not constitute revenues that can offset interest expense and are not pledged under the indenture to secure the 2010 bonds.

For the year ended June 30, 2021, the Treasury made subsidy payments totaling $2,735,956 towards the interest due on the 2010B and 201D bonds which has been included in other nonoperating revenues.

Note 4: Long-Term Debt (Continued)

2010 Rose Bowl Lease Revenue Bonds (Continued)

The total annual debt service requirements for the 2010 Lease Revenue Bonds including accretion as of June 30, 2021, are as follows:

	Principal Payments				
June 30	Series A	Series B	Series D	Interest	Total
2022	$ -	$ -	$ -	$ 8,138,391	$ 8,138,391
2023	-	-	-	8,138,391	8,138,391
2024	-	-	-	8,138,391	8,138,391
2025	-	-	-	8,138,391	8,138,391
2026	-	-	-	8,138,391	8,138,391
2027-2031	28,525,000	-	-	60,717,759	89,242,759
2032-2036	13,400,000	27,655,000	-	48,902,082	89,957,082
2037-2041	-	57,475,000	-	23,232,430	80,707,430
2042-2043	-	21,530,000	7,400,000	3,135,112	32,065,112
Total	41,925,000	$ 106,660,000	$ 7,400,000	$ 176,679,338	$ 332,664,338
Less: Future Accretion	(18,642,464)				
	$ 23,282,536				

Disclosure Related to Long-Term Debt Under GASB 88

In case of default, the following is the course of action:

(a) Upon the happening of any of the events & default, then it shall be lawful for the Authority or its assignee, subject to the terms of the Lease, with the consent of the Majority Holder, to (i) exercise any and all remedies available or granted to it under the Sublease or pursuant to law, to the extent not inconsistent with the remedies granted under the Sublease or (ii) by mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's or its assignee's rights against the City and to compel the City to perform and carry out its duties and obligations under the law and its covenants and agreements with the City as provided in the Sublease. Upon the breach of any agreement, condition, covenant or term contained in the Sublease required to be observed or performed by the City, the Authority or its assignee may not exercise any rights of entry upon or repossession of the Leased Property. In the event of such default, the Authority or its assignee must thereafter maintain the Sublease in full force and effect and may only recover rent and other monetary charges as they become due, all without terminating the City's right to possession of the Leased Property, regardless of whether or not the City has abandoned the Leased Property; THIS SHALL BE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE AGAINST THE CITY UNDER THE SUBLEASE OR OTHERWISE. THE AUTHORITY SHALL HAVE NO RIGHT UPON AN EVENT OF DEFAULT UNDER THE SUBLEASE BY THE CITY TO ACCELERATE THE RENTAL PAYMENTS. TERMINATE THE SUBLEASE OR RE-ENTER THE LEASED PROPERTY.

2016 Rose Bowl Lease Revenue Bonds

On September 20, 2016, the City issued a 2016 Lease Revenue Bond, Series 2016A in the aggregate amount of $27,642,127. The bond was issued to refund a portion of the 2010 Lease Revenue Series A Bond. Series 2016A contained $23,385,000 of refunding bonds for the 2010 Lease Revenue Series A Bond.

Principal is payable in annual installments ranging from $1,980,000 to $5,130,000 commencing April 1, 2022 and ending April 1, 2027.

Note 4: Long-Term Debt (Continued)

2016 Rose Bowl Lease Revenue Bonds (Continued)

The balance outstanding at June 30, 2021 is comprised of the principal amount of $21,865,000, plus unamortized deferred bond premium of $3,163,665, for a total of $25,028,665.

The annual debt service requirements for the 2016 Lease Revenue Bond as of June 30, 2021, is as follows:

June 30	Principal	Interest	Total
2022	$ 1,980,000	$ 1,093,250	$ 3,073,250
2023	2,255,000	994,250	3,249,250
2024	4,310,000	881,500	5,191,500
2025	4,705,000	666,000	5,371,000
2026	5,130,000	430,750	5,560,750
2027	3,485,000	174,250	3,659,250
Total	$ 21,865,000	$ 4,240,000	$ 26,105,000

2018 Rose Bowl Lease Revenue Bonds

On November 14, 2018, the City issued two 2018 Lease Revenue Bonds (Rose Bowl Renovation Project), Series 2018A and 2018B in the aggregate amount of $43,100,000. The 2018 bonds were issued to defease and refund all the 2013 Lease Revenue Bonds (Rose Bowl Renovation Project) and pay costs of issuance of the 2018 bonds.

The Series 2018A balance outstanding at June 30, 2021 is comprised of the principal amount of $30,585,000, plus unamortized deferred bond premium of $4,068,204, for a total of $34,653,204.

The Series 2018B balance outstanding at June 30, 2021 is comprised of the principal amount of $9,405,000, plus unamortized deferred bond discount of ($46,170), for a total of $9,358,830.

The annual debt service requirements for the 2018 Lease Revenue Bonds as of June 30, 2021, are as follows:

	Principal Payments			
June 30	Series A	Series B	Interest	Total
2022	$ -	$ 1,865,000	$ 1,820,099	$ 3,685,099
2023	-	2,155,000	1,753,966	3,908,966
2024	-	665,000	1,706,568	2,371,568
2025	-	915,000	1,678,781	2,593,781
2026	-	1,165,000	1,642,038	2,807,038
2027-2031	5,000,000	2,640,000	7,348,476	14,988,476
2032-2036	9,315,000	-	5,265,875	14,580,875
2037-2041	11,185,000	-	2,709,875	13,894,875
2042-2043	5,085,000	-	256,375	5,341,375
Total	$ 30,585,000	$ 9,405,000	$ 24,182,053	$ 64,172,053

Note 4: Long-Term Debt (Continued)

Pledge of Stadium Revenues

In accordance with the Company's bond indenture, the Company has pledged all of the future revenues to secure repayment of the aforementioned bonds. Proceeds from the bonds provided financing for improvements to the Rose Bowl Stadium. The bonds are payable from net revenues and are payable through maturity. Annual principal and interest payments on the bonds are expected to require less than 67% of net revenues. The total principal and interest remaining to be paid on the bonds are $422,941,391. Principal and interest paid for the current year and total net revenues were $14,500,326 and $24,545,596, respectively.

Golf Course

Long-Term liabilities for the year ended June 30, 2021, are as follows:

	Balance at July 1, 2020	Additions/ Accretions	Deletions/ Amortizations	Balance at June 30, 2021	Due in One Year
Golf Equipment Finance	$ 672,993	$ -	$ 51,769	$ 621,224	$ 51,769
Compensated Absences	10,993	7,791	6,050	12,734	7,008
Total Long-Term Liabilities	$ 683,986	$ 7,791	$ 57,819	$ 633,958	$ 58,777

Golf Equipment Finance

On June 15, 2018, the Company entered into an agreement with American Golf Corporation to finance $776,530 worth of golf equipment to be paid over a 15-year period at $51,769 per year. There is no interest charged on this financing.

Note 5: Net Position

Net position for the Rose Bowl Stadium at June 30, 2021, consisted of the following:

Net investment in capital assets:	
Property, plant, and equipment, net	$ 159,385,763
Less:	
Net carrying value of capital-related debt	(173,208,393)
Accounts payable on capital assets	(306,259)
Total net investment in capital assets	(14,128,889)
Restricted for debt service	15,352,313
Unrestricted net deficit	(32,751,750)
Total net position	$ (31,528,326)

Note 5: Net Position (Continued)

Net position for the Golf Course at June 30, 2021, consisted of the following:

Net investment in capital assets:	
Property, plant, and equipment, net	$ 6,911,269
Less:	
Outstanding debt issued to construct capital assets	(621,224)
Accounts payable on capital assets	(73,005)
Total net investment in capital assets	6,217,040
Unrestricted net position (designated):	
Designated for future CIP and major maintenance	422,427
Designated for debt service	672,993
Total designated net position	1,095,420
Undesignated net position	10,871,550
Total unrestricted net position	11,966,970
Total net position	$ 18,184,010

Note 6: Defined Benefit Pension Plan

Miscellaneous Plan:

Description of Plan

The Rose Bowl Operating Company participates in cost-sharing multiemployer defined benefit pension plans (Miscellaneous and PEPRA) administered by the California Public Employees' Retirement System (CalPERS). All qualified permanent and probationary employees are eligible to participate. Benefit provisions under the Plans are established by State statue and the Company's Board of Directors.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013, risk-pool valuations. The PEPRA Plan of the Company went into effect during the fiscal year ending June 30, 2014.

Note 6: Defined Benefit Pension Plan (Continued)

The Plans provisions and benefits in effect for the current year, are summarized as follows:

	Miscellaneous*	PEPRA Miscellaneous
Hire date	Prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 and up	52 and up
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	12.361%	7.73%
Required employer unfunded liability payment	$ 241,208	$ 3,216

* Closed to new entrants.

Contribution Description:

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Miscellaneous Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Company is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the fiscal year ended June 30, 2021, the Company made contributions to the Plans totaling $513,532.

Pension Liabilities (Assets), Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

As of June 30, 2021, the Company reported a net pension liability for its proportionate share of the net pension liability of each Plan of $2,996,767.

The Company's net pension liability (asset) for the Plans is measured as the proportionate share of the net pension liability. The net pension liability (asset) of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability (asset) was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The Company's proportion of the net pension liability was based on a projection of the Company's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Company's proportionate share of the net pension liability for the Plans as of June 30, 2019 and 2020, was as follows:

	Miscellaneous
Proportion - June 30, 2019	0.06964%
Proportion - June 30, 2020	0.07105%
Change - Increase (Decrease)	0.00141%

Note 6: Defined Benefit Pension Plan (Continued)

For the year ended June 30, 2021, the Company recognized pension expense of $748,832 for the Plans. At June 30, 2021, the Company reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 513,532	$ -
Difference between expected and actual experience	154,433	-
Changes in assumptions	-	(21,374)
Net difference between projected and actual earnings on pension plan investments	89,024	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	183,738	-
Total	$ 940,727	$ (21,374)

The $513,532 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 year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflow (Inflow) of Resources
2022	$ 121,285
2023	145,660
2024	96,177
2025	42,699
Total	$ 405,821

Note 6: Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019, total pension liability. The June 30, 2019 and the June 30, 2020, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry age Normal in accordance with the requirements of GASB Statement No. 68.
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017, that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website.

Change in Assumptions

For the measurement date, June 30, 2020, there were no changes of assumptions.

Note 6: Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for each Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at statutorily required 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class[1]	New Strategic Allocation	Real Return Years 1-10[2]	Real Return Years 11+**
Global Equity	50.00%	4.80%	5.98%
Global Debt Securities	28.00%	1.00%	2.62%
Inflation Assets	-	77.00%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities, Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity.
(2) An expected inflation of 2.0% used for this period.
(3) An expected inflation of 2.92% used for this period.

Note 6: Defined Benefit Pension Plan (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability/(Assets)	$ 4,699,589	$ 2,996,767	$ 1,589,780

Note 7: Advance From Vendor

During the year ended June 30, 2018, the Company signed an agreement with Levy Premium Food Service to buy out the contract of SodexoMagic. This agreement provided the Company an advance of $1,000,000 to purchase capital improvements. The Company must reimburse the vendor $100,000 per year over 10 years expiring on June 30, 2028. The total amount due at June 30, 2021, was $700,000. Any unpaid or unrecouped portion of the advance shall be reimbursed to Levy Premium Food Service as a precondition to the effectiveness of termination of the agreement for any reason.

Note 8: Self-Insurance Program

The Company is entitled to indemnity from the City, and its losses are included in the City's general liability self-insurance program and under the excess general liability policies. RBOC carries statutory workers' compensation insurance with no retention. Tenants of the Rose Bowl provide insurance, naming the City of Pasadena as additional insured on their policies. See the City of Pasadena's financial statements for further details.

Note 9: Golf Course Management Agreement

The Golf Course is operated and maintained by American Golf Corporation (AGC) under the terms of an agreement, effective June 15, 2018, and expires on June 30, 2028. The agreement entitles AGC to a base management fee of $325,000 per year and increased annually thereafter based upon the change in the CPI for each ensuing operating year. The increase shall not be more than 5% annually, and in no event shall there be a decrease, even if there is a decrease in the CPI. In addition, if the net operating income exceeds the targeted net operating income, AGC shall be entitled to an incentive management fee in each operating year equal to the lesser of the amount by which the net operating income exceeds the targeted net operating income or $40,000. In each operating year that net operating income exceeds the targeted net operating income by more than $40,000, AGC shall be entitled to a second incentive management fee equal to 15% of the net operating income in excess the base target.

Note 10: Related Party Transactions

During the current year, the Company incurred charges for the use of the City's building maintenance (electricians, plumbers), locksmiths, printing, and mail services. These nonevent expenses totaled $1,420,532 and are included within general and administrative expenses. During the current year, the Company also paid the City for police, fire, and public works services, primarily for events, amounting to $246,383. At June 30, 2021, amounts payable to the City totaled $445,181.

During the current year, the City contributed $11,515,463 to the Company by making payments towards the debt service requirements of the bonds described in Note 4 on behalf of the Company.

In addition, at June 30, 2021, Company has amounts receivable from the City related to the 2006 bond refunding in the amount of $455,325, which will be received through annual payments from the City through 2043.

Note 11: Subsequent Events

The City of Pasadena agreed to make a contribution of approximately $9,428,000 to the Company by making payments towards the debt service requirements of the bonds described in Note 4 on behalf of the Company during the fiscal year ended June 30, 2022.

On November 5, 2021, the Company was awarded federal financial assistance in the amount of $10,000,000 through the shuttered venue operators grant from the U.S. Small Business Administration. The purpose of this grant is to provide capital to help an organization survive the COVID-19 pandemic.

ROSE BOWL OPERATING COMPANY

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CALPERS MISCELLANEOUS PENSION PLAN

Last Ten Years*

Fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Plan's proportion of the net pension liability	0.07105%	0.06964%	0.06867%	0.06821%
Plan's proportionate share of the net pension liability	$ 2,996,767	$ 2,788,864	$ 2,587,867	$ 2,688,676
Plan's covered payroll	$ 3,273,956	$ 3,083,082	$ 2,798,456	$ 2,583,602
Plan's proportionate share of the net pension liability as a percentage of its covered - payroll	91.53%	90.46%	92.47%	104.07%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	76.58%	75.26%	77.69%	75.39%
Plan's proportionate share of aggregate employer contributions	$ 437,821	$ 355,030	$ 302,458	$ 262,966

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes in Assumptions:
From fiscal year June 30, 2015 to June 30, 2016
GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expenses.

From fiscal year June 30, 2016 to June 30, 2017:
There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:
The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:
Demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

From fiscal year June 30, 2019 to June 30, 2020:
There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:
There were no changes in assumptions.

* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only seven years are shown.

ROSE BOWL OPERATING COMPANY

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
CALPERS MISCELLANEOUS PENSION PLAN

Last Ten Years*

Fiscal year ended	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.06766%	0.07266%	0.02717%
Plan's proportionate share of the net pension liability	$ 2,350,455	$ 1,993,478	$ 1,690,891
Plan's covered payroll	$ 2,183,555	$ 2,292,759	$ 2,304,751
Plan's proportionate share of the net pension liability as a percentage of its covered - payroll	107.64%	86.95%	73.37%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	75.87%	78.40%	76.63%
Plan's proportionate share of aggregate employer contributions	$ 410,605	$ 211,985	$ 103,894

ROSE BOWL OPERATING COMPANY

SCHEDULE OF THE PLAN CONTRIBUTIONS – MISCELLANEOUS COST SHARING PLAN

Last Ten Years*

Fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually required contribution (actuarially determined)	$ 513,532	$ 537,091	$ 470,264	$ 403,984
Contributions in relation to the actuarially determined contributions	(513,532)	(537,091)	(470,264)	(403,984)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 2,655,214	$ 3,273,956	$ 3,083,082	$ 2,798,456
Contributions as a percentage of covered payroll	19.34%	16.40%	15.25%	14.44%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Inflation	2.63%	2.63%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.25% (3)	7.25% (3)	7.375% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed
(2) Depending on age, service, and type of employment
(3) Net of pension plan investment expense, including inflation
(4) 50 for all plans with the exception of 52 for Miscellaneous PEPRA 2%@62
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the 1st year of implementation, therefore, only seven years are shown.

ROSE BOWL OPERATING COMPANY

SCHEDULE OF THE PLAN CONTRIBUTIONS – MISCELLANEOUS COST SHARING PLAN (CONTINUED)

Last Ten Years*

Fiscal year ended	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	$ 371,534	$ 317,561	$ 324,587
Contributions in relation to the actuarially determined contributions	(371,534)	(317,561)	(324,587)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 2,583,602	$ 2,373,593	$ 1,922,101
Contributions as a percentage of covered payroll	14.38%	13.38%	16.89%

Notes to Schedule:

Valuation Date	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Rose Bowl Operating Company
Pasadena, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each enterprise fund of the Rose Bowl Operating Company (the Company), a component unit of the City of Pasadena, California, as of and for the year ended June 30, 2021 and the related notes to the basic financial statements, which collectively comprise the Company's basic financial statements, and have issued our report thereon dated December 23, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
December 23, 2021