ATTACHMENT D

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

BASIC FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITORS' REPORT

YEAR ENDED JUNE 30, 2022

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

BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Rose Bowl Operating Company
Pasadena, California

Report on the Audit of the Financial Statements

Opinions

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, which comprise the statement of net position as of June 30, 2022, and the related statements of revenues, expenses and changes in net position, and the statement of cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each enterprise fund of the Rose Bowl Operating Company, as of June 30, 2022, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the Company adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Board of Directors
Rose Bowl Operating Company

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability and schedule of pension plan contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the 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 January 12, 2023, on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
January 12, 2023

ROSE BOWL OPERATING COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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, 2022 (FY 2022), with selected comparative information with the year ended June 30, 2021. This discussion should be read in conjunction with the financial statements. Unless otherwise indicated, years (2021, 2022) in this discussion refer to the fiscal year ended June 30.

I. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves 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 **22-24** 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 **25-44** of this report.

II. EXECUTIVE SUMMARY (STADIUM AND GOLF COURSE)

In FY 2022, Stadium and Golf Course key areas impacting events, operations and net income are highlighted below:

- The RBOC successfully transitions back into the operation of displacement events after a one-year hiatus due to the COVID-19 pandemic, while also contributing towards FY 2022 debt service.

- Legacy Connections continues both successful donors fundraising efforts and focusing on State and Federal grants that resulted in over $10 million in funds for the RBOC.

- Music Festival agreement renewal and renegotiation with AEG resulting in a new 5-year partnership that guarantees the RBOC $3 million annually with the potential for additional revenue based on the success of the festival business.

- Flea market net event income reaches a 10-year high based on new marketing efforts and a new 5-year agreement with the operator.

- Enterprise events continue to grow and outperforming net event income expectations, while the campus resumes displacement events.

- Golf operations continued generating strong revenues with the 2nd highest revenues in the past five years due to increases in rates, while rounds decreased due to increased major events which reduced playable days.

- As full operations resume, the stadium and golf complex experience challenges to restaff during the labor market shortages. Increases in overhead salaries and benefits were due to having fewer open positions the prior year; with 33 full-time employees on a budget of 37 in FY 2022. Event personnel are experiencing labor shortages with increases in rates for security, janitorial, public safety, rentals, and event productions (plumbing, electrical, etc.) due to the post COVID-19 labor market.

- Significant decreases in investments revenues are due to fair market valuations and based on an allocation of the RBOC's funds invested with the City of Pasadena.

- Increased Non-Operating revenues from the Legacy Connections transfer, grants, while the City of Pasadena contribution toward debt service declined from FY 2021 to FY 2022.

III. FINANCIAL STATEMENTS

ROSE BOWL OPERATING COMPANY

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

YEAR ENDING JUNE 30, 2022

	Rose Bowl	Golf Course	Combined Totals 2022	Combined Totals 2021	Variance
Operating Revenues:					
Green fees and other golf revenues *	-	6,830,452	6,830,452	7,137,906	(307,454)
Golf displacement	-	765,084	765,084	-	765,084
Advertising	3,303,689	-	3,303,689	830,000	2,473,689
Facility rentals and parking revenues	16,211,805	415,350	16,627,155	4,050,155	12,576,999
Concessions	2,493,772	-	2,493,772	109,193	2,384,578
Pro shop	-	127,246	127,246	32,628	94,618
Restaurant	-	379,412	379,412	188,677	190,735
Admission tax	376,772	-	376,772	-	376,772
Cost recoveries	7,839,603	107,341	7,946,944	3,113,743	4,833,201
Total operating revenues	**30,225,641**	**8,624,885**	**38,850,526**	**15,462,303**	**23,388,223**
Operating Expenses:					
Salaries and benefits (Overhead)	$ (4,289,386)	$ (268,362)	$ (4,557,748)	$ (3,802,728)	(755,020)
Annual PERs Valuation Adj	182,143	180,044	362,187	(240,262)	602,449
General and administrative	(5,160,941)	(664,309)	(5,825,249)	(4,218,059)	(1,607,191)
Depreciation	(11,658,582)	(795,821)	(12,454,402)	(13,069,825)	615,422
Capital Preventative Maint.Expense	(1,150,867)	(212,353)	(1,363,220)	(1,345,303)	(17,917)
Events and parking expenses	(15,910,642)	(405,783)	(16,316,426)	(4,434,634)	(11,881,791)
Green fees and other golf expenses *	-	(4,622,862)	(4,622,862)	(4,649,944)	27,083
Total Operating Expenses	**(37,988,275)**	**(6,789,445)**	**(44,777,720)**	**(31,760,756)**	**(13,016,965)**
Operating Income (Loss)	**(7,762,634)**	**1,835,440**	**(5,927,194)**	**(16,298,452)**	**10,371,258**
Nonoperating Revenues (Expenses):					
Investment gain	$ (3,840,769)	$ (156,341)	$ (3,997,109)	$ (103,732)	(3,893,377)
Interest expense	(12,275,424)	-	(12,275,424)	(12,312,912)	37,488
Other nonoperating revenues	24,386,050	47,571	24,433,621	16,553,030	7,880,591
Total Nonoperating Revenues (Expenses)	**8,269,857**	**(108,769)**	**8,161,088**	**4,136,386**	**4,024,702**
Income (Loss) Before Transfers	**507,223**	**1,726,671**	**2,233,894**	**(12,162,066)**	**14,395,960**
Changes in Net Position	**507,223**	**1,726,671**	**2,233,894**	**(12,162,066)**	**14,395,960**
Net Position:					
Beginning of Year	**(31,528,326)**	**18,184,010**	**(13,344,316)**	**(1,182,250)**	**(12,162,066)**
End of Year	**$ (31,021,103)**	**$ 19,910,681**	**$ (11,110,422)**	**$ (13,344,316)**	**2,233,894**

** 2021-2022 Golf lines converted from Net Income to Gross Revenues and Gross Expenses*

Rounding adjusted

FINANCIAL STATEMENTS (Continued)

ROSE BOWL OPERATING CO.
STATEMENT OF NET POSITION
YEAR ENDING JUNE 30, 2022

	Rose Bowl	Golf Course	Totals 2022	Totals 2021	Variance
Assets:					
Current assets:					
Cash and investments	$ 20,155,549	$15,956,749	$ 36,112,298	$ 19,935,783	16,176,515
Accounts receivable, net of allowance	5,612,763	348,589	5,961,352	2,735,988	3,225,363
Lease Receivable	225,789		225,789	-	225,789
Inventory	519	122,378	122,897	14,703	108,194
Prepaid assets	344,913	2,660	347,573	99,911	247,663
Total Current Assets	26,339,533	16,430,376	42,769,909	22,786,385	19,983,524
Noncurrent assets:					
Due from Stadium	$ -	$ 625,497	$ 625,497	$ -	625,497
Due from City of Pasadena	438,830	-	438,830	455,325	(16,495)
Cash and investments restricted	11,188,835	-	11,188,835	15,352,313	(4,163,478)
Lease Receivable	479,042		479,042	-	479,042
Capital assets:				-	
Construction in progress	-	970	970	135,105	(134,135)
Other capital assets, net	149,320,201	6,130,782	155,450,983	166,161,927	(10,710,944)
Total Noncurrent Assets	161,426,908	6,757,249	168,184,157	182,104,670	(13,920,513)
Total Assets	**187,766,441**	**23,187,625**	**210,954,066**	**204,891,055**	**6,063,012**
Deferred outflows of Resources:					
Deferred refunding charge	$ 1,776,732	$ -	$ 1,776,732	$ 2,157,461	(380,728)
Outflows related to net pension liability	847,666	40,593	888,259	940,727	(52,468)
Total Deferred Outflows of Resources	**2,624,398**	**40,593**	**2,664,991**	**3,098,188**	**(433,197)**
Liabilities:					
Current:					
Accounts payable and other liabilities	$ 3,871,311	$ 2,132,652	$ 6,003,963	$ 2,740,921	3,263,042
Accrued salaries and benefits	570,005	70,583	640,588	630,825	9,762
Interest payable	3,110,530	-	3,110,530	3,140,299	(29,769)
Due to Golf Course	625,497	-	625,497	-	625,497
Due to City of Pasadena	1,182,341	350,313	1,532,654	445,181	1,087,474
Deposits	377,285	-	377,285	1,003,662	(626,377)
Unearned revenues	4,232,612	65,707	4,298,319	2,422,580	1,875,739
Current portion of advance	100,000	-	100,000	100,000	-
Current portion compensated absences	176,567	8,721	185,287	174,446	10,841
Current portion of long-term debt	4,433,848	51,769	4,485,617	3,896,769	588,848
Total Current Liabilities	18,679,995	2,679,745	21,359,740	14,554,683	6,805,057
Noncurrent:					
Long-term advance	$ 500,000	$ -	$ 500,000	$ 600,000	(100,000)
Compensated absences	38,117	1,127	39,244	53,045	(13,801)
Long-term debt	199,014,749	517,686	199,532,435	203,107,691	(3,575,256)
Net pension liability	1,326,523	63,525	1,390,048	2,996,766	(1,606,718)
Total Noncurrent Liabilities	200,879,389	582,338	201,461,727	206,757,502	(5,295,776)
Total Liabilities	**219,559,384**	**3,262,083**	**222,821,467**	**221,312,185**	**1,509,281**
Deferred Inflows of Resources:					
Deferred inflow related to Leasor	$ 694,573	$ -	694,573	-	694,573
Deferred inflow related to net pension liability	1,157,985	55,454	1,213,439	21,374	1,192,065
Total Deferred inflows of Resources	**1,852,558**	**55,454**	**1,908,012**	**21,374**	**1,886,638**
Net position:					
Net investment in capital assets	(21,564,150)	5,562,297	(16,001,853)	(7,911,849)	(8,090,004)
Restricted for debt service	11,188,835	-	11,188,835	15,352,313	(4,163,478)
Unrestricted	(20,645,788)	14,348,384	(6,297,404)	(20,784,780)	14,487,377
Total Net Position	**$ (31,021,103)**	**$ 19,910,681**	**$ (11,110,422)**	**$ (13,344,316)**	**$ 2,233,895**

Rounding adjusted

IV. FINANCIAL ANALYSIS

a. Statistical and Fiscal Trends

During FY 2022 the Rose Bowl stadium hosted 14 displacement event and 12 flea market events with a combined attendance of 638,914, as well as 132 enterprise events including: runs/walks, food truck events, parties, graduations, and filming. The Flea Market set a record annual attendance of 209,616 during FY 2022. Football is starting to experience increases in per game attendance, while Americafest (City of Pasadena event) saw a slight decrease in attendance.

ROSE BOWL OPERATING COMPANY
EVENT MIX COMPARISON
YEAR ENDING JUNE 30, 2022

Major/Displacement				*		
Major Event	Event Type	2018	2019	2020	2021	2022
1	UCLA	6	7	6	4	7
2	Rose Bowl Game	1	1	1	0	1
3	Music Festival	2	0	1	0	5
4	Concerts	5	5	1	0	0
5	Soccer Matches	2	2	1	0	0
6	Americafest 4th of July Celebration	1	1	1	0	1
	Total Major/Displacement	17	16	11	4	14
	Flea Market	12	12	9	3	12
	Number of Enterprise Events	191	178	125	111	132

* 2020: 9 months of operation and 2021: 4 UCLA games No Fans due to COVID

EVENT ATTENDANCE COMPARISON
YEAR ENDING JUNE 30, 2022

Major/Displacement				*		
Major Event	Event Type	2018	2019	2020	2021	2022
1	UCLA	248,134	251,486	137,860	-	227,500
2	Rose Bowl Game	80,072	84,313	69,814	- -	78,345
3	Music Festival	36,735	-	25,092	-	108,884
4	Concerts	265,212	264,342	55,534	-	-
5	Soccer Matches	109,053	111,252	34,019	-	-
6	Americafest 4th of July Celebration	20,606	17,744	17,924	-	14,569
	Total Major/Displacement	759,812	729,137	340,243	-	429,298
	Flea Market	151,749	153,585	126,674	60,176	209,616
	Total Attendance	911,561	882,722	466,917	60,176	638,914

Rounding adjusted

Stadium / Golf Complex Net Event Income Comparison:

Stadium and Golf Net Event income for FY 2022 was $14.6 million, close to the FY 2020 pre-COVID net event income. Highlights include - Football shows signs of rebounding with UCLA net event income at a 4-year high of $4.7 million and Rose Bowl Game net event income matching a 5-year high of $5 million. The new Music Festival contract was effective November 2021 impacting the 5 events with an average net event income of approximately $276,000 (per event) with potential increased revenues at the conclusion of contracted year one based on the RBOC percentage share.

Enterprise events net income during FY 2022 was approximately $1.9 million $57,000 less than the record set during FY 2021. A key driver included the increased Golf Complex and Rose Bowl enterprise events, such as Craftoberfest. The average per enterprise event net income is approximately $14,500 slightly less than the FY 2021 amount of $17,800. The Flea Market operated for 12 months with an annual net event income of $1.5 million increasing the per event net income to $131,000, or $37,000 higher than the 4 prior year averages – due to increased attendance and contracted RBOC share for the last 3 months of the year.

NET EVENTS INCOME COMPARISON
YEAR ENDING JUNE 30, 2022

Major/Displacement Events - Fiscal Year:	2018	2019	2020 *	2021 *	2022
1. UCLA	$ 5,113,153	$ 4,429,625	$ 4,346,696	$ 635,891	$ 4,752,393
2. Rose Bowl Game (i)	5,001,444	4,950,473	4,439,981	690,739	5,064,791
3. Music Festival	2,227,803	-	2,845,446	-	1,378,330
4. Concerts	3,142,485	3,497,195	856,401	-	-
5. Soccer	645,256	837,639	297,691	-	-
6. Americafest July 4th Celebration	(52,104)	(170,869)	(168,665)	-	-
7. Other/Event Reconciliations/Development	-	(205,238)	(46,639)	70,844	(113,777)
Total Major/Displacement Events Net Income	16,078,037	13,338,825	12,570,911	1,397,474	11,081,737
Enterprise Events					
1. Stadium	$ 1,617,250	$ 1,554,854	$ 1,286,037	$ 1,973,262	$ 1,657,644
2. Golf Complex	-	154,399	61,638	2,407	261,179
Total Enterprise Events Net Income:	1,617,250	1,709,253	1,347,675	1,975,669	1,918,823
Flea Market	$ 1,112,135	$ 1,057,900	$ 867,413	$ 295,304	$ 1,575,632
Total Net Event Income:	$ 18,807,422	$ 16,105,978	$ 14,785,999	$ 3,668,447	$ 14,576,191

(i) Rose Bowl Game 2021 payment #2 is in non-operating revenues as it is for prior year event.

Average Net Event Income (by Event Type)	2018	2019	2020	2021	2022
Displacmeent Event	945,767	833,677	1,142,810	349,369	791,553
Enterprise Events	8,467	9,603	10,781	17,799	14,537
Flea Market	92,678	88,158	96,379	98,435	131,303

* 2020: 9 months of operation and 2021: 4 UCLA games No Fans due to COVID

Rounding adjusted

Golf Complex Key Statistics:

As interest in the sport of golf continues the Brookside Golf Complex works to find a balance between demand, course availability (given the resumed displacement events), pricing, and reinvestments in course health and renovation. Below are key statistics utilized to manage the golf course financial performance:

- The number of rounds continue to be strong at 158,599 with only 327 playable days generating a gross course revenue of $6.8 million, near the 5-year high in FY 2021.
- A rounds per day average of 485 is 2nd only to FY 2021, which had no displacement events.
- The average revenues per round was $43.13, a 5-year high.

ROSE BOWL OPERATING COMPANY
GOLF COURSE STATISTICS / GROSS GOLF REVENUES
YEAR ENDING JUNE 30, 2022

Key Statistics	2018	2019	* 2020	2021	2022
Rounds	143,246	135,945	117,204	179,280	158,559
Playable Days	339	321	278	353	327
Rounds/Day	423	423	422	508	485
Average Per Round	$ 27.27	$ 27.01	$ 30.12	$ 35.24	$ 38.30
Average Range Fees Per Round	$ 4.84	$ 4.43	$ 4.68	$ 4.56	$ 4.83
Total Revenue Per Round	$ 32.11	$ 31.44	$ 34.80	$ 39.80	$ 43.13
Gross Golf Revenues *(in millions)*	$4.7	$4.3	$4.1	$7.1	$6.8

Net Complex Income (made up of the below operating units) totals a 5-Year high of $2.5 million for FY2022; with key drivers from Golf Course, Displacement / Parking, and Golf Enterprise Events.

Fiscal Year	2018	2019	* 2020	2021	2022
Golf Complex Net Income by Unit					
Golf Course	1,339,124	988,898	812,838	2,487,962	2,207,592
Restaurant	490,856	449,091	310,978	188,677	379,412
Displacement / Parking	-	436,438	289,714	-	765,083
Enterprise Events	-	115,484	31,467	2,407	261,179
Pro shop	17,865	16,338	11,371	32,628	127,246
Cost recoveries	15,000	53,910	61,695	-	(144,272)
Other Non-operting Revenues	453,598	156,912	97,010	18,496	(156,341)
Overhead Expenses	(625,285)	(787,464)	(715,138)	(830,476)	(932,672)
Total Complex Net Income:	1,691,158	1,429,608	899,935	1,899,694	2,507,228

* 2020 has 9 months of operations and 3 months of fixed costs with no revenues due to COVID

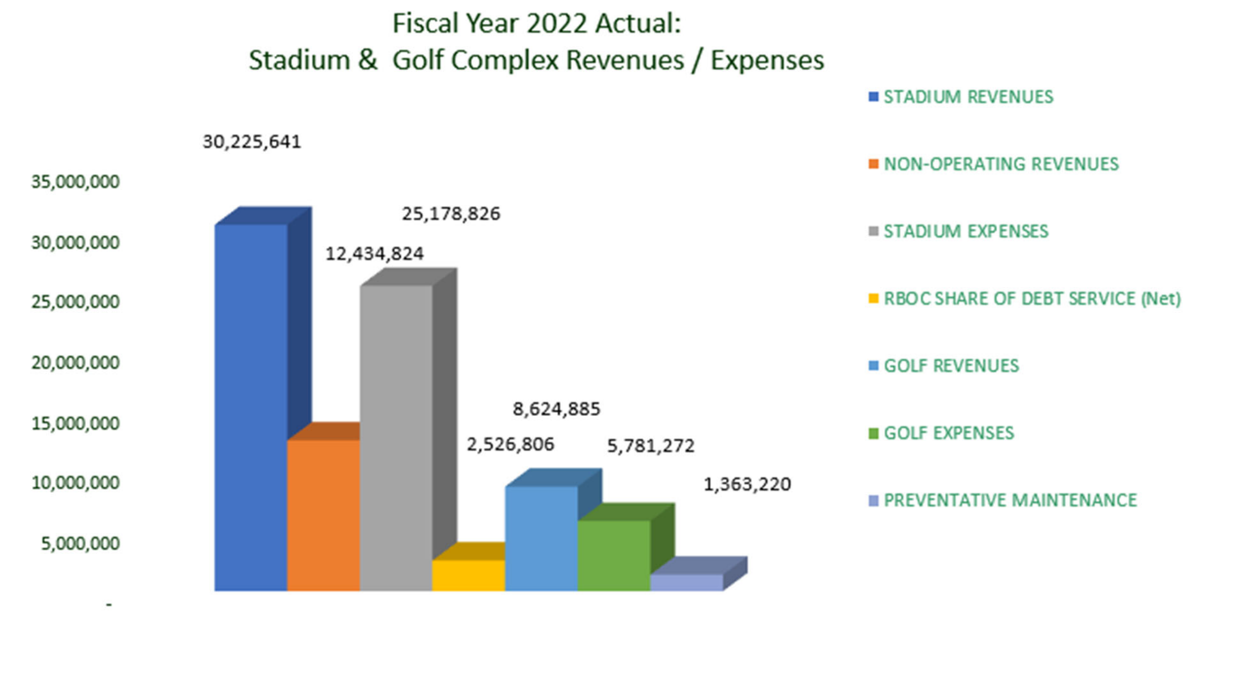
Rounding adjusted

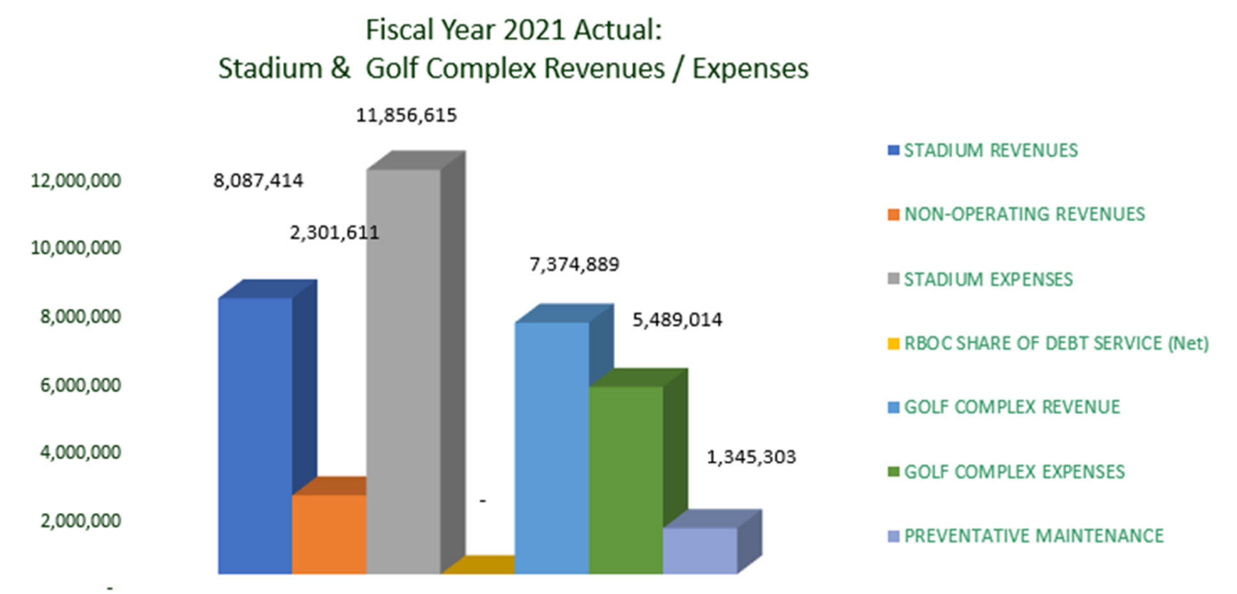
FINANCIAL ANALYSIS (Continued)

b. Revenue/Expense, Net Event and Operations Income comparison (Stadium and Golf Complex)

Below are two sets of comparisons: a year-to-year comparison of Revenues/Expenses (Chart) and a 5-year comparison of key drivers of Net Event and Operations Income:

Revenues, Expenses, Debt Service (Net), and Preventative Maintenance Fiscal Years 2021 and 2022:





(1) NON-OPERATING REVENUE EXCLUDES CITY OF PASADENA CONTRIBUTION TO DEBT SERVICE & SUBSIDIES
(2) EXPENSES EXCLUDE DEPRECIATION AND PREVENTATIVE MAINTENANCE

Rounding adjusted

Combined Net Event and Operations Income Comparison 5-Years:

Operating analysis excluding Depreciation and Nonoperating Revenues

SUMMARY	2018	2019	2020	2021	2022
Stadium Net Event and Operations Income /(Loss)	$ (976,964)	$ (3,062,188)	$ (5,449,368)	$(3,646,513)	$ 2,369,462
Golf Net Operations Income /(Loss)	1,691,158	1,429,608	899,935	1,899,719	2,507,230
Combined Stadium and Golf Net Operating Income/(loss)	**$ 714,194**	**$ (1,632,579)**	**$ (4,549,433)**	**$(1,746,794)**	**$ 4,876,691**

Stadium

Key changes to Net Event and Operations Income were mainly due to the stadium resuming displacement events with fans. The Net Income from stadium operations is $2.4 million after the Rose Bowl assuming $2.5 million of the $11.8 million net debt service, with the City of Pasadena paying $9.3M after the $2.7 million federal subsidies.

The FY 2022 Net Event Income is $14.3 million, overhead expenses of $9.4 million and debt service of $2.5 million resulted with a Stadium Net Event and Operations income of $2.4 million.

DETAILS

Stadium Net Event and Operations Income /(Loss)	2018	2019	2020	2021	2022
Operating Revenues / Expenses	$ 38,169,096	$ 36,227,585	$ 27,935,904	$ 8,087,414	$ 30,225,641
Events and parking expenses	(20,043,593)	(20,959,597)	(13,214,188)	(4,421,388)	(15,910,642)
Net Event Income: (1)	**18,125,503**	**15,267,988**	**14,721,716**	**3,666,026**	**14,314,999**
Overhead Expenses					
Salaries and benefits	$ (3,675,602)	$ (4,259,886)	$ (4,706,761)	$(3,580,237)	$ (4,289,386)
General and administrative	(3,796,689)	(3,982,472)	(4,225,832)	(3,610,074)	(5,160,941)
Net Event and Operations Income	**10,653,212**	**7,025,630**	**5,789,123**	**(3,524,285)**	**4,864,671**
Before Non Operating/Capital contributions, Bond subsidies, Depreciation and Annual PERs Valuation Adjust					
Investment Gain /(Loss) (2)	(13,661)	2,130,531	863,381	(122,228)	31,596
Interest Expense (3)	(11,616,515)	(12,218,348)	(12,101,872)	-	(2,526,806)
Investment Gain/Interest Expense	(11,630,176)	(10,087,817)	(11,238,491)	(122,228)	(2,495,210)
Stadium Net Event and Operations Income /(Loss)	**$ (976,964)**	**$ (3,062,188)**	**$ (5,449,368)**	**$(3,646,513)**	**$ 2,369,462**

(1) Parking Expenses adjusted into Events and parking revenues/expenses in prior reported years.

(2) Net Investment Gain/(Loss) adjusted for Fiar Market Value $4.0 million FY 2022.

(3) City of Pasadena Contribution to Debt Service: FY18-20 no City Contirbutions, FY21 $11.5M and FY22 $9.3M

Rounding adjusted

Golf Complex

Golf Complex Net Operating Income has a 5-year high of $2.5 million, with key drivers of direct golf course Income, restaurant, parking/displacement, and a new record set by golf enterprise events.

DETAILS Golf Net Operations Income /(Loss)	2018 *	2019	2020	2021	2022
Operating Revenues					
Green fees and other golf revenues	$ 4,600,506	$ 4,302,350	$ 4,131,359	$ 7,137,906	$ 6,830,452
Green fees and other golf expenses	(3,261,382)	(3,313,453)	(3,318,521)	(4,649,944)	(4,622,862)
Golf Course Net Income	**1,339,124**	**988,897**	**812,838**	**2,487,962**	**2,207,591**
Ancillary Net Income:					
Restaurant	490,856	449,089	310,978	188,677	379,412
Parking/Displacement	-	436,438	289,714	-	580,290
Golf Enterprise Events	-	115,489	31,467	2,432	261,179
Pro shop	17,865	16,338	11,371	32,628	127,246
Cost Recovery (non-event)	15,000	53,910	61,695	-	40,522
Total Operating Revenues:	**1,862,845**	**2,060,161**	**1,518,063**	**2,711,699**	**3,596,241**
Operating Expenses					
Salaries and benefits	(213,023)	(249,380)	(226,669)	(222,492)	(268,362)
General and administrative	(412,262)	(538,084)	(488,469)	(607,984)	(664,309)
Total Overhead Expenses:	**(625,285)**	**(787,464)**	**(715,138)**	**(830,476)**	**(932,671)**
Before Non Operating/Capital contributions, Depreciation and Annual PERs Valuation Adjustment					
Investment Gain /(Loss)	453,598	156,912	97,010	18,496	(156,341)
Golf Net Operations Income /(Loss)	**$ 1,691,158**	**$ 1,429,608**	**$ 899,935**	**$ 1,899,719**	**$ 2,507,230**

* American Golf Corp contract changed from 2018 lease Agreement to 2019 forward Management Agreement.
Key changes include RBOC retaining Parking/Displacement net income and capital is reserved from complex Net operating income.

Rounding adjusted

c. Expense Comparison

The RBOC has 5 key areas of operating Expenses: Stadium Overhead, Event Expenses, Debt Service, Golf Complex Overhead and Golf Course Direct expenses. Many of these expenses have experienced increases due to changes in market demands driving costs higher than the Consumer Price Index (CPI). Key areas of increases included staffing due to shortages and market costs of retaining industry experienced staff, professional and contracted services in areas such as information technology, business development and legal services. Other areas experiencing material increases included utilities and insurance rates.

Stadium Overhead Expenses:

Stadium total overhead expenditures have maintained the FY 2020 spend rate of $9.1 - $9.2 million with growth of 5.8% since 2018 - based on CPI, contract renegotiations to market rates, and increased demands of events on the RBOC staff.

Salaries and Benefits have a growth rate of 7% due to market rate adjustments, promotions, and open full-time positions. Since 2018 salaries increased $614,000 mainly due to CPI growth of $542,000, 2 new Full-time employees in Legacy and Event support, promotions, and market rate adjustments. There were (4) fully or partially open budgeted FTE positions during of FY 2022 with a savings to budget of $173,000. Benefits increased by $500,000 since FY 2018 with a growth rate of 13.3% due to cost of healthcare, vision, dental, and CalPERS.

The General and Administrative (G&A) expense growth rate of 10% is due to increases in market contracted rates, growing costs of business development and opportunity planning, as well as increased professional services in information technology and operating changes. The top three spend categories that comprises 74% of the $5.2 million total stadium overhead expenses are utilities, professional, and contracted services.

G&A expenses were lower than the trend in FY 2018 due to several intiaives were put on hold while staff focused on 5 displacement events occuring during the last 2 months of FY 2018.

Since FY 2018 utilities have increased by approximately $200,000 at growth rate of 3.6% with an annual spend of $1.5 million. Combined professional services and contracted services have grown at a rate of 14.3% with the most significant growth during FY 2022 of approximately $700,000 in professional services occurring after COVID-19. The increase is mainly due to higher security, legal costs/settlements, revenue opportunity study, increased efforts in business/staff development and training, information technology and supporting consulting in areas of concessions, and contract negotiations.

Other significant areas of increases included insurance allocation from the City of Pasadena with a growth rate of 35% from a low $96,000 in FY 2019 to $375,000 in FY 2022. Other overhead expenditure categories totaling $1 million have remained stable: Premium Seating sales/contract maintenance, operating leases, other administrative banking fees, permits, and supplies as outlined below.

Overhead Expenses:
Stadium

Summary Category Expenses Fiscal Year:	2018	2019	2020*	2021*	2022
Salaries and benefits (Overhead)	$ 3,675,602	$ 4,259,886	$ 4,706,761	$ 3,580,899	$ 4,289,386
Annual PERs Valuation Adj	286,116	126,626	196,614	244,916	(182,143)
General and administrative	3,796,689	3,982,470	4,225,832	3,610,074	5,160,941
Stadium Total Overhead Expense:	**$ 7,758,407**	**$ 8,368,982**	**$ 9,129,207**	**$ 7,435,889**	**$ 9,268,184**

*** 2020: 9 months of operation and 2021: 4 UCLA games No Fans and reducded overhead expenses due to COVID.**

STADIUM DETAILS:

Salaries & Benefits					
Salaries & Taxes	$ 2,681,735	$ 2,959,005	$ 3,188,855	$ 2,544,660	$ 3,063,475
Benefits	993,866	1,300,880	1,517,907	1,036,239	1,225,929
Total Salaries & Benefits	**$ 3,675,602**	**$ 4,259,886**	**$ 4,706,761**	**$ 3,580,899**	**$ 4,289,403**
Annual PERs Valuation Adj	286,116	126,626	196,614	244,916	(182,143)

General and administrative:					
Utilities: Water, gas, power, refuse	$ 1,305,004	$ 1,278,771	$ 1,426,906	$ 1,319,565	$ 1,481,506
Professional Services: City Legal, HR, IT, Contract Negotiation Support, Staff Development	654,948	816,145	825,768	880,712	1,542,174 *
Contracted Services: Admin Support, Plumbing, Electrical, Pest Control, Janitorial, Landscaping, Security, Fleet/Fuel Maintenance, etc..	816,073	891,804	840,755	695,804	802,698
Insurance	154,383	96,387	122,867	205,059	375,740
Premium Seating Sales / Contract Services	289,184	275,283	313,835	193,730	304,298
Operating Leases/Rental Expense: Vehicles, Office Equipment, Storage, etc..	165,422	162,113	279,324	122,904	138,237
Other: Advertising, dues, permits, banking fees.	168,231	218,090	194,915	102,622	297,983
Supplies: Medical, vehicle parts, electrical, plumbing equipment, general (ie office/postage, reference materials, communications/conferencing)	243,444	243,878	221,462	89,677	218,302
Total General and administrative:	**$ 3,796,689**	**$ 3,982,470**	**$ 4,225,832**	**$ 3,610,074**	**$ 5,160,937**

* 2022 Professional services increased by 700K mainly due to Legal Settlement (300K not recurring), revenue opportunity study, business development, staff development training, information technology and concessions consulting.

Rounding adjusted

FINANCIAL ANALYSIS (Continued)

Event Expenses:

The Rose Bowl Stadium experienced some changes to events operations which impacted event expenses. Event mix changes in FY 2022 have mitigated the increased expenses to reduce the per event average cost. Events, such as concerts, require increased security, public safety, and turf replacements; while Music Festivals and soccer matches generally have lower production costs, reducing event expenses. Key cost drivers continue to be security, public safety, event production costs, parking/neighborhood traffic management and janitorial services. The average expense per displacement event has been reduced by $269,000 since the 2019 high, which had 5-concerts. Enterprise and Flea Market per event costs and cost recovery increased based on market rates.

Event Expenses:
Stadium

Fiscal Year:	2018	2019	2020*	2021*	2022
Category Expenses					
PUBLIC SAFETY	$ 3,787,906	$ 3,801,844	$ 2,313,345	$ 173,832	$ 3,043,575
EVENT PRODUCTION	2,663,070	2,863,129	1,835,962	2,118,078	2,890,258
PARKING	3,233,994	3,466,867	2,173,142	401,140	2,736,246
SECURITY	3,810,730	3,963,795	2,388,194	578,521	2,495,189
JANITORIAL	2,026,301	2,326,516	1,353,806	346,816	1,406,661
CATERING	861,531	853,215	615,555	12,194	719,441
RENTALS	858,751	1,004,703	531,274	105,947	675,934
FIELD AND SOD RELATED	1,129,499	964,240	610,247	52,086	575,900
RBOC Staffing	324,418	425,588	475,189	490,461	466,200
SHUTTLE EXP	489,581	498,567	316,318	-	360,666
PROFESSIONAL CONSULTING	147,647	201,398	152,684	15,599	226,033
PERMITS AND FEES	147,344	154,158	133,220	26,821	130,494
TEMP SUPPORT	165,318	222,679	126,033	68,588	124,595
ADVERTISING	397,502	212,899	189,217	31,304	59,432
Stadium Event Expenses:	$ 20,043,593	$ 20,959,597	$ 13,214,188	$ 4,421,388	$ 15,910,624

* 2020: 9 months of operation and 2021: 4 UCLA games No Fans due to COVID

Event Type Expense Review:

	2018	2019	2020	2021	2022
Displacement Events Expense	$ 18,636,201	$ 19,755,237	$ 12,202,483	$ 924,804	$ 13,519,110
Average Per Event Expense	**1,096,247**	**1,234,702**	**1,109,317**	231,201	**965,651**
Displacement Events Counts	17	16	11	4	14
Enterprise Events Expense	$ 1,407,392	$ 1,204,360	$ 1,011,705	$ 3,416,019	$ 1,906,500
Average Per Event Expense	**7,369**	**6,766**	**8,431**	30,775	**14,443**
Enterprise Events Counts	191	178	120	111	132
Flea Market Events Expense	$ 337,460	$ 354,329	$ 264,417	$ 80,552	$ 485,014
Average Per Event Expense	**28,122**	**29,527**	**29,380**	26,851	**40,418**
Flea Market Events	12	12	9	3	12

Average per event cost recovery:

	2018	2019	2020	2021	2022
Displacement	$ 331,378	$ 271,256	$ 411,629	$ 125,192	$ 434,321
% of Avg Expenses	30%	22%	37%	54%	45%
Enterprise Events	$ 5,301	$ 8,833	$ 12,180	$ 23,037	$ 10,102
% of Avg Expenses	72%	131%	144%	75%	70%
Flea Market	$ 18,451	$ 19,164	$ 19,264	$ 18,614	$ 35,470
% of Avg Expenses	66%	65%	66%	69%	88%

Rounding adjusted

FINANCIAL ANALYSIS (Continued)

d. Other Non-Operating Revenue:

Total Other Non-Operating revenues of $24.4 million encompasses both recurring and non-recurring sources. Recurring sources include Legacy Connections, federal government subsidies on debt service, cell site rental and utilities cost recovery contracted to FY 2025.

Non-Recurring sources include $10.0 million by Legacy Connections efforts to secure the Shuttered Venue Operators Grant. The City of Pasadena net debt service contribution was $9.3 million.

Summary:	2022	2021	Details Ref.
Legacy Connections	$ 700,000	$ 1,100,000	#1
Recurring Sources	4,475,616	3,437,567	#2-10
Non- Recurring Sources	19,258,005	12,015,464	#11-13
Total non-operating Revenue Sources Fiscal 2021 / 2022	**$24,433,621**	**$ 16,553,030**	
Estimated recurring funds 4.5M to 5.2M annually.			

	Details:		2022	2021	Variance
	Sources	Bus.Unit	24,433,621	16,553,030	7,880,591
	Legacy and Recurring:				
1	Legacy Connections	Stadium	$ 700,000	$ 1,100,000	$ (400,000)
	(Legacy efforts: 10.0M Grant, 300K capital, 400K Stadium Opportunity Planning capital project)				
2	ToR - Rose Bowl Game 2021 2nd payment	Stadium	666,667		666,667
3	ToR - Contribution	Stadium	75,000	-	75,000
4	Music Festival per ticket contribution	Stadium	108,884	-	108,884
5	Concessionaire contribution 3% of revenues	Stadium	170,199	5,762	164,437
		Golf	47,572	94,847	(47,275)
6	Subisidy from 2010 Bonds	Stadium	2,740,792	2,735,956	4,836
7	Misc. Non-Operating: Finance Credits	Stadium	6,577	2,600	3,977
8	Misc. Non-Operating: Utilities Recovery	Stadium	426,219	384,601	41,618
9	Misc. Non-Operating: Other trade mark etc.	Stadium	2,183	-	2,183
10	Misc. Non-Operating: Cell Site rentals*	Stadium	231,524	213,801	17,724
	Sub-total Recurring:		$ 5,175,616	$ 4,537,567	$ 638,049
	* 2022 Cell site rentals agreement adjusted for GASB87 (lease considerations)				
	Non- Recurring Sources				
11	City of Pasadena Contribution to Bond Debt	Stadium	$ 9,258,005	$ 11,515,463	$ (2,257,458)
12	Shuttered Venue Operators Grant (SVOG)	Stadium	10,000,000	-	10,000,000
13	AXS Ticketing Contract initiation	Stadium	-	500,000	(500,000)
	Sub-total non recurring:		$ 19,258,005	$ 12,015,463	$ 7,242,542
	Total Other nonoperating revenue:		$ 24,433,621	$ 16,553,030	$ 7,880,591

Reference Income Statement: Other nonoperating revenue

Rounding adjusted

FINANCIAL ANALYSIS (Continued)

e. Balance Sheet Highlights:

On a full accrual basis, the Net Position increased by **$2.234 million,** as outlined by the Statement of Revenue and Expenses (Income Statement) and below Statement of Net Position (Balance Sheet).

Assets:		**2022**		**2021**		**Variance**
Total Assets	$	210,954,066	$	204,891,055	$	6,063,012
Total Deferred Outflows of Resources		2,664,991		3,098,188		(433,196)
Total Combined Assets:	$	213,619,058	$	207,989,243	$	5,629,815
		-				
Liabilities:						
Total Liabilities	$	222,821,467	$	221,312,186	$	1,509,280
Total Deferred inflows of Resources		1,908,012		21,374		1,886,638
Total Combined Liabilities:	$	224,729,479	$	221,333,560	$	3,395,919
Assets Less Liabilities (Change in Net position)	**$**	**(11,110,421)**	**$**	**(13,344,317)**	**$**	**2,233,895**

Key areas of changes in Assets include cash, accounts receivables, net assets:

Unrestricted cash balances at year end increased by $16.2 million; changes since FY 2021 were mainly due to the Shuttered Venue Operator Grant (SVOG) which reimbursed the RBOC for $10 million of operating expenditures during COVID-19. An additional $3.1 million is due to the increased events associated deposits and non-events cash receipts in FY 2022. Golf operations cash increased by $3.1 million due to an increase in liabilities intercompany due American Golf Corp of $1.6 million. The change in cash was also due to golf cash draw-down of $1.5 million to operations during FY 2021, which did not reoccur during FY 2022.

Cash Suumary:		Change in Cash
Stadium	$	13,060,835
Golf		3,115,680
Combined Net Change	$	16,176,515

Accounts Receivables increased by $3.8 million due to Stadium $3.8 million and Non-Event of $33,000.

Stadium accounts receivables increased by $2.8 million mainly due to Music Festival events during May and June 2022 and billing for deposits at year end. Non-Event increased accounts receivable were due to Capital related $300,000 from Legacy and non-event collection of $47,000 at June 2022.

The Golf Complex Accounts receivables show $625,000 increase in Due from Stadium – mainly in relation to expenditures carried out by the Golf Complex associated events (such as the music festival) occurring on the golf course. Other non-event expenses and $33,000 due from Levy Concessionaire for capital fund and in transit golf credit card receipts.

Accounts Receivables Summary

		Change in Accounts Receivables		Events / Golf Operations		Non-Events / Non-Golf Ops
Stadium	$	3,192,333	$	2,845,169	$	347,165
Stadium due to Golf		625,497		625,497		-
Golf		33,030		(14,785)		47,816
Combined Net Change	$	3,850,860	$	3,455,881	$	394,981

Rounding adjusted

Balance Sheet highlights (Continued)

Change in Capital reflect assets decreased by $10.9 million mainly due to $12.4 million in depreciation offset by changes to construction in progress and new assets of $1.5 million. Assets placed in service included phase 1 of future capital opportunity studies, walk through metal detector replacements, Levy related projects (East Wine Garden, storage/stands upgrades) - and on Golf complex patio improvements, pump house repairs and complex assessment studies.

There has been a change in capital / depreciation methodology in FY 2022, due to the FY 2021 audit recommendations. The new methodology no longer capitalizes depreciable assets with a useful life of a year or less but recognizes expenses as preventative maintenance on the income statement.

Financials reflect a new accounting standard (GASB 87) which requires balance sheet recognition of leased assets with material over 1 year contract terms.

CHANGE IN CAPITAL

YEAR ENDING JUNE 30, 2022

Summary:

	2022	2021	Variance
Stadium	$ 149,320,201	$159,251,628	$ (9,931,428)
Golf Course	6,130,782	6,910,299	(779,516)
Total Other capital assets, net	$ 155,450,983	$166,161,927	$ (10,710,944)
Combined Construction in progress	$ 970	$ 135,105	$ (134,136)
Change in Capital			**$ (10,845,080)**

Detail:

Stadium

	June 30, 2021	June 30, 2021	Variance
Building and improvements	$ 255,258,313	$254,138,172	$ 1,120,141
Machinery and equipment	18,402,334	17,872,958	529,376
Sub-total	273,660,647	272,011,129	1,649,517
Leased Assets (GASB87 Adjustment)	56,085	-	56,085
Less accumulated depreciation	(124,396,531)	(112,759,502)	(11,637,029)
Total NBV/Other Capital Asset, net	$ 149,320,201	$159,251,627	$ (9,931,427)
Construction in Progress	$ -	$ 134,135	$ (134,135)

Golf Course

	June 30, 2021	June 30, 2021	Variance
Building and improvements	$ 13,596,767	$ 13,580,463	$ 16,304
Machinery and equipment	1,770,106	1,770,106	-
Sub-total	15,366,873	15,350,569	16,304
Less accumulated depreciation	(9,236,091)	(8,440,271)	(795,820)
Total NBV/Other Capital Asset, net	$ 6,130,782	$ 6,910,299	$ (779,516)

Reference: Balance Sheet: Other capital asset, net

Construction in Progress	$ 970	$ 970	-

Rounding adjusted

Balance Sheet highlights (Continued)

CHANGE IN DEBT

Outstanding debt decreased by $3.0 million during FY 2022 mainly due to principal payments on the 2016 and 2018 Bonds ($3.8 million), one year of the 2016 bond premium amortization ($550,201), one year of the 2018 bond premium amortization ($178,323) net of accreted interest amortization of $1.6 million.

Financials reflect a new accounting standard (GASB87) which requires balance sheet recognition of lease liability recognition for assets with material over 1 year contract terms.

ROSE BOWL OPERATING COMPANY
CHANGE IN DEBT
YEAR ENDING JUNE 30, 2022

Summary:	2022	2021	
Long-Term Debt(Stadium)	$ 199,038,597	$ 202,538,236	$ (3,499,639)
Current Portion of Long-Term Debt (Stadium)	4,410,000	3,845,000	565,000
Long-Term Debt(Golf)	517,686	569,455	(51,769)
Current Portion of Long-Term Debt (Golf)	51,769	51,769	-
Total Debt	**$ 204,018,052**	**$ 207,004,460**	**$ (2,986,408)**

Details:

Stadium	June 30, 2022	June 30, 2021	Variance
2010 Revenue Bonds	$ 125,648,265	$ 125,648,265	$ -
2016 Revenue Bonds	19,885,000	21,865,000	(1,980,000)
2016 Bond Premium	2,613,463	3,163,664	(550,201)
2018 Bond and Premium	41,968,712	44,012,035	(2,043,323)
Accreted Interest	13,277,396	11,694,271	1,583,125
Lease Liability (GASB87 Adjustment)	55,761	-	55,761
Total Bond Related:	$ 203,448,597	$ 206,383,235	$ (2,934,638)
Golf Course			
* Golf Course Debt Now includes Long Term Note Due American Golf (15 year schedule)	569,455	621,224	(51,769)
Total Debt	**$ 204,018,052**	**$ 207,004,460**	**$ (2,986,408)**

(i) Accreted Interest is a discount rate on bonds amortized over the life of the 2010 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, 2022

	Rose Bowl	Golf Course	Total
Assets:			
Current:			
Cash and investments	$ 20,155,549	$ 15,956,749	$ 36,112,298
Accounts receivable, net of allowance of $353,141 for the Rose Bowl	5,612,763	348,589	5,961,352
Lease receivable	225,789	-	225,789
Inventory	519	122,378	122,897
Prepaid expenses	344,913	2,660	347,573
Total Current Assets	**26,339,533**	**16,430,376**	**42,769,909**
Noncurrent:			
Due from other funds	-	625,497	625,497
Due from City of Pasadena	438,830	-	438,830
Cash and investments, restricted	11,188,835	-	11,188,835
Lease receivable	479,042	-	479,042
Capital Assets:			
Construction in progress	-	970	970
Depreciable capital assets	149,320,201	6,130,782	155,450,983
Total Noncurrent Assets	161,426,908	6,757,249	168,184,157
Total Assets	**187,766,441**	**23,187,625**	**210,954,066**
Deferred Outflows of Resources:			
Deferred refunding charge	1,776,732	-	1,776,732
Deferred outflows related to net pension liability	847,666	40,593	888,259
Total Deferred Outflows of Resources	**2,624,398**	**40,593**	**2,664,991**
Liabilities:			
Current:			
Accounts payable and accrued expenses	3,871,311	2,132,652	6,003,963
Accrued salaries and benefits	570,005	70,583	640,588
Accrued interest payable	3,110,530	-	3,110,530
Due to other funds	625,497	-	625,497
Due to City of Pasadena	1,182,341	350,313	1,532,654
Deposits	377,285	-	377,285
Unearned revenues	4,232,612	65,707	4,298,319
Current portion of long-term advance	100,000	-	100,000
Current portion of long-term liabilities	4,610,414	60,490	4,670,904
Total Current Liabilities	**18,679,995**	**2,679,745**	**21,359,740**
Noncurrent:			
Long-term advance	500,000	-	500,000
Long-term liabilities, net of current portion	199,052,866	518,813	199,571,679
Net pension liability	1,326,523	63,525	1,390,048
Total Noncurrent Liabilities	**200,879,389**	**582,338**	**201,461,727**
Total Liabilities	**219,559,384**	**3,262,083**	**222,821,467**
Deferred Inflows of Resources:			
Deferred inflows related to leases	694,573	-	694,573
Deferred inflows related to net pension liability	1,157,985	55,454	1,213,439
Total Deferred Inflows of Resources	**1,852,558**	**55,454**	**1,908,012**
Net Position:			
Net investment in capital assets	(21,564,150)	5,562,297	(16,001,853)
Restricted for debt service	11,188,835	-	11,188,835
Unrestricted	(20,645,788)	14,348,384	(6,297,404)
Total Net Position	**$ (31,021,103)**	**$ 19,910,681**	**$ (11,110,422)**

See accompanying Notes to Basic Financial Statements.

ROSE BOWL OPERATING COMPANY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED JUNE 30, 2022

	Rose Bowl	Golf Course	Total
Operating Revenues:			
Green fees and other golf revenues	$ -	$ 6,830,452	$ 6,830,452
Parking revenue	-	765,084	765,084
Advertising revenue	3,303,689	-	3,303,689
Facility rentals and parking revenues	16,211,805	415,350	16,627,155
Concessions	2,493,772	-	2,493,772
Pro shop	-	127,246	127,246
Restaurant	-	379,412	379,412
Admission tax	376,772	-	376,772
Cost recoveries	7,839,603	107,341	7,946,944
Total Operating Revenues	**30,225,641**	**8,624,885**	**38,850,526**
Operating Expenses:			
Salaries and benefits	4,107,243	88,319	4,195,562
General and administrative	5,160,941	664,309	5,825,250
Depreciation	11,658,581	795,821	12,454,402
Capital preventative maintenance	1,150,867	212,353	1,363,220
Events and parking	15,444,444	378,425	15,822,869
Salaries and benefits - events	466,199	27,356	493,555
Green fee and other golf expenses	-	4,622,862	4,622,862
Total Operating Expenses	37,988,275	6,789,445	44,777,720
Operating Income (Loss)	(7,762,634)	1,835,440	(5,927,194)
Nonoperating Revenues (Expenses):			
Investment income (loss)	(3,840,769)	(156,341)	(3,997,110)
Interest expense	(12,275,424)	-	(12,275,424)
Contribution from the City of Pasadena	9,258,005	-	9,258,005
Grant revenues	10,000,000	-	10,000,000
Other nonoperating revenues	5,128,045	47,572	5,175,617
Total Nonoperating Revenues (Expenses)	8,269,857	(108,769)	8,161,088
Changes in Net Position	507,223	1,726,671	2,233,894
Beginning of Year	(31,528,326)	18,184,010	(13,344,316)
End of Year	**$ (31,021,103)**	**$ 19,910,681**	**$ (11,110,422)**

See accompanying Notes to Basic Financial Statements.

ROSE BOWL OPERATING COMPANY

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

	Rose Bowl	Golf Course	Total
Cash Flows from Operating Activities:			
Cash received from customers	$ 16,724,014	$ 7,875,102	$ 24,599,116
Cash payments to employees for services	(4,309,865)	(268,434)	(4,578,299)
Cash payments to suppliers for goods and services	(19,030,014)	(4,421,487)	(23,451,501)
Unrealized loss on investments	(4,033,068)	(185,971)	(4,219,039)
Other cash receipts	11,520,064	107,341	11,627,405
Net Cash Provided (Used) by Operating Activities	871,131	3,106,551	3,977,682
Cash Flows from Non-Capital Financing Activities:			
Non-capital contributions	21,645,258	47,572	21,692,830
Net Cash Provided by Non-Capital Financing Activities	21,645,258	47,572	21,692,830
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(1,515,381)	(16,304)	(1,531,685)
Payment on advance	(100,000)	-	(100,000)
Federal interest subsidy on bonds payable	2,740,792	-	2,740,792
Principal payments on long-term debt	(3,866,877)	(51,769)	(3,918,646)
Interest payments on long-term debt	(11,069,865)	-	(11,069,865)
Net Cash Used by Capital and Related Financing Activities	(13,811,331)	(68,073)	(13,879,404)
Cash Flows from Investing Activities:			
Interest received	192,299	29,630	221,929
Net Cash Provided by Investing Activities	192,299	29,630	221,929
Net Increase (Decrease) in Cash and Cash Equivalents	8,897,357	3,115,680	12,013,037
Cash and Cash Equivalents at Beginning of Year	22,447,027	12,841,069	35,288,096
Cash and Cash Equivalents at End of Year	$ 31,344,384	$ 15,956,749	$ 47,301,133
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ (7,762,634)	$ 1,835,440	$ (5,927,194)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	11,658,581	795,821	12,454,402
Unrealized loss on investments	(4,033,068)	(185,971)	(4,219,039)
Change in allowance for doubtful accounts	28,743	-	28,743
(Increase) decrease in accounts receivables	(3,221,077)	(33,030)	(3,254,107)
(Increase) decrease in lease receivable	224,266	-	224,266
(Increase) decrease in inventory	342	(108,536)	(108,194)
(Increase) decrease in prepaid expenses	(252,804)	5,142	(247,662)
(Increase) decrease in due from other funds	-	(625,497)	(625,497)
(Increase) decrease in due from City of Pasadena	16,495	-	16,495
(Increase) decrease in deferred outflows related to pension liability	68,812	(16,344)	52,468
Increase (decrease) in accounts payable and accrued expenses	2,053,499	1,209,543	3,263,042
Increase (decrease) in accrued salaries and benefits	(20,408)	30,171	9,763
Increase (decrease) in due to other funds	625,497	-	625,497
Increase (decrease) in due to City of Pasadena	737,160	350,313	1,087,473
Increase (decrease) in deposits payable	(626,377)	-	(626,377)
Increase (decrease) in accrued compensated absences	(72)	(2,886)	(2,958)
Increase (decrease) in net pension liability	(1,388,116)	(218,603)	(1,606,719)
Increase (decrease) in deferred revenue	1,859,654	16,085	1,875,739
Increase (decrease) in deferred inflows related to leases	(234,524)	-	(234,524)
Increase (decrease) in deferred inflows related to pension liability	1,137,162	54,903	1,192,065
Net Cash Provided (Used) by Operating Activities	$ 871,131	$ 3,106,551	$ 3,977,682
Non-Cash Capital and Related Financing Activities:			
Purchase of capital assets through lease financing	$ 29,922	$ -	$ 29,922
Accretion of interest on bonds payable	$ 1,583,125	$ -	$ 1,583,125
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.

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.

l. Adoption of New Accounting Standards

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Company adopted the requirements of the guidance effective July 1, and has applied the provisions of this standard to the beginning of the period of adoption.

Note 2: Cash and Investments

Cash and Investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	$ 36,112,298
Cash and investments, restricted	11,188,835
Total cash and investments	$ 47,301,133

Cash and investments as of June 30, 2022, consist of the following:

Cash on hand	$ 3,000
Deposits with financial institutions	26,390,602
Cash with fiscal agent - deposits	91,966
Investment in the City cash and investment pool	20,815,565
Total cash and investments	$ 47,301,133

Note 2: Cash and Investments (Continued)

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.

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, 2022, 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	$ 20,815,565	N/A	$ 20,815,565
Total	$ 20,815,565		$ 20,815,565

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, 2022, $416,062 of the Company's deposits (bank balances) were insured by the Federal Deposit Insurance Corporation and none 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, 2022.

Note 3: Capital Assets

Rose Bowl

Capital Assets activity for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021 Restated (1)	Transfers	Additions	Deletions	Balance at Balance at June 30, 2022
Capital assets being depreciated and amortized:					
Buildings and improvements	$ 209,232,153	$ -	$ -	$ -	$ 209,232,153
Improvements other than buildings	44,906,019	1,083,315	36,825	-	46,026,159
Machinery and equipment	17,872,958	529,376	-	-	18,402,334
Right-to-use lease assets	47,716	-	29,922	-	77,638
Total capital assets being depreciated and amortized	272,058,846	1,612,691	66,747	-	273,738,284
Less accumulated depreciation and amortization:					
Buildings and improvements	(61,911,173)	-	(7,550,654)	-	(69,461,827)
Improvements other than buildings	(36,542,373)	-	(2,750,332)	-	(39,292,705)
Machinery and equipment	(14,305,956)	-	(1,336,043)	-	(15,641,999)
Right-to-use lease assets	-	-	(21,552)	-	(21,552)
Total accumulated depreciation and amortization:	(112,759,502)	-	(11,658,581)	-	(124,418,083)
Net depreciable/amortizable assets	159,299,344	1,612,691	(11,591,834)	-	149,320,201
Capital assets not depreciated:					
Construction in progress	134,135	(1,612,691)	1,478,556	-	-
Capital assets, net	$ 159,433,479	$ -	$ (10,113,278)	$ -	$ 149,320,201

Depreciation expense for the year was $11,658,581.

(1) The beginning balance was restated to add right-to-use lease assets due to the implementation of GASB Statement No. 87, Leases. See Note 1l.

Golf Course

Capital asset activity for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021	Transfers	Additions	Deletions	Balance at June 30, 2022
Capital assets being depreciated:					
Buildings and improvements	$ 1,638,524	$ -	$ -	$ -	$ 1,638,524
Improvements other than buildings	12,077,513	-	16,304	-	12,093,817
Machinery and equipment	1,634,532	-	-	-	1,634,532
Total depreciable capital assets	15,350,569	-	16,304	-	15,366,873
Less accumulated depreciation:					
Buildings and improvements	(1,130,062)	-	(43,831)	-	(1,173,893)
Improvements other than buildings	(6,518,173)	-	(649,712)	-	(7,167,885)
Machinery and equipment	(792,035)	-	(102,278)	-	(894,313)
Total accumulated depreciation	(8,440,270)	-	(795,821)	-	(9,236,091)
Net depreciable assets	6,910,299	-	(779,517)	-	6,130,782
Capital assets not depreciated:					
Construction in progress	970	-	-	-	970
Capital assets, net	$ 6,911,269	$ -	$ (779,517)	$ -	$ 6,131,752

Depreciation expense for the year was $795,821.

Note 4: Lease Receivables

The Company, acting as lessor, leases land under a long-term, noncancelable, multi-party, contract. The lease expires on June 30, 2025. During the year ended June 30, 2022, the Company recognized $231,524 and $3,212 in lease revenue and interest revenue, respectively, pursuant to this contract.

Note 5: Long-Term Liabilities

Rose Bowl

Long-term liabilities for the year ended June 30, 2022, are as follows:

	July 1, 2021, as Restated (1)	Additions/ Accretions	Deletions/ Amortizations	Balance at June 30, 2022	Due in One Year
2010A Tax-Exempt Lease Revenue Bonds: Capital Appreciation Bonds	$ 23,282,536	$ 1,583,125		$ 24,865,661	$ -
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	-	1,980,000	19,885,000	2,255,000
2016A Bond Premium	3,163,665	-	550,202	2,613,463	-
2018A Tax-Exempt Lease Revenue Bonds	30,585,000	-	-	30,585,000	-
2018A Bond Premium	4,068,204	-	184,919	3,883,285	-
2018B Taxable Lease Revenue Bonds	9,405,000	-	1,865,000	7,540,000	2,155,000
2018B Bond Discount	(46,170)	-	(6,596)	(39,574)	-
Subtotal - Bonded Long-Term Liabilities	206,383,235	1,583,125	4,573,525	203,392,835	4,410,000
Leases Payable	47,716	29,922	21,877	55,761	23,847
Compensated Absences	214,756	176,554	176,626	214,684	176,567
Total Long-Term Liabilities	$ 206,645,707	$ 1,789,601	$ 4,772,028	$ 203,663,280	$ 4,610,414

(1) The beginning balance was restated to add leases payable due to the implementation of GASB Statement No. 87, Leases. See Note 1l.

Note 5: Long-Term Liabilities (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, 2022, the Treasury made subsidy payments totaling $2,740,792 towards the interest due on the 2010B and 201D bonds which has been included in other nonoperating revenues.

Note 5: Long-Term Liabilities (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, 2022, are as follows:

	Principal Payments				
June 30	Series A	Series B	Series D	Interest	Total
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	2,095,000	-	-	8,138,391	10,233,391
2028-2032	33,875,000	-	-	40,691,955	74,566,955
2033-2037	5,955,000	37,605,000	-	36,628,988	80,188,988
2038-2042	-	61,525,000	-	19,124,117	80,649,117
2043	-	7,530,000	7,400,000	1,067,196	15,997,196
Total	41,925,000	$ 106,660,000	$ 7,400,000	$ 138,204,211	$ 294,189,211
Less: Future Accretion	(17,059,339)				
	$ 24,865,661				

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 5: Long-Term Liabilities (Continued)

2016 Rose Bowl Lease Revenue Bonds (Continued)

The balance outstanding at June 30, 2022 is comprised of the principal amount of $19,885,000, plus unamortized deferred bond premium of $2,613,463, for a total of $22,498,463.

The annual debt service requirements for the 2016 Lease Revenue Bond as of June 30, 2022, is as follows:

June 30	Principal	Interest	Total
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	$ 19,885,000	$ 3,146,750	$ 23,031,750

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, 2022 is comprised of the principal amount of $30,585,000, plus unamortized deferred bond premium of $3,883,285, for a total of $34,468,285.

The Series 2018B balance outstanding at June 30, 2022 is comprised of the principal amount of $7,540,000, plus unamortized deferred bond discount of ($39,574), for a total of $7,500,426.

The annual debt service requirements for the 2018 Lease Revenue Bonds as of June 30, 2022, are as follows:

	Principal Payments			
June 30	Series A	Series B	Interest	Total
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	-	1,425,000	1,596,713	3,021,713
2028-2032	6,730,000	1,215,000	6,987,763	14,932,763
2033-2037	9,665,000	-	4,791,375	14,456,375
2038-2042	9,105,000	-	2,140,125	11,245,125
2043	5,085,000	-	64,625	5,149,625
Total	$ 30,585,000	$ 7,540,000	$ 22,361,954	$ 60,486,954

Note 5: Long-Term Liabilities (Continued)

Pledge of Rose Bowl 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 $377,707,915. Principal and interest paid for the current year and total net revenues were $14,896,741 and $30,225,641, respectively.

Rose Bowl Leases Payable

The Company leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through October 2024.

Total future minimum lease payments under lease agreements are as follows:

	Principal	Interest	Total
2023	$ 23,847	$ 141	$ 23,988
2024	23,922	66	23,988
2025	7,992	5	7,997
Total minimum lease payments	$ 55,761	$ 212	$ 55,973

Golf Course

Long-term liabilities for the year ended June 30, 2022, are as follows:

	Balance at July 1, 2021	Additions/ Accretions	Deletions/ Amortizations	Balance at June 30, 2022	Due in One Year
Lease Payable	$ 621,224	$ -	$ 51,769	$ 569,455	$ 51,769
Compensated Absences	12,734	8,390	11,276	9,848	8,721
Total Long-Term Liabilities	$ 633,958	$ 8,390	$ 63,045	$ 579,303	$ 60,490

Lease Payable

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 6: Net Position

Net position for the Rose Bowl Stadium at June 30, 2022, consisted of the following:

Net investment in capital assets:		
Property, plant, and equipment, net	$	149,320,201
Less:		
Net carrying value of capital-related debt		(170,764,128)
Accounts payable on capital assets		(120,223)
Total net investment in capital assets		(21,564,150)
Restricted for debt service		11,188,835
Unrestricted net deficit		(20,645,788)
Total net position	$	(31,021,103)

Net position for the Golf Course at June 30, 2022, consisted of the following:

Net investment in capital assets:		
Property, plant, and equipment, net	$	6,131,752
Less:		
Outstanding debt issued to construct capital assets		(569,455)
Accounts payable on capital assets		-
Total net investment in capital assets		5,562,297
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		13,252,964
Total unrestricted net position		14,348,384
Total net position	$	19,910,681

Note 7: 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.

Note 7: Defined Benefit Pension Plan (Continued)

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. The PEPRA Plan of the Company went into effect during the fiscal year ending June 30, 2014.

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	12.20%	7.59%
Required employer unfunded liability payment	$ 275,768	$ 4,018

* 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, 2022, the Company made contributions to the Plans totaling $593,271.

Note 7: Defined Benefit Pension Plan (Continued)

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

As of June 30, 2022, the Company reported a net pension liability for its proportionate share of the net pension liability of each Plan of $1,390,048.

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, 2021, 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, 2020, rolled forward to June 30, 2021, 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, 2020 and 2021, was as follows:

	Miscellaneous
Proportion - June 30, 2020	0.07105%
Proportion - June 30, 2021	0.07321%
Change - Increase (Decrease)	0.00216%

For the year ended June 30, 2022, the Company recognized pension expense of $231,085 for the Plans. At June 30, 2022, 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	$ 593,271	$ -
Difference between expected and actual experience	155,879	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(1,213,439)
Changes in proportion and difference between employer contributions and proportionate share of contributions	139,109	-
Total	$ 888,259	$ (1,213,439)

Note 7: Defined Benefit Pension Plan (Continued)

The $593,271 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
2023	$ (138,094)
2024	(188,076)
2025	(256,950)
2026	(335,331)
Total	$ (918,451)

Actuarial Assumptions

For the measurement period ended June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020, total pension liability. The June 30, 2020 and the June 30, 2021, 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.

Note 7: Defined Benefit Pension Plan (Continued)

All other actuarial assumptions used in the June 30, 2020 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, 2021, there were no changes of assumptions.

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.

Note 7: Defined Benefit Pension Plan (Continued)

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.

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)	$ 3,292,145	$ 1,390,048	$ (182,388)

Note 8: 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, 2022, was $600,000. 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 9: 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 10: 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 11: 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 $1,839,368 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 $2,750,000 and Golf utilities totaling $1,314,268. At June 30, 2022, amounts payable to the City totaled $1,532,654.

During the current year, the City contributed $9,258,005 to the Company by making payments towards the debt service requirements of the bonds described in Note 5 on behalf of the Company.

In addition, at June 30, 2022, Company has amounts receivable from the City related to the 2006 bond refunding in the amount of $438,830, which will be received through annual payments from the City through 2043.

Note 12: Commitments and Contingencies

Grant Programs

The Company has received intergovernmental grant revenues in the current year ($10,000,000 through the shuttered venue operating grant from the U.S. Small Business Administration). The use of these grant revenues is subject to further examination by the grantors, and the amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time. The Company expects such amounts, if any, to be immaterial.

Management Agreement

As a part of the Company's management agreement with American Golf Corporation, the Company may be required to return up to $600,000 of capital contributions previously received from AGC, if the management agreement were to be terminated prior to the end of the stated term in June 2028.

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, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Plan's proportion of the net pension liability	0.07321%	0.07105%	0.06964%	0.06867%
Plan's proportionate share of the net pension liability	$ 1,390,048	$ 2,996,767	$ 2,788,864	$ 2,587,867
Plan's covered payroll	$ 2,655,214	$ 3,273,956	$ 3,083,082	$ 2,798,456
Plan's proportionate share of the net pension liability as a percentage of its covered - payroll	52.35%	91.53%	90.46%	92.47%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	90.35%	76.58%	75.26%	77.69%
Plan's proportionate share of aggregate employer contributions	$ 511,956	$ 437,821	$ 355,030	$ 302,458

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.

For fiscal year ended June 30, 2017:
There were no changes in assumptions.

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

For fiscal year ended 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.

For fiscal years ended June 30, 2020, 2021, and 2022:
There were no changes in assumptions.

* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only eight 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, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.06821%	0.06766%	0.07266%	0.02717%
Plan's proportionate share of the net pension liability	$ 2,688,676	$ 2,350,455	$ 1,993,478	$ 1,690,891
Plan's covered payroll	$ 2,583,602	$ 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	104.07%	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	75.39%	75.87%	78.40%	76.63%
Plan's proportionate share of aggregate employer contributions	$ 262,966	$ 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, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually required contribution (actuarially determined)	$ 593,271	$ 513,532	$ 537,091	$ 470,264
Contributions in relation to the actuarially determined contributions	(593,271)	(513,532)	(537,091)	(470,264)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 3,209,344	$ 2,655,214	$ 3,273,956	$ 3,083,082
Contributions as a percentage of covered payroll	18.49%	19.34%	16.40%	15.25%

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016
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	2.50%	2.50%	2.63%	2.75%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (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 eight years are shown.

Fiscal year ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	$ 403,984	$ 371,534	$ 317,561	$ 324,587
Contributions in relation to the actuarially determined contributions	(403,984)	(371,534)	(317,561)	(324,587)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 2,798,456	$ 2,583,602	$ 2,373,593	$ 1,922,101
Contributions as a percentage of covered payroll	14.44%	14.38%	13.38%	16.89%

Notes to Schedule:

Valuation Date	6/30/2015	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	Entry age
Amortization method	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

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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, 2022 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 January 12, 2023.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.*

Company's Response to Finding

The City's response to the findings identified in our audit are described in the accompanying schedule of findings. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
January 12, 2023

Rose Bowl Operating Company

Schedule of Findings

Year Ended June 30, 2022

<u>2021– 001</u>

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: During our review of grant revenues, we noted that revenue in the amount of $700,000 on cost reimbursement-type grants had been recognized though no allowable expenditures under the grants had been incurred.

Criteria or specific requirement: Revenue on cost reimbursement-type grants should be recognized once allowable expenditures under the grants have been incurred.

Effect: This resulted in a material audit adjustment to adjust for an overstatement of grant revenue and receivables.

Cause: Grant revenues from reimbursement-type grants had not been recognized in the Company's recent past so they were unaware of the revenue recognition requirements of the grants.

Recommendation: We recommend that the Company research and consult, as necessary, when accounting for transactions which they are not familiar with.

Views of responsible officials and planned corrective actions:

RBOC grant application and experience history has been limited. During the 2021 year end close RBOC was not going to recognize $10M in the SVOG grant. In consultation with CLA, RBOC recognized the $10M in 2021; and after additional consultation with CLA the grant entry was reversed as the award date was after fiscal 2021 year end.

RBOC received award letters for the Save America's Treasures grant (award for period duration 09/01/2021 to 09/30/2024) and California State Nonprofit Security Grants Program (award period duration 01/01/22 to 12/31/23). During the current year, RBOC recorded the grants as revenue as their award period encompassed 06/30/22. However, since the allowable expenditures had not been incurred during Fiscal 2022 the conditions to recognize the grant were not fully met; therefore, the entry needed to be reversed.

In future years RBOC intends on consulting prior to recording unusual and unfamiliar transactions. As related to grants, RBOC will assure that the grant award and allowable expenditures are incurred in the audited fiscal year for the grant revenue recognition to occur.

<u>2021– 002</u>

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: During our review of balances due to the Company's golf course operator, we noted that the balance was blended with interfund balances and that an amounts due to golf course operator had not been fully reconciled. Additionally, we noted that the allocation of net pension liability allocated to the golf fund was overstated.

Criteria or specific requirement: As a part of internal control procedures over financial close and reporting, the Company should ensure that account balances are reconciled and reviewed for reasonableness.

Effect: Interfund balances of $625,497 were blended within balances due and from the operator of the golf course, and the allocation of net pension liability between the stadium and golf course operation was misstated by approximately $170,000.

Recommendation: We recommend that the Company reconcile its balances between funds and the golf operator on a regular basis to ensure that they are reported accurately and to ensure that reconciling items are cleared on a timely basis. We further recommend that, as a part of its closing procedures, the Company perform a review of its financial statements for reasonableness of account balances.

Views of responsible officials and planned corrective actions:

Interfund balance of $625,497: In December of 2021 AGC made an accounting software change and experienced staff turnover which significantly impacted reporting and reconciliation to the RBOC. This caused delays and difficulties for RBOC review of interfund balances and accounts reconciliations reported by AGC. RBOC worked diligently to understand the interfund balances for reconciliation purposes.

RBOC remediation plan is to set a recurring statement review process and reconciliation with AGC.

Golf Course / Stadium operation allocation on pension liability $170,000: RBOC remediation plan is to use the General Ledger expense allocation as a check point to assure the model output is in line with the annual CalPERS allocations between the Golf and Stadium.

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