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

YEAR ENDED JUNE 30, 2023

BASIC FINANCIAL STATEMENTS

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

Basic Financial Statements
Year Ended June 30, 2023

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(A COMPONENT UNIT OF THE CITY OF PASADENA, CALIFORNIA)

Basic Financial Statements

Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rose Bowl Operating Company
Pasadena, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of each major fund of Rose Bowl Operating Company (the "Company"), a component unit of the City of Pasadena, California, as of and for the year ended June 30, 2023, 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 respective financial position of each major fund of the Company, as of June 30, 2023, and the respective changes in financial position, and cash flows thereof, as listed in the table of contents, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinion.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the Company adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Component Unit Reporting

As discussed in Note 1, the financial statements of the Company are intended to present the financial position, the changes in financial position, and cash flows of the business-type activities, of the City of Pasadena that is attributable to the transactions of the Company. They do not purport to, and do not, present fairly the financial position of the City of Pasadena, as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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To the Board of Directors
Rose Bowl Operating Company
Pasadena, California

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

To the Board of Directors
Rose Bowl Operating Company
Pasadena, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required pension schedules, as listed on the table of contents, 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 November 22, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. 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.

Lance, Soll & Lunghard, LLP

Brea, California
November 22, 2023

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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, 2023 (FY 2023), with selected comparative information. This discussion should be read in conjunction with the financial statements. Unless otherwise indicated, years (2022, 2023) 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 **24-26** 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 **27-49** of this report.

II. EXECUTIVE SUMMARY (STADIUM AND GOLF COURSE)

In FY 2023, Stadium and Golf Course key areas impacting events, operations and net income are highlighted below:

- The RBOC is working to address the increasing demands for capital, events, golf complex maximization and continuing full contributions towards debt service.
- Legacy Connections continues successful donor fundraising efforts and focusing on State and Federal grant applications.
- Music Festival agreement renewal and renegotiation with AEG (for a 5-year partnership) had a successful second year; yielding $1.3 million beyond the guaranteed $3 million annually.
- Flea market net event income reaches a 10-year high (2nd year in a row) due to marketing efforts and the new 5-year agreement, that commenced FY 2022.
- Enterprise events continue to grow and outperform net event income expectations, while displacement events increase.
- Golf operations continues generating strong revenues with the highest complex net income in the past five years due to higher average daily rate and event displacement income due to the increased number of events.
- Events and demands for capital projects created increased staffing demands that the RBOC has continuously been challenged with managing. Full time Employees at FY 2023 Year End was 34 on a budget of 38. Event staffing has especially been a challenge to fulfill with the increased events volume. Overall expenditures have increased in areas of security, janitorial, public safety, rentals, and event productions (plumbing, electrical, etc.) due to the labor market demands.
- Two main factors have resulted in increased investment earnings. FY 2022 fair market valuation reduction to the debt service reserve fund did not reoccur in FY 2023; and the increased earnings in FY 2023 have been based on the City of Pasadena's California Asset Management Program (CAMP) investments program for most of the RBOC's investments effective October 2022.
- Reduction in Non-Operating revenues is primarily due to no Legacy Connections transfer, delay in grant funding payments, and no City of Pasadena contribution toward debt service.

III. FINANCIAL STATEMENTS

ROSE BOWL OPERATING COMPANY
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION - FULL ACCRUAL
YEAR ENDING JUNE 30, 2023
PRELIMINARY YEAR-END CLOSE, PENDING FINANCIAL AUDIT

			Combined Totals		
	Rose Bowl	Golf Course	2023	2022	Variance
Operating Revenues:					
Green fees and other golf revenues	$ -	$ 6,570,865	$ 6,570,865	$ 6,830,452	$ (259,587)
Golf displacement	-	1,180,918	1,180,918	765,084	415,834
Advertising	3,395,930	-	3,395,930	3,303,689	92,242
Facility rentals and parking revenues	24,538,851	148,804	24,687,655	16,627,155	8,060,500
Concessions	3,443,299	-	3,443,299	2,493,772	949,527
Pro shop	-	186,901	186,901	127,246	59,655
Restaurant *	-	2,383,989	2,383,989	379,412	2,004,577
Admission tax	1,016,866	-	1,016,866	376,772	640,094
Cost recoveries	9,546,503	-	9,546,503	7,946,944	1,599,559
Total operating revenues	**41,941,449**	**10,471,477**	**52,412,926**	**38,850,526**	**13,562,400**
Operating Expenses:					
Salaries and benefits (Overhead)	(4,325,575)	(264,371)	(4,589,946)	(4,557,748)	(32,197)
Annual PERS Valuation Adj	(111,533)	(7,140)	(118,673)	362,187	(480,860)
General and administrative	(4,889,751)	(709,100)	(5,598,851)	(5,825,249)	226,398
Depreciation	(11,202,189)	(686,223)	(11,888,412)	(12,454,402)	565,990
Capital Preventative Maint.Expense	(1,292,889)	(301,720)	(1,594,609)	(1,363,220)	(231,389)
Events and parking expenses	(23,452,983)	(123,305)	(23,576,288)	(16,316,426)	(7,259,862)
Green fees and other golf expenses	-	(4,425,419)	(4,425,419)	(4,622,862)	197,443
Restaurant Expenses *	-	(2,216,440)	(2,216,440)	-	(2,216,440)
Total Operating Expenses	**(45,274,920)**	**(8,733,718)**	**(54,008,638)**	**(44,777,720)**	**(9,230,917)**
Operating Income (Loss)	**(3,333,471)**	**1,737,759**	**(1,595,712)**	**(5,927,194)**	**4,331,482**
Nonoperating Revenues (Expenses):					
Investment gain	620,492	16,055	636,547	(3,997,109)	4,633,657
Interest expense	(12,236,402)	-	(12,236,402)	(12,275,424)	39,022
Other nonoperating revenues	4,582,158	3,316	4,585,474	24,433,621	(19,848,147)
Total Nonoperating Revenues (Expenses)	**(7,033,752)**	**19,371**	**(7,014,380)**	**8,161,088**	**(15,175,469)**
Changes in Net Position	**(10,367,223)**	**1,757,130**	**(8,610,092)**	**2,233,894**	**(10,843,987)**
Net Position:					
Beginning of Year	**(31,021,103)**	**19,910,681**	**(11,110,422)**	**(13,344,316)**	**2,233,894**
End of Year	**$ (41,388,326)**	**$ 21,667,811**	**$ (19,720,514)**	**$ (11,110,422)**	**$ (8,610,092)**

** 2023 Golf Restaurant Revenue / Expenses reported as Gross, as Golf Food and Beverage contract changed to Management agreement.*

III. FINANCIAL STATEMENTS (CONTINUED)

ROSE BOWL OPERATING CO.
STATEMENT OF NET POSITION - FULL ACCRUAL
YEAR ENDING JUNE 30, 2023

	Rose Bowl	Golf Course	Totals 2023	Totals 2022	Variance
Assets:					
Current assets:					
Cash and investments	$ 17,986,050	$ 17,365,729	$ 35,351,779	$ 36,112,298	$ (760,519)
Accounts receivable, net of allowance	5,141,259	143,890	5,285,149	5,961,352	(676,202)
Lease Receivable	234,836	-	234,836	225,789	9,047
Inventory	56,684	259,069	315,753	122,897	192,856
Prepaid items	224,137	-	224,137	347,573	(123,436)
Total Current Assets	23,642,966	17,768,688	41,411,654	42,769,909	(1,358,255)
Noncurrent assets:					
Due from Stadium	-	353,949	353,949	-	353,949
Due from City of Pasadena	422,335	-	422,335	438,830	(16,495)
Cash and investments restricted	10,633,043	-	10,633,043	11,188,835	(555,792)
Lease Receivable	244,205	-	244,205	479,042	(234,837)
Capital assets:					
Construction in progress	-	203	203	970	(767)
Other capital assets, net	143,371,734	5,595,479	148,967,213	155,450,983	(6,483,770)
Total Noncurrent Assets	154,671,317	5,949,631	160,620,948	167,558,660	(6,937,712)
Total Assets	**178,314,283**	**23,718,319**	**202,032,603**	**210,328,569**	**(8,295,966)**
Deferred outflows of Resources:					
Deferred refunding charge	1,396,004	-	1,396,004	1,776,732	(380,728)
Outflows related to net pension liability	1,719,512	60,901	1,780,413	888,259	892,154
Total Deferred Outflows of Resources	**3,115,516**	**60,901**	**3,176,417**	**2,664,991**	**511,426**
Liabilities:					
Current:					
Accounts payable and other liabilities	3,783,173	1,193,859	4,977,032	6,003,963	(1,026,931)
Accrued salaries and benefits	491,220	51,368	542,588	640,588	(98,000)
Interest payable	3,076,339	-	3,076,339	3,110,530	(34,191)
Due to Golf Course	353,949	-	353,949	-	353,949
Due to City of Pasadena	1,528,539	-	1,528,539	1,532,654	(4,115)
Deposits	2,417,164	-	2,417,164	377,285	2,039,879
Unearned revenues	5,005,430	185,527	5,190,957	4,298,319	892,638
Current portion of advance	100,000	-	100,000	100,000	-
Current portion compensated absences	167,040	6,086	173,126	185,287	(12,161)
Current portion of long-term debt	5,185,893	51,769	5,237,662	4,485,617	752,045
Total Current Liabilities	22,108,747	1,488,609	23,597,356	20,734,243	2,863,113
Noncurrent:					
Long-term advance	400,000	-	400,000	500,000	(100,000)
Compensated absences	88,271	10,454	98,725	39,244	59,481
Long-term debt	196,290,172	465,918	196,756,090	199,532,435	(2,776,345)
Net pension liability	3,406,173	120,238	3,526,411	1,390,048	2,136,363
Total Noncurrent Liabilities	200,184,616	596,610	200,781,226	201,461,727	(680,501)
Total Liabilities	**222,293,363**	**2,085,219**	**224,378,582**	**222,195,969**	**2,182,613**
Deferred Inflows of Resources:					
Deferred inflow related to Leasor	463,049	-	463,049	-	463,049
Deferred inflow related to net pension liability	61,713	26,190	87,903	1,213,439	(1,125,536)
Total Deferred inflows of Resources	**524,762**	**26,190**	**550,952**	**1,213,439**	**(662,487)**
Net position:					
Net investment in capital assets	(29,223,333)	5,077,996	(24,145,337)	(16,001,852)	(8,143,485)
Restricted for debt service	10,633,043	-	10,633,043	11,188,835	(555,792)
Unrestricted	(22,798,036)	16,589,815	(6,208,221)	(6,297,404)	89,183
Total Net Position	**$ (41,388,326)**	**$ 21,667,811**	**$ (19,720,515)**	**$ (11,110,421)**	**$ (8,610,094)**

IV. FINANCIAL ANALYSIS

A. Statistical and Fiscal Trends

During FY 2023 the Rose Bowl stadium hosted 24 displacement events and 12 flea market events with a combined attendance of 819,136, as well as 142 enterprise events including: runs/walks, food truck events, parties, graduations, and filming. The Flea Market set a record annual attendance of 212,616 during FY 2023. UCLA Football is starting to experience increases in per game attendance, while Americafest decreased in attendance.

ROSE BOWL OPERATING COMPANY
EVENT STATISTICS: EVENT MIX
YEAR ENDING JUNE 30, 2023

Major/Displacement

Major Event	Event Type	2018	2019	2020 *	2021 *	2022	2023	Trend line
1	UCLA	6	7	6	4	7	8	
2	Rose Bowl Game	1	1	1	0	1	1	
3	Music Festival	2	0	1	0	5	10	
4	Concerts	5	5	1	0	0	2	
5	Soccer Matches	2	2	1	0	0	2	
6	Americafest 4th of July Celebration	1	1	1	0	1	1	
	Total Major/Displacement	17	16	11	4	14	24	
	Flea Market	12	12	9	3	12	12	
	Number of Enterprise Events	191	178	125	111	132	142	

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

ROSE BOWL OPERATING COMPANY
EVENT STATISTICS: EVENT ATTENDANCE
YEAR ENDING JUNE 30, 2023

Major/Displacement

Major Event	Event Type	2018	2019	2020 *	2021 *	2022	2023	Trend line
1	UCLA	248,134	251,486	137,860	-	227,500	153,063	
2	Rose Bowl Game	80,072	84,313	69,814	-	78,345	75,284	
3	Music Festival	36,735	-	25,092	-	108,884	224,644	
4	Concerts	265,212	264,342	55,534	-	-	16,853	
5	Soccer Matches	109,053	111,252	34,019	-	-	126,037	
6	Americafest 4th of July Celebration	20,606	17,744	17,924	-	14,569	10,639	
	Total Major/Displacement	759,812	729,137	340,243	-	429,298	606,520	
	Flea Market	151,749	153,585	126,674	60,176	209,616	212,616	
	Total Attendance	911,561	882,722	466,917	60,176	638,914	819,136	

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

Trend line represents high and current point.

IV. FINANCIAL ANALYSIS (CONTINUED)

Stadium / Golf Complex Net Event Income Comparison:

Stadium and Golf net event income for FY 2023 was $18.5 million, close to the FY 2018 high net event income of $18.8 million. Highlights include - Football net event income is $9.2 million made up of UCLA $4.0 million - lower than prior years due to UCLA's opponent schedule, and Rose Bowl Game $5.2 million, which is a 5-year high in net event income. The new Music Festival contract, in the second year of the 5-year contract, set a 5-year record of $4.3 million in net event income, or $1.3 million beyond the minimum threshold due to events' successful financial performance. Other Major events (2 soccer matches, and 2 concerts) had a combined $2.1 million net event income, while Americafest had a net event loss of $467,000 in part due to the lower attendance and labor costs.

Enterprise events net income during FY 2023 was approximately $1.7 million $66,000 higher than FY 2022; which is a success given the reductions of available event days due to the 10 additional displacement events. The average per enterprise event net income was approximately $12,300, which is less than the FY 2022 amount of $14,500. The Flea Market operated for the full year with net event income of $1.7 million, increasing the per event net income to $145,000, or $43,000 higher than the prior 5-year average, due to increased attendance and contracted RBOC share.

ROSE BOWL OPERATING COMPANY
NET EVENTS INCOME COMPARISON
YEAR ENDING JUNE 30, 2023

Summary Net Event Income	2018	2019	2020*	2021*	2022	2023	Trend line
Stadium	$ 18,807,422	$ 15,951,579	$ 14,724,361	$ 3,666,040	$ 14,314,999	$ 18,488,455	
Golf	-	154,399	61,638	2,407	261,179	25,496	
Combined Net Event Income:	$ 18,807,422	$ 16,105,978	$ 14,785,999	$ 3,668,447	$ 14,576,177	$ 18,513,951	
Major/Displacement Events - Fiscal Year:	2018	2019	2020*	2021*	2022	2023	
Event Count	17	16	11	4	14	24	
1. UCLA	$ 5,113,153	$ 4,429,625	$ 4,346,696	$ 635,891	$ 4,752,393	$ 3,982,199	
2. Rose Bowl Game (i)	5,001,444	4,950,473	4,439,981	690,739	5,064,791	5,223,832	
3. Music Festival	2,227,803	-	2,845,446	-	1,378,330	4,335,027	
4. Concerts	3,142,485	3,497,195	856,401	-	-	854,683	
5. Soccer	645,256	837,639	297,691	-	-	1,233,319	
6. Americafest July 4th Celebration	(52,104)	(170,869)	(168,665)	-	-	(467,987)	
7. Other/Event Reconciliations/Development	-	(205,238)	(46,639)	70,844	(113,777)	(136,883)	
Total Major/Displacement Events Net Income	16,078,037	13,338,825	12,570,911	1,397,474	11,081,737	15,024,190	
Enterprise Events							
1. Stadium	1,617,250	1,554,854	1,286,037	1,973,262	1,657,630	1,723,749	
2. Golf Complex	-	154,399	61,638	2,407	261,179	25,496	
Total Enterprise Events Net Income:	1,617,250	1,709,253	1,347,675	1,975,669	1,918,809	1,749,246	
Flea Market	1,112,135	1,057,900	867,413	295,304	1,575,632	1,740,516	
Total Net Event Income:	$ 18,807,422	$ 16,105,978	$ 14,785,999	$ 3,668,447	$ 14,576,177	$ 18,513,951	

(i) Rose Bowl Game 2021 final payment during FY2023 is in non-operating revenues as it is for prior year event.

Average Net Event Income (by Event Type)	2018	2019	2020	2021	2022	2023
Displacement Event	$ 945,767	$ 833,677	$ 1,142,810	$ 349,369	$ 791,553	$ 626,008
Enterprise Events	8,467	9,603	10,781	17,799	14,536	12,319
Flea Market	92,678	88,158	96,379	98,435	131,303	145,043

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

Trend line represents high and current point.

IV. FINANCIAL ANALYSIS (CONTINUED)

Golf Complex Key Statistics:

As high the demand for golf continues, the Brookside Golf Complex continues efforts to balance demand, course availability (given the increased displacement events), pricing, and reinvestment in course health, renovation, and future business concepts. Below are key statistics utilized to manage the golf course financial performance:

- Total golf rounds of 135,000 generated a gross course revenue of $6.6 million. Total Revenues per Round was $48.62, increased from $43.13 in FY 2022.
- A rounds per day average of 473 is consistent with the past 2 years.
- Playable days were a low of 286 days due to 24 displacement events days (which displaces golf several days in event load in-out etc).

ROSE BOWL OPERATING COMPANY
GOLF COURSE STATISTICS / GROSS GOLF REVENUES
YEAR ENDING JUNE 30, 2023

Key Statistics	2018	2019	* 2020	2021	2022	2023	Trend line
Rounds	143,246	135,945	117,204	179,280	158,559	135,144	
Playable Days	339	321	278	353	327	286	
Rounds/Day	423	423	422	508	485	473	
Average Per Round	$ 27.27	$ 27.01	$ 30.12	$ 35.24	$ 38.30	$ 42.66	
Average Range Fees Per Round	4.84	4.43	4.68	4.56	4.83	5.96	
Total Revenue Per Round	32.11	31.44	34.80	39.80	43.13	48.62	
Gross Golf Revenues *(in millions)*	4.70	4.30	4.10	7.10	6.80	6.57	

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

Golf Complex Net Income (made up of the below operating units) totals a 5-year high of $2.7 million for FY 2023; with key drivers from Golf Course, Displacement/Parking, and Golf Enterprise Events. Other significant revenue streams include Displacement/Parking revenues and Pro Shop revenues. Displacement/Parking revenues are driven by the increased number of displacement events and Pro Shop revenues are driven by increased lessons and RBOC taking over the Pro Shop operation.

ROSE BOWL OPERATING COMPANY
GOLF COMPLEX NET INCOME
YEAR ENDING JUNE 30, 2023

Fiscal Year	2018	2019	* 2020	2021	2022	2023	Trend line
Golf Course	$ 1,339,124	$ 988,898	$ 812,838	$ 2,487,962	$ 2,207,591	$ 2,145,446	
Restaurant	490,856	449,091	310,978	188,677	379,412	167,549	
Displacement / Parking	-	436,438	289,714	-	765,084	1,180,918	
Enterprise Events	-	115,484	31,467	2,407	261,179	25,496	
Pro shop	17,865	16,338	11,371	32,628	127,246	186,904	
Cost recoveries (non-event)	15,000	53,910	61,695	-	(144,272)	-	
Other Non-operting Revenues	453,598	156,912	97,010	18,496	(156,341)	16,055	
Overhead Expenses	(625,285)	(787,464)	(715,138)	(830,476)	(932,672)	(973,471)	
Total Complex Net Income:	$ 1,691,158	$ 1,429,608	$ 899,935	$ 1,899,694	$ 2,507,227	$2,748,897	

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

Trend line represents high and current point.

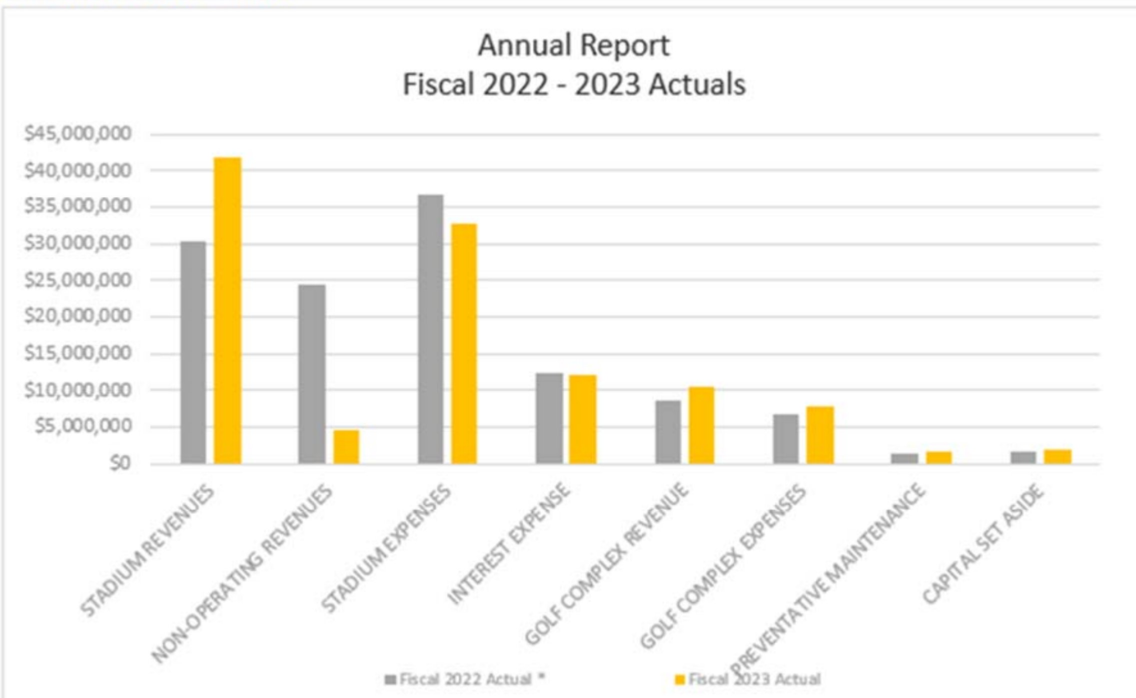
IV. FINANCIAL ANALYSIS (CONTINUED)

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

The below chart and associated table are comparisons of FY 2022 to FY 2023 revenues, expenses, debt service (Net), preventative maintenance expenditure and capital set aside (or designation from operations for preventative maintenance).

Revenues, Expenses, Debt Service (Net), and Preventative Maintenance Fiscal Years 2022 and 2023:

ROSE BOWL OPERATING COMPANY
ANNUAL REPORT (FISCAL 2022 - 2023 ACTUALS)
YEAR ENDING JUNE 30, 2023



Category		Fiscal 2022 Actual *		Fiscal 2023 Actual
STADIUM REVENUES	$	30,225,641	$	41,941,449
NON-OPERATING REVENUES		24,433,621		4,582,158
STADIUM EXPENSES		36,625,055		32,668,309
INTEREST EXPENSE		12,275,424		12,236,402
GOLF COMPLEX REVENUE		8,624,885		10,471,477
GOLF COMPLEX EXPENSES		6,789,445		7,738,635
PREVENTATIVE MAINTENANCE		1,363,220		1,594,609
CAPITAL SET ASIDE		1,745,124		1,940,561

*COVID Impacted.

IV. FINANCIAL ANALYSIS (CONTINUED)

Combined Net Event and Operations Income Comparison 5-Years:

Operating analysis excluding Depreciation and Nonoperating Revenues

ROSE BOWL OPERATING COMPANY
STATEMENT OF OPERATING REVENUES, EXPENSES, AND NET OPERATING INCOME(LOSS)
YEAR ENDING JUNE 30, 2023

SUMMARY	2018	2019	2020	*2021*	*2022*	2023	Trend line
Stadium Net Event and Operations Income /(Loss)	$ (976,964)	$ (3,062,188)	$ (5,449,368)	$ (3,646,513)	$ 2,369,462	$ (2,342,770)	
Golf Net Operations Income /(Loss)	1,691,158	1,429,608	899,935	1,899,719	2,507,230	2,748,894	
Combined Stadium and Golf Net Operating Income/(loss)	**$ 714,194**	**$ (1,632,579)**	**$ (4,549,433)**	**$ (1,746,794)**	**$ 4,876,691**	**$ 406,124**	

Fiscal 2021 - 2022 City of Pasadena paid full or partial Debt Service (Interest Expense below reflects RBOC Share).

Stadium

Key changes to Net Event and Operations Income were mainly due to the increased Stadium Net Event Income, less the full year Debt Service. The Net Operating Loss from stadium was $2.3 million after the Rose Bowl assumed the full $12.4 million in debt service (net of federal subsidies and reserves credits)

The FY 2023 Net Event Income is $18.5 million, overhead expenses of $9.3 million and investment gain/interest expense $11.6 million resulted with a Stadium Net Event and Operations loss of $2.3 million.

DETAILS

Stadium Net Event and Operations Income /(Loss)	2018	2019	2020	2021	2022	2023	Trend line
Operating Revenues / Expenses	$ 38,169,096	$ 36,227,585	$ 27,935,904	$ 8,087,414	$ 30,225,641	$ 41,941,449	
Events and parking expenses	(20,043,593)	(20,959,597)	(13,214,188)	(4,421,388)	(15,910,642)	(23,452,983)	
Net Event Income: (1)	**18,125,503**	**15,267,988**	**14,721,716**	**3,666,026**	**14,314,999**	**18,488,466**	
Overhead Expenses							
Salaries and benefits	(3,675,602)	(4,259,886)	(4,706,761)	(3,580,237)	(4,289,386)	(4,325,575)	
General and administrative	(3,796,689)	(3,982,472)	(4,225,832)	(3,610,074)	(5,160,941)	(4,889,751)	
Subtotal Overhead Expenses	(7,472,291)	(8,242,358)	(8,932,593)	(7,190,311)	(9,450,327)	(9,215,326)	
Net Event and Operations Income	**10,653,212**	**7,025,630**	**5,789,123**	**(3,524,285)**	**4,864,671**	**9,273,140**	
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	620,492	
Interest/Amortization Expense (3)	(11,616,515)	(12,218,348)	(12,101,872)	-	(2,526,806)	(12,236,402)	
Investment Gain/Interest Expense	(11,630,176)	(10,087,817)	(11,238,491)	(122,228)	(2,495,210)	(11,615,910)	
Stadium Net Event and Operations Income /(Loss)	**$ (976,964)**	**$ (3,062,188)**	**$ (5,449,368)**	**$ (3,646,513)**	**$ 2,369,462**	**$ (2,342,770)**	

(1) Parking Expenses adjusted into Events and parking revenues/expenses in prior reported years.
(2) Net Investment Gain/(Loss) adjusted for Fair Market Value $4.0 million FY 2022.
(3) City of Pasadena Debt Service Contribution: FY18-20 no City Contirbutions, FY21 $11.5M, FY22 $9.3M, FY23 no Contribution

Trend line represents high and current point.

IV. FINANCIAL ANALYSIS (CONTINUED)

Golf Complex

Golf Complex Net Operating Income has a 5-year high of $2.7 million, with key drivers of direct golf course and parking/displacement income.

DETAILS

Golf Net Operations Income /(Loss)	2018 *	2019	2020	2021	2022	2023	Trend line
Operating Revenues							
Green fees and other golf revenues	$ 4,600,506	$ 4,302,350	$ 4,131,359	$ 7,137,906	$ 6,830,452	$ 6,570,865	
Green fees and other golf expenses	(3,261,382)	(3,313,453)	(3,318,521)	(4,649,944)	(4,622,862)	(4,425,419)	
Golf Course Net Income	**1,339,124**	**988,897**	**812,838**	**2,487,962**	**2,207,591**	**2,145,446**	
Ancillary Net Income:							
Restaurant	490,856	449,089	310,978	188,677	379,412	167,549	
Parking/Displacement	-	436,438	289,714	-	580,290	1,180,918	
Golf Enterprise Events	-	115,489	31,467	2,432	261,179	25,496	
Pro shop	17,865	16,338	11,371	32,628	127,246	186,901	
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**	**1,560,864**	
Operating Expenses							
Salaries and benefits	(213,023)	(249,380)	(226,669)	(222,492)	(268,362)	(264,371)	
General and administrative	(412,262)	(538,084)	(488,469)	(607,984)	(664,309)	(709,100)	
Total Overhead Expenses:	**(625,285)**	**(787,464)**	**(715,138)**	**(830,476)**	**(932,671)**	**(973,471)**	
Before Non Operating/Capital contributions, Depreciation and Annual PERs Valuation Adjustment							
Investment Gain /(Loss)	453,598	156,912	97,010	18,496	(156,341)	16,055	
Golf Net Operations Income /(Loss)	**$ 1,691,158**	**$ 1,429,608**	**$ 899,935**	**$ 1,899,719**	**$ 2,507,230**	**$ 2,748,894**	

* American Golf Corp contract changed from 2018 lease Agreement to 2019 forward Management Agreement.
Key changes are RBOC retaining Parking/Displacement net. RBOC is also reserving $1 dollar per round for future capital demands.

Significant Year to Year changes:

- Effective FY 2023 the restaurant operator contract changed from lease to a management structure, which increased costs due to first-year business start-up costs, reducing net.
- Increased Parking/Displacement is due to 10 additional events displacing the golf operations and the golf facility charging the stadium for the golf displacement.
- Due to the increased displacement events Golf Enterprise Events has a $240,000 reduction in net.
- Fair-market valuation on investment gain was $16,000, or $172,000 better than the FY 2022 of $156,000 loss.

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 CPI (Consumer Price Index). Key areas of increases include staffing market costs of retaining industry experienced staff, professional and contracted services in areas such as information technology, business development and legal services.

Trend line represents high and current point.

IV. FINANCIAL ANALYSIS (CONTINUED)

Stadium Overhead Expenses:

Stadium total overhead expenditures have maintained the FY 2020 spend rate of $9.1 - $9.3 million with growth of 4.7% 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 4.6% due to market rate adjustments, promotions, and open full-time positions. Since 2018 salaries and benefits increased $650,000; Salaries increased by $520,000 mainly due to salary COLA, new Full-time employees in Legacy and Event support, promotions, and market rate adjustments. Benefits increased by $130,000 since FY 2018 with a growth rate of 13.1% due to cost of medical, vision, dental, and CalPERS. There were four fully or partially open budgeted FTE positions during FY 2023.

The General and Administrative (G&A) expenses have increased by $1.1 million or 29% since FY 2018 – with CPI and contract renegotiations on rates for most of the below significant areas:

- Utilities: $280,000 (22% increase)
- Insurance: $246,000 (160% increase)
- Professional Services (Legal, HR, IT, contracts): $221,000 (34% increase)
- Premium Seating (increased staffing due to events): $166,000 (57% increase)
- Government Affairs (new Grant opportunities): $128,000
- Other: Advertising, dues, permits, banking: $38,000 (23% increase)

ROSE BOWL OPERATING COMPANY
STADIUM OVERHEAD EXPENSES
YEAR ENDING JUNE 30, 2023

Overhead Expenses:
Stadium

Fiscal Year:	2018	2019	* 2020	2021	** 2022	2023	Current Yr % of Total	Trend line
Summary Category Expenses								
Salaries and benefits (Overhead)	$ 3,675,602	$ 4,259,886	$ 4,706,761	$ 3,580,899	$ 4,289,386	$ 4,325,575	46.4%	
Annual PERs Valuation Adj	286,116	126,626	196,614	244,916	(182,143)	111,533	1.2%	
General and administrative	3,796,689	3,982,470	4,225,832	3,610,074	5,160,941	4,889,751	52.4%	
Stadium Total Overhead Expense:	**$ 7,758,407**	**$ 8,368,982**	**$ 9,129,207**	**$ 7,435,888**	**$ 9,268,184**	**$ 9,326,859**		

STADIUM DETAILS:
Salaries & Benefits

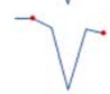
Salaries & Taxes	$ 2,681,735	$ 2,959,005	$ 3,188,855	$ 2,544,660	$ 3,063,475	$ 3,201,828	74%	
Benefits	993,866	1,300,880	1,517,907	1,036,239	1,225,929	1,123,747	26%	
Total Salaries & Benefits	**$ 3,675,602**	**$ 4,259,886**	**$ 4,706,761**	**$ 3,580,899**	**$ 4,289,403**	**$ 4,325,575**		
Annual PERs Valuation Adj	286,116	126,626	196,614	244,916	(182,143)	111,533		

Trend line represents high and current point.

IV. FINANCIAL ANALYSIS (CONTINUED)

ROSE BOWL OPERATING COMPANY
STADIUM OVERHEAD EXPENSES
YEAR ENDING JUNE 30, 2023

Overhead Expenses:
Stadium

Fiscal Year:	2018	2019	* 2020	2021	** 2022	2023	Current Yr % of	Trend line
STADIUM DETAILS:								
General and administrative:								
Utilities: Water, gas, power, refuse	$ 1,305,004	$ 1,278,771	$ 1,426,906	$ 1,319,565	$ 1,481,509	$ 1,587,769	32%	
Professional Services: City Legal, HR, IT, Contract Negotiation Support, Staff Development	654,948	816,145	825,768	880,712	1,497,174	876,079	18%	
Professional Services: Government Affairs	-	-	-	-	45,000	127,500	3%	
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	856,179	18%	
Insurance	154,383	96,387	122,867	205,059	375,740	400,749	8%	
Premium Seating Sales / Contract Services	289,184	275,283	313,835	193,730	304,298	455,383	9%	
Operating Leases/Rental Expense: Vehicles, Office Equipment, Storage, etc..	165,422	162,113	279,324	122,904	138,237	169,498	3%	
Other: Advertising, dues, permits, banking fees.	168,231	218,090	194,915	102,622	297,983	206,255	4%	
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	210,340	4%	
Total General and administrative:	**$ 3,796,689**	**$ 3,982,470**	**$ 4,225,832**	**$ 3,610,074**	**$ 5,160,941**	**$ 4,889,751**		

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

** 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.

Event Expenses:

The Rose Bowl Stadium experienced some changes to event operations which impacted event expenses. Event mix total cost in FY 2023 was $23.4 million and changes in the FY 2023 event mix 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 significant areas of event expenditures continue to be public safety, security, event production costs, parking/neighborhood traffic management and janitorial services. Between FY 2019 and FY 2023, the average expense per displacement event was reduced by $426,000 (7-concerts and soccer matches in FY2019 and 4 in FY 2023). During the same years the average per event expense for Enterprise and Flea Market have increased by $17,000 - $18,000, respectively per event.

Trend line represents high and current point.

IV. FINANCIAL ANALYSIS (CONTINUED)

ROSE BOWL OPERATING COMPANY
STADIUM EVENT EXPENSES
YEAR ENDING JUNE 30, 2023

Event Expenses:
Stadium

Fiscal Year:	2018	2019	2020 *	2021 *	2022	2023	CY % of Total
Category Expenses							
PUBLIC SAFETY	$ 3,787,906	$ 3,801,844	$ 2,313,345	$ 173,832	$ 3,043,575	$ 4,384,098	19%
EVENT PRODUCTION	2,663,070	2,863,129	1,835,962	2,118,078	2,890,258	3,770,187	16%
PARKING	3,233,994	3,466,867	2,173,142	401,140	2,736,246	4,845,744	21%
SECURITY	3,810,730	3,963,795	2,388,194	578,521	2,495,189	2,952,586	13%
JANITORIAL	2,026,301	2,326,516	1,353,806	346,816	1,406,661	2,287,733	10%
CATERING	861,531	853,215	615,555	12,194	719,441	1,151,109	5%
RENTALS	858,751	1,004,703	531,274	105,947	675,934	954,945	4%
FIELD AND SOD RELATED	1,129,499	964,240	610,247	52,086	575,900	986,988	4%
RBOC STAFFING	324,418	425,588	475,189	490,461	466,200	470,115	2%
SHUTTLE EXP	489,581	498,567	316,318	-	360,666	765,364	3%
PROFESSIONAL CONSULTING	147,647	201,398	152,684	15,599	226,033	480,642	2%
PERMITS AND FEES	147,344	154,158	133,220	26,821	130,494	177,744	1%
TEMP SUPPORT	165,318	222,679	126,033	68,588	124,595	139,556	1%
ADVERTISING	397,502	212,899	189,217	31,304	59,432	86,172	0%
Stadium Event Expenses:	$ 20,043,593	$ 20,959,597	$ 13,214,188	$ 4,421,388	$ 15,910,624	$ 23,452,983	

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

Event Type Expense Review:

	2018	2019	2020	2021	2022	2023	Trend line
Displacement Events Expense	$ 18,636,201	$ 19,755,237	$ 12,202,483	$ 924,804	$ 13,519,110	$ 19,403,060	
Average Per Event Expense	1,096,247	1,234,702	1,109,317	231,201	965,651	808,461	
Displacement Events Counts	17	16	11	4	14	24	
Enterprise Events Expense	$ 1,407,392	$ 1,204,360	$ 1,011,705	$ 3,416,019	$ 1,906,500	$ 3,474,402	
Average Per Event Expense	**7,369**	**6,766**	8,431	30,775	14,443	24,468	
Enterprise Events Counts	191	178	120	111	132	142	
Flea Market Events Expense	$ 337,460	$ 354,329	$ 264,417	$ 80,552	$ 485,014	$ 575,521	
Average Per Event Expense	28,122	29,527	29,380	26,851	40,418	47,960	
Flea Market Events	12	12	9	3	12	12	

Average per event cost recovery:

	2018	2019	2020	2021	2022	2023	Trend line
Displacement	$ 331,378	$ 271,256	$ 411,629	$ 125,192	$ 434,321	$ 337,111	
% of Avg Expenses	30%	22%	37%	54%	45%	42%	
Enterprise Events	$ 5,301	$ 8,833	$ 12,180	$ 23,037	$ 10,102	$ 7,372	
% of Avg Expenses	72%	131%	144%	75%	70%	30%	
Flea Market	$ 18,451	$ 19,164	$ 19,264	$ 18,614	$ 35,470	$ 34,089	
% of Avg Expenses	66%	65%	66%	69%	88%	71%	

Cost Recovery:

	2018	2019	2020	2021	2022	2023
Displacement	$ 5,633,430	$ 4,340,090	$ 4,527,918	$ 500,768	$ 6,080,490	$ 8,090,670
Enterprise Events	1,012,526	1,572,329	1,461,598	2,557,132	1,333,477	1,046,771
Flea Market	221,411	229,968	173,378	55,843	425,639	409,062
Total Cost Recovery:	6,867,366	6,142,387	6,162,895	3,113,743	7,839,607	9,546,503
Cost Recovery % of Expenses	34%	29%	47%	70%	49%	41%

Cost recovery as percentage of total event expenses is driven by contract event terms of what expenses are included in the license fees. Displacement events expense recovery will vary between the types of event contracts. For example, Music Festival events have a cost recovery of almost 100% and events such as concerts, soccer matches and Americafest are closer to 20% to 40%, for an average per displacement event cost recovery of 42%. Effective FY 2023, Enterprise event contracts include an increased License fee to account for recurring costs, therefore Enterprise events average cost recovery has decreased to 30% from a historical 70%, while net event income has increased by approximately $200,000 since FY 2019. The Flea market events have consistently been in the 65-80% cost range of recovery of total event costs and FY 2023 average 71% of total event costs.

Trend line represents high and current point.

IV. FINANCIAL ANALYSIS (CONTINUED)

D. Other Non-Operating Revenue:

Total Other Non-Operating revenue of $4.5 million are mainly recurring sources. Recurring sources include Legacy Connections, federal government subsidies on debt service, cell site rental and utilities cost recovery contracted to FY 2025. Year-to-Year differences were mainly due to the FY 2022 Non-Recurring sources not occurring in FY 2023 of $10.0 Legacy Connections landed Shuttered Venue Operators Grant and City of Pasadena net debt contribution was $9.3 million.

ROSE BOWL OPERATING COMPANY
OTHER NONOPERATING REVENUES
YEAR ENDING JUNE 30, 2023

Summary:	2023	2022	Details Ref.
Legacy Connections	$ -	$ 700,000	#1
Recurring Sources	4,585,474	4,475,616	#2-10
Non- Recurring Sources	-	19,258,006	#11-12
Total non-operating Revenue Sources Fiscal 2022 / 2023	**$ 4,585,474**	**$ 24,433,622**	
Estimated recurring funds 4.5M to 5.2M annually.			

	Details:		2023	2022	Variance
	Sources	Bus.Unit	$ 4,585,474	$ 24,433,622	$ (19,848,147)
	Legacy and Recurring:				
1	Legacy Connections	Stadium	-	700,000	(700,000)
	No FY23 Transfer; Legacy in progress of securing 3 grants totaling $3.7M: State of California $3M water line pending budget, Dept of Interior $500K pending drawdown, CA Nonprofit Security Grant $200K pending reimb.				
2	ToR - Rose Bowl Game 2021 final payment	Stadium	666,667	666,667	-
3	ToR - Contribution	Stadium	75,000	75,000	-
4	Music Festival per ticket contribution	Stadium	224,644	108,884	115,760
5	Concessionaire contribution 3% of revenues	Stadium	234,603	170,199	64,404
		Golf	3,316	47,572	(44,256)
6	Subisidy from 2010 Bonds	Stadium	2,736,642	2,740,792	(4,149)
7	Misc. Non-Operating: Finance Credits	Stadium	9,165	6,577	2,588
8	Misc. Non-Operating: Utilities Recovery	Stadium	397,245	426,219	(28,974)
9	Misc. Non-Operating: ATM Mach use	Stadium	6,668	2,183	4,485
10	Misc. Non-Operating: Cell Site rentals*	Stadium	231,524	231,524	-
	Sub-total Recurring:		4,585,474	5,175,616	(590,142)
	* 2023 Cell site rentals agreement adjusted for GASB87 (lease considerations)				
	Non- Recurring Sources				
11	City of Pasadena Contribution to Bond Debt	Stadium	-	9,258,005	(9,258,005)
12	Shuttered Venue Operators Grant (SVOG)	Stadium	-	10,000,000	(10,000,000)
	Sub-total non recurring:		-	19,258,005	(19,258,005)
	Total Other nonoperating revenue:		$ 4,585,474	$ 24,433,622	$ (19,848,147)
	Reference Income Statement: Other nonoperating revenue				

IV. FINANCIAL ANALYSIS (CONTINUED)

E. Balance Sheet Highlights:

On a full accrual basis, the Net Position decreased by **$8.610 million,** as outlined by the Statement of Revenue and Expenses (Income Statement) and below Statement of Net Position (Balance Sheet).

ROSE BOWL OPERATING CO.
STATEMENT OF NET POSITION SUMMARY (ASSETS - LIABLITIES)
YEAR ENDING JUNE 30, 2023

	Totals 2023	Totals 2022	Variance
Assets:			
Total Current Assets	$ 41,411,654	$ 42,769,909	$ (1,358,255)
Total Noncurrent Assets	160,620,948	167,558,660	(6,937,712)
Total Assets	**$ 202,032,602**	**$ 210,328,569**	$ (8,295,967)
Total Deferred Outflows of Resources	**3,176,417**	**2,664,991**	511,426
Liabilities:			
Total Current Liabilities	$ 23,597,356	$ 20,734,243	$ 2,863,113
Total Noncurrent Liabilities	200,781,226	201,461,727	(680,501)
Total Liabilities	**$ 224,378,582**	**$ 222,195,969**	2,182,613
Total Deferred inflows of Resources	**550,953**	**1,213,439**	(662,486)
Assets Net Liabilities:	**$ (19,720,516)**	**$ (11,110,421)**	**$ (8,610,095)**

Key areas of changes in Assets include cash, accounts receivables, capital and debt related:

CHANGE IN CASH

Total Unrestricted Cash balances at year end decreased by $556,000 mainly due to:

Stadium cash decreased by $2.2 million net of:
- $3.7 million less Capital,
- $1.9 million less Operating, and
- $3.5 million higher event deposits

Golf Complex cash increased by $1.4 million net of
- $45,000 less Capital,
- $604,000 increased Operating mainly due to the change in Restaurant operating contract*
- $837,000 increase Golf Course mainly due to increased rates.

*During FY 2023 the Restaurant contract was changed from Lease agreement to a Management Agreement. This means RBOC is to collect all cash at the restaurant for sales and pay all expenditures directly - versus a lease deal where RBOC would collect from the operator a percentage of sales. American Golf Corp. has managed the restaurant operations since the transition in August 2022.

IV. FINANCIAL ANALYSIS (CONTINUED)

Balance Sheet highlights

CHANGE IN CASH

ROSE BOWL OPERATING CO.
STATEMENT OF NET POSITION SUMMARY (CASH)
YEAR ENDING JUNE 30, 2023

	Totals		
	2023	2022	Variance
Cash Summary			
Rose Bowl	$ 17,986,050	$ 20,155,550	$ (2,169,500)
Golf Course	17,365,729	15,956,749	1,408,980
Cash Summary Total	$ 35,351,779	$ 36,112,299	$ (760,520)
Cash and investments restricted	10,633,043	11,188,835	(555,792)
Cash Details			
Rose Bowl			
Capital	$ 11,886,387	$ 15,620,865	$ (3,734,478)
Operating	2,384,240	4,314,447	(1,930,207)
Events Deposits	3,715,423	220,237	3,495,186
Total	$ 17,986,050	$ 20,155,550	$ (2,169,500)
Golf Complex			
Capital	$ 3,597,992	$ 3,643,515	$ (45,524)
Operating	8,482,640	7,877,818	604,822
Golf Course	5,263,086	4,426,164	836,922
Event Deposits	22,011	9,252	12,759
Total	$ 17,365,729	$ 15,956,749	$ 1,408,980
Cash and investments restricted	$ 10,633,043	$ 11,188,835	$ (555,792)

CHANGE IN ACCOUNTS RECEIVABLE:

Accounts Receivables decreased by $676,000:

- Stadium Accounts Receivables are less than the prior year by $472,000 mainly due to events.
  - Events less by $1.4 million – FY 2022 fourth quarter had more events and associated billing than FY 2023
  - Non-Events less by $578,000 - prior year Legacy $300,000, Payroll related taxes due $180,000 and Wireless carrier Accounts Receivable $100,000.
  - Other Accounts Receivables increased by $1.5 million. At year-end there were $1.4 million in subsidies due from the Federal Government and the balance is capital fund due from concessionaire.

- Golf Accounts Receivable is less by $204,000 mainly due to:
  - Inter-company due from Stadium decreased while increased banquet deposits for a net decrease of $131,000.
  - Capital fund due from concessionaire not recurring in FY 2023.

IV. FINANCIAL ANALYSIS (CONTINUED)

Balance Sheet highlights

CHANGE IN ACCOUNTS RECEIVABLE

ROSE BOWL OPERATING CO.
STATEMENT OF NET POSITION SUMMARY (ACCOUNTS RECEIVABLE)
YEAR ENDING JUNE 30, 2023

	Totals					
	2023		2022			
Accounts Receivable Summary						
Rose Bowl	$	5,141,259	$	5,612,763	$	(471,504)
Golf Course		143,890		348,589		(204,699)
Accounts Receivable Total	$	5,285,149	$	5,961,352	$	(676,202)
Accounts Receivable Details						
Rose Bowl						
Events	$	2,708,575	$	4,098,120	$	(1,389,545)
Non-Events		2,468		580,331		(577,862)
Other		2,430,216		934,313		1,495,903
Total	$	5,141,259	$	5,612,764	$	(471,505)
Allowance for Doubtful Accounts (included in Rose Bowl Total)		(703,687)		(381,884)		(321,803)
Golf Complex						
Golf Course	$	118,992	$	250,416	$	(131,423)
Other		24,898		98,174		(73,276)
Total	$	143,891	$	348,590	$	(204,699)

CHANGE IN CAPITAL ASSETS:

Capital assets decreased by $6.5 million mainly due to $11.8 million in depreciation offset by changes to construction in progress and new assets of $5.3 million ($3.6 million in actuals assets, and $1.6 million in Lease Asset adjustments due to GASBs 87 and 96) and Golf Complex increased by $151,000.

CHANGE IN CAPITAL
YEAR ENDING JUNE 30, 2023
Summary:

		2023		**2022**		Variance
Stadium	$	143,371,734	$	149,320,201	$	(5,948,467)
Golf Course		5,595,479		6,130,782		(535,303)
Total Other capital assets, net	$	148,967,213	$	155,450,983	$	(6,483,770)
Combined Construction in progress	$	203	$	970	$	(767)

Change in Capital **$ (6,484,537)**

IV. FINANCIAL ANALYSIS (CONTINUED)

Balance Sheet highlights

Detail:
Stadium

	June 30, 2023	June 30, 2022	Variance
Building and improvements	$ 258,808,326	$ 255,258,313	$ 3,550,013
Machinery and equipment	18,402,334	18,402,334	-
Sub-total	277,210,660	273,660,647	3,550,013
Lease/Subscription Assets (GASB87/96)	1,619,400	56,085	1,563,315
Less accumulated depreciation	(135,458,327)	(124,396,531)	(11,061,795)
Total NBV/Other Capital Asset, net	$ 143,371,734	$ 149,320,201	$ (5,948,467)
GASB87-96 Amortization of Lease/Subscription Assets	$ (140,397)	$ (21,553)	(118,843)

Golf Course			
Building and improvements	$ 13,883,261	$ 13,596,767	$ 286,494
Machinery and equipment	1,634,532	1,770,106	(135,574)
Sub-total	15,517,793	15,366,873	150,920
Less accumulated depreciation	(9,922,314)	(9,236,091)	(686,223)
Total NBV/Other Capital Asset, net	$ 5,595,479	$ 6,130,782	$ (535,303)
Reference: Balance Sheet: Other capital asset, net			
Construction in Progress	$ 203	$ 970	$ (767)

CHANGE IN DEBT

Outstanding debt decreased by $2.0 million during FY 2023 mainly due to principal payments on the 2016 and 2018 Bonds ($4.4 million), one year of the 2016 bond premium amortization ($550,000), one year of the 2018 bond premium amortization ($178,000) net of accreted interest amortization(i) of $1.7 million and Lease Liability GASB 87-96 Adjustments totaling $1.5 million.

ROSE BOWL OPERATING COMPANY
CHANGE IN DEBT
YEAR ENDING JUNE 30, 2023

Summary:	**2023**	**2022**	
Long-Term Debt(Stadium)	$ 194,970,165	$ 198,958,988	$ (3,988,823)
Current Portion of Long-Term Debt (Stadium)	4,975,000	4,433,848	541,152
Lease/Subscription Liability (GASB87/96 Adjustment)	1,530,899	55,761	1,475,139
Long-Term Debt(Golf)	465,918	517,687	(51,769)
Current Portion of Long-Term Debt (Golf)	51,769	51,769	-
Total Debt	**$ 201,993,752**	**$ 204,018,052**	**$ (2,024,300)**

IV. FINANCIAL ANALYSIS (CONTINUED)

Balance Sheet highlights

CHANGE IN DEBT

Details:
Stadium

	June 30, 2023	June 30, 2022	Variance
2010 Revenue Bonds	$ 125,648,265	$ 125,648,265	$ -
2016 Revenue Bonds	17,630,000	19,885,000	(2,255,000)
2016 Bond Premium	2,063,260	2,613,463	(550,203)
2018 Bond and Premium	39,635,390	41,968,712	(2,333,322)
Accreted Interest	14,968,251	13,277,396	1,690,854
Lease/Subscription Liability (GASB87/96 Adjustment)	1,530,899	55,761	1,475,139
Total Debt Related:	$ 201,476,065	$ 203,448,597	$ (1,972,532)
Golf Course			
* Golf Course Debt Now includes			
Long Term Note Due American Golf (15 year schedule)	517,687	569,455	(51,768)
Total Debt	**$ 201,993,752**	**$ 204,018,052**	**$ (2,024,299)**

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

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 RBOC Finance Office (msalama@rosebowstadium.com), Rose Bowl Operating Company, 1001 Rose Bowl Dr., Pasadena, California 91103.

ROSE BOWL OPERATING COMPANY
Statement of Net Position
June 30, 2023

	Rose Bowl	Golf Course	Total
Assets:			
Current:			
Cash and investments	$ 17,986,050	$ 17,365,729	$ 35,351,779
Accounts receivable, net of allowance of $703,687 for the Rose Bowl	5,141,259	143,890	5,285,149
Lease receivable	234,836	-	234,836
Inventory	56,684	259,069	315,753
Prepaid items	224,137	-	224,137
Total Current Assets	**23,642,966**	**17,768,688**	**41,411,654**
Noncurrent:			
Due from City of Pasadena	422,335	-	422,335
Due from Stadium	-	353,949	353,949
Cash and investments restricted	10,633,043	-	10,633,043
Lease receivable	244,205	-	244,205
Capital assets:			
Construction in progress	-	203	203
Other capital assets, net	143,371,734	5,595,479	148,967,213
Total Noncurrent Assets	**154,671,317**	**5,949,631**	**160,620,948**
Total Assets	**178,314,283**	**23,718,319**	**202,032,602**
Deferred Outflows of Resources:			
Deferred refunding charge	1,396,004	-	1,396,004
Outflows related to net pension liability	1,719,512	60,901	1,780,413
Total Deferred Outflows of Resources	**3,115,516**	**60,901**	**3,176,417**
Liabilities:			
Current:			
Accounts payable and other liabilities	3,783,173	1,193,859	4,977,032
Accrued salaries and benefits	491,220	51,368	542,588
Interest payable	3,076,339	-	3,076,339
Due to Golf Course	353,949	-	353,949
Due to City of Pasadena	1,528,539	-	1,528,539
Deposits	2,417,164	-	2,417,164
Unearned revenue	5,005,430	185,527	5,190,957
Current portion of long-term advance	100,000	-	100,000
Current portion compensated absences	167,040	6,086	173,126
Current portion of long-term debt	5,185,893	51,769	5,237,662
Total Current Liabilities	**22,108,747**	**1,488,609**	**23,597,356**
Noncurrent:			
Long-term advance	400,000	-	400,000
Compensated absences	88,271	10,454	98,725
Long-term debt, net of current portion	196,290,172	465,918	196,756,090
Net pension liability	3,406,173	120,238	3,526,411
Total Noncurrent Liabilities	**200,184,616**	**596,610**	**200,781,226**
Total Liabilities	**222,293,363**	**2,085,219**	**224,378,582**
Deferred Inflows of Resources:			
Inflows related to lessor leases	463,049	-	463,049
Inflows related to net pension liability	61,713	26,190	87,903
Total Deferred Inflows of Resources	**524,762**	**26,190**	**550,952**
Net Position:			
Net investment in capital assets	(29,223,333)	5,077,996	(24,145,337)
Restricted for debt service	10,633,043	-	10,633,043
Unrestricted	(22,798,036)	16,589,815	(6,208,221)
Total Net Position	**$ (41,388,326)**	**$ 21,667,811**	**$ (19,720,515)**

The accompanying notes are an integral part of these financial statements.

	Rose Bowl	Golf Course	Total
Operating Revenues:			
Green fees and other golf revenues	$ -	$ 6,570,865	$ 6,570,865
Parking revenue	-	1,180,918	1,180,918
Advertising revenue	3,395,930	-	3,395,930
Facility rentals	24,538,851	148,804	24,687,655
Concessions	3,443,299	-	3,443,299
Pro shop	-	186,901	186,901
Restaurant	-	2,383,989	2,383,989
Admission tax	1,016,866	-	1,016,866
Cost recoveries	9,546,503	-	9,546,503
Total Operating Revenues	**41,941,449**	**10,471,477**	**52,412,926**
Operating Expenses:			
Salaries and benefits	4,325,572	264,371	4,589,943
Annual PERS valuation adjustment	111,533	7,140	118,673
General and administrative	4,889,751	709,100	5,598,851
Depreciation/amortization	11,202,192	686,223	11,888,415
Capital preventative maintenance	1,292,889	301,720	1,594,609
Events and parking	23,452,983	123,305	23,576,288
Green fee and other golf expenses	-	4,425,419	4,425,419
Restaurant	-	2,216,440	2,216,440
Total Operating Expenses	**45,274,920**	**8,733,718**	**54,008,638**
Operating Income (Loss)	(3,333,471)	1,737,759	(1,595,712)
Nonoperating Revenues (Expenses):			
Investment income (loss)	620,492	16,055	636,547
Interest expense	(12,236,402)	-	(12,236,402)
Other nonoperating revenues	4,582,158	3,316	4,585,474
Total Nonoperating Revenues (Expenses)	**(7,033,752)**	**19,371**	**(7,014,381)**
Changes in Net Position	(10,367,223)	1,757,130	(8,610,093)
Net Position:			
Beginning of Year	(31,021,103)	19,910,681	(11,110,422)
End of Year	**$ (41,388,326)**	**$ 21,667,811**	**$ (19,720,515)**

The accompanying notes are an integral part of these financial statements.

ROSE BOWL OPERATING COMPANY
Statement of Cash Flows
Year Ended June 30, 2023

	Rose Bowl	Golf Course	Total
Cash Flows from Operating Activities:			
Cash received from customers	$ 31,266,351	$ 473,324	$ 31,739,675
Cash paid to employees for services	(9,253,482)	(985,993)	(10,239,475)
Cash paid to suppliers for goods and services	(24,775,357)	2,182,964	(22,592,393)
Other cash receipts	13,959,299	-	13,959,299
Net Cash Provided by Operating Activities	**11,196,811**	**1,670,295**	**12,867,106**
Cash Flows from Non-Capital Financing Activities:			
Contributions	91,146	(78,765)	12,381
Other nonoperating revenues	1,845,739	3,316	1,849,055
Net Cash Provided (Used) by Non-Capital Financing Activities	**1,936,885**	**(75,449)**	**1,861,436**
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(3,550,014)	(150,153)	(3,700,167)
Payment on advance	(100,000)	-	(100,000)
Interest subsidy on bonds payable	2,736,642	-	2,736,642
Principal payments on long-term debt	(4,641,747)	(51,768)	(4,693,515)
Interest payments on long-term debt	(10,924,360)	-	(10,924,360)
Net Cash Used in Capital and Related Financing Activities	**(16,479,479)**	**(201,921)**	**(16,681,400)**
Cash Flows from Investing Activities:			
Investment gain (loss)	620,492	16,055	636,547
Net Cash Provided by Investing Activities	**620,492**	**16,055**	**636,547**
Net Increase (Decrease) in Cash and Cash Equivalents	**(2,725,291)**	**1,408,980**	**(1,316,311)**
Cash and Cash Equivalents at Beginning of Year	31,344,384	15,956,749	47,301,133
Cash and Cash Equivalents at End of Year	**$ 28,619,093**	**$ 17,365,729**	**$ 45,984,822**
Reconciliation of Cash and Investments to Amounts Reported on the Statement of Net Position:			
Cash and investments	$ 17,986,050	$ 17,365,729	$ 35,351,779
Cash and investments restricted	10,633,043	-	10,633,043
Total reported on Statement of Net Position	28,619,093	17,365,729	45,984,822
Cash and cash equivalents at end of year	**$ 28,619,093**	**$ 17,365,729**	**$ 45,984,822**
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	$ (3,333,471)	$ 1,737,759	$ (1,595,712)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation/amortization	11,202,192	686,223	11,888,415
(Increase) decrease in accounts receivable	471,504	204,700	676,204
(Increase) decrease in lease receivable	225,790	-	225,790
(Increase) decrease in inventory	(56,165)	(136,691)	(192,856)
(Increase) decrease in prepaid assets	120,776	2,660	123,436
(Increase) decrease in deferred outflows related to pension	(871,846)	(20,308)	(892,154)
Increase (decrease) in accounts payable and accrued expenses	(88,139)	(938,794)	(1,026,933)
Increase (decrease) in accrued salaries and benefits	(78,785)	(19,215)	(98,000)
Increase (decrease) in deposits	2,039,879	-	2,039,879
Increase (decrease) in lease liability	(32,779)	-	(32,779)
Increase (decrease) in subscription liability	(198,968)	-	(198,968)
Increase (decrease) in deferred revenue	772,818	119,820	892,638
Increase (decrease) in compensated absences	40,627	6,692	47,319
Increase (decrease) in net pension liability	2,079,650	56,713	2,136,363
Increase (decrease) in deferred inflows related to pension	(1,096,272)	(29,264)	(1,125,536)
Net Cash Provided by Operating Activities	**$ 11,196,811**	**$ 1,670,295**	**$ 12,867,106**
Non-Cash Investing, Capital, and Financing Activities:			
Purchase of capital assets through lease and subscription-based IT agreement financing	$ (1,703,710)	$ -	$ (1,703,710)
Accretion of interest on bonds payable	1,690,855	-	1,690,855
Amortization of deferred charge and bond discounts/premiums	380,728	-	380,728

The accompanying notes are an integral part of these financial statements.

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 Foundation (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. Interest is capitalized on construction in progress in accordance with Governmental Accounting Standards. Accordingly, interest capitalized is the total interest cost from the date of the borrowing net of any interest earned on temporary investments of the proceeds of those borrowings until the specified asset is ready for its intended use.

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. Lease/Subscription Assets

Right to use lease/subscription assets are reported in the applicable enterprise fund column in the financial statements. Such assets are recorded at the present value of the lease/subscription liability, including expenses to place the asset into service, and are amortized over the lesser of the lease/subscription term or the asset's useful life.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments

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.

G. Investments

Investments are reported in the accompanying statements at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates. 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.

H. 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.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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:

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 are expensed in the following year, the net difference between projected and actual earnings on pension plan investments, differences between expected and actual experience, adjustments due to differences in proportions, and difference in proportionate share.

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 or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets 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 two items that qualify for reporting in this category. These items related to the deferred inflows for net pension liability and leases, reported in the statement of net position for business-type activities.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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.

K. 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.

L. New Accounting Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

1. ***GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements***

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

2. ***GASB Statement No. 96, Subscription-Based Information Technology Arrangements***

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

3. ***GASB Statement No. 100, Accounting Changes and Error Corrections***

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

NOTE 2: CASH AND INVESTMENTS

Cash and Investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	$ 35,351,777
Cash and investments restricted	10,633,043
Total cash and investments	$ 45,984,820

Cash and investments as of June 30, 2023, consist of the following:

Cash on hand	$ 2,963
Desposits with financial institutions	6,951,569
City of Pasadena Investment Pool	39,030,288
Total cash and investments	$ 45,984,820

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

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

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment Types Authorized by State Law	Authorized by Investment Policy	*Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment in One Issuer
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Bankers' Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	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%	None
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
Investments Contracts	None	Aa

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.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the Company's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Company's investments by maturity:

Investment Type		Remaining Maturity 12 Months or Less
City of Pasadena Investment Pool	$39,030,288	$ 39,030,288
Total	$39,030,288	$ 39,030,288

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.

Investment Type		Minimum Legal Rating	Ratings at End of Year Not Rated
City of Pasadena Investment Pool	$39,030,288	N/A	$ 39,030,288
Total	$39,030,288		$ 39,030,288

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. 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.

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.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

The Company has the following recurring fair value measurements as of June 30, 2023:

Investments by fair value level	Totals	Level 2
City of Pasadena Investment Pool	$ 39,030,288	$ 39,030,288
Totals	$ 39,030,288	$ 39,030,288

Investments in the City investment pool are valued by the underlying assets in the investment pool. The underlying assets include Local Agency Investment Funds, money market funds, municipal bonds, federal agency issues, treasury securities, corporate bonds and supranational, all of which are level 2 or better.

NOTE 3: CAPITAL ASSETS

Rose Bowl

Capital Assets activity for the year ended June 30, 2023, is as follows:

	Balance July 1, 2022	Adjustments	Additions	Deletions	Balance June 30, 2023
Business-type activities:					
Capital assets, being depreciated/amortized					
Buildings	$ 209,232,153	$ -	$ -	$ -	$ 209,232,153
Improvements other than buildings	46,026,159	-	3,550,014	-	49,576,173
Machinery, equipment, and vehicles	18,402,334	-	-	-	18,402,334
Lease assets	77,638	-	19,446	-	97,084
Subscription assets	-	1,684,265	-	-	1,684,265
Total capital assets, being depreciated/amortized	273,738,284	1,684,265	3,569,460	-	278,992,009
Less accumulated depreciation/amortization					
Buildings	(69,461,827)	-	(7,326,873)	-	(76,788,700)
Improvements other than buildings	(39,292,705)	-	(2,435,924)		(41,728,629)
Machinery, equipment, and vehicles	(15,641,999)	-	(1,298,998)	-	(16,940,997)
Lease assets	(21,552)	-	(30,251)	-	(51,803)
Subscription assets	-	-	(110,146)	-	(110,146)
Total accumulated depreciation/amortization	(124,418,083)	-	(11,202,192)	-	(135,620,275)
Total capital assets, being depreciated/amortized, net	149,320,201	1,684,265	(7,632,732)	-	143,371,734
Total business-type activities capital assets	$ 149,320,201	$ 1,684,265	$ (7,632,732)	$ -	$ 143,371,734

Depreciation and amortization expense for the year was $11,202,192.

NOTE 3: CAPITAL ASSETS (CONTINUED)

Golf Course

Capital asset activity for the year ended June 30, 2023, is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental activities:				
Capital assets, not being depreciated				
Construction-in-progress	$ 970	$ 203	$ (970)	$ 203
Total capital assets, not being depreciated	970	203	(970)	203
Capital assets, being depreciated				
Buildings	1,638,524	-	-	1,638,524
Improvements other than buildings	12,093,817	150,920	-	12,244,737
Machinery and equipment	1,634,532	-	-	1,634,532
Total capital assets, being depreciated	15,366,873	150,920	-	15,517,793
Less accumulated depreciation				
Buildings	(1,173,893)	(43,831)	-	(1,217,724)
Improvements other than buildings	(7,167,885)	(540,338)	-	(7,708,223)
Machinery and equipment	(894,313)	(102,054)	-	(996,367)
Total accumulated depreciation	(9,236,091)	(686,223)	-	(9,922,314)
Total capital assets, being depreciated, net	6,130,782	(535,303)	-	5,595,479
Total business-type activities capital assets	$ 6,131,752	$ (535,100)	$ (970)	$ 5,595,682

Depreciation expense for the year was $686,223.

NOTE 4: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Leases

	As of Fiscal Year-End	
Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	$ 97,084	$ 51,803
Total Leases	$ 97,084	$ 51,803

	Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 27,792	$ 165	$ 27,957
2025	11,894	72	11,966
2026	3,935	34	3,969
2027	1,980	5	1,985
Total	$ 45,601	$ 276	$ 45,877

NOTE 4: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

On January 15, 2022, The Company entered into a 60-month lease as Lessee for the use of FloWater. An initial lease liability was recorded in the amount of $19,446. As of June 30, 2023, the value of the lease liability is $13,687. The Company is required to make monthly fixed payments of $331. The lease has an interest rate of 0.8300%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of $19,446 with accumulated amortization of $5,682 is included with Equipment on the Lease Class activities table.

On October 20, 2021, The Company entered into a 36-month lease as Lessee for the use of Reverse ATM Kiosk 2. An initial lease liability was recorded in the amount of $14,961. As of June 30, 2023, the value of the lease liability is $6,386. The Company is required to make monthly fixed payments of $400. The lease has an interest rate of 0.3150%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of $14,961 with accumulated amortization of $8,379 is included with Equipment on the Lease Class activities table. The lease has a lease termination penalty of $2,400.

On October 20, 2021, The Company entered into a 36-month lease as Lessee for the use of Reverse ATM. An initial lease liability was recorded in the amount of $14,961. As of June 30, 2023, the value of the lease liability is $6,386. The Company is required to make monthly fixed payments of $400.00. The lease has an interest rate of 0.3150%. The Equipment estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of $14,961 with accumulated amortization of $8,379 is included with Equipment on the Lease Class activities table. The lease has a lease termination penalty of $2,400.

On July 1, 2021, the Company entered into a 39-month lease as Lessee for the use of Konica Minolta - Xerox Copier. An initial lease liability was recorded in the amount of $47,716. As of June 30, 2023, the value of the lease liability is $19,142. The Company is required to make monthly fixed payments of $1,199. The lease has an interest rate of 0.3150%. The Equipment estimated useful life was 39 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of $47,716 with accumulated amortization of $29,364 is included with Equipment on the Lease Class activities table. The Company has the option to purchase the Equipment for $1.

B. Subscription-Based Information Technology Arrangements

The City implemented GASB Statement No. 96 in the fiscal year ended June 30, 2023. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription based-information technology arrangement (SBITA) activities. This statement establishes a single model for SBITA accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset, For additional information, refer to the disclosures below.

	As of Fiscal Year-End	
Asset Class	Subscription Asset Value	Accumulated Amortization
Software	$ 1,684,265	$ 110,146
Total Subscriptions	$ 1,684,265	$ 110,146

	Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 183,101	$ 39,430	$ 222,531
2025	189,579	34,408	223,987
2026	160,936	29,394	190,330
2027	153,806	25,289	179,095
2028	147,473	21,133	168,605
2029-2033	650,404	43,224	693,628
Total	$ 1,485,299	$ 192,876	$ 1,678,176

NOTE 4: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

On August 22, 2022, the Company entered into a 36-month subscription for the use of Aerial Armor. An initial subscription liability was recorded in the amount of $11,745. As of June 30, 2023, the value of the subscription liability is $7,745. The Company is required to make annual fixed payments of $4,000. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023 of $11,745 with accumulated amortization of $3,360 is included with Software on the Subscription Class activities table. Rose Bowl has 2 extension option(s), each for 12 months.

On August 1, 2022, the Company entered into a 120-month subscription for the use of AED Authority. An initial subscription liability was recorded in the amount of $21,591. As of June 30, 2023, the value of the subscription liability is $19,141. The Company is required to make annual fixed payments of $2,450. The subscription has an interest rate of 2.9270%. The value of the right to use asset as of June 30, 2023 of $21,591 with accumulated amortization of $1,979 is included with Software on the Subscription Class activities table. Rose Bowl has 9 extension option(s), each for 12 months.

On January 30, 2023, the Company entered into a 120-month subscription for the use of Barracuda E-Mail Protection. An initial subscription liability was recorded in the amount of $71,546. As of June 30, 2023, the value of the subscription liability is $63,453. The Company is required to make annual fixed payments of $8,094. The subscription has an interest rate of 2.8530%. The value of the right to use asset as of June 30, 2023 of $71,546 with accumulated amortization of $3,001 is included with Software on the Subscription Class activities table. The Company has 9 extension option(s), each for 12 months.

On August 9, 2022, the Company entered into a 120-month subscription for the use of Beanworks. An initial subscription liability was recorded in the amount of $82,108. As of June 30, 2023, the value of the subscription liability is $72,791. The Company is required to make annual fixed payments of $9,317. The subscription has an interest rate of 2.9270%. The value of the right to use asset as of June 30, 2023 of $82,108 with accumulated amortization of $7,344 is included with Software on the Subscription Class activities table. The Company has 9 extension option(s), each for 12 months.

On May 22, 2023, the Company entered into a 120-month subscription for the use of Docusign. An initial subscription liability was recorded in the amount of $143,700. As of June 30, 2023, the value of the subscription liability is $127,715.36. The Company is required to make annual fixed payments of $15,985. The subscription has an interest rate of 2.4500%. The value of the right to use asset as of June 30, 2023 of $143,700 with accumulated amortization of $1,557 is included with Software on the Subscription Class activities table. The Company has 9 extension option(s), each for 12 months.

On July 27, 2022, the Company entered into a 120-month subscription for the use of Dropbox. An initial subscription liability was recorded in the amount of $96,234. As of June 30, 2023, the value of the subscription liability is $85,314. The Company is required to make annual fixed payments of $10,920.00. The subscription has an interest rate of 2.9270%. The value of the right to use asset as of June 30, 2023 of $96,234 with accumulated amortization of $8,928 is included with Software on the Subscription Class activities table. The Company has 9 extension option(s), each for 12 months.

On June 21, 2023, the Company entered into a 120-month subscription for the use of Sage FAS. An initial subscription liability was recorded in the amount of $22,906. As of June 30, 2023, the value of the subscription liability is $20,356. The Company is required to make annual fixed payments of $2,548. The subscription has an interest rate of 2.4500%. The value of the right to use asset as of June 30, 2023 of $22,906 with accumulated amortization of $64 is included with Software on the Subscription Class activities table. The Company has 9 extension option(s), each for 12 months.

The commitments, stated below, are for a subscription that has a commencement date subsequent to the reporting date. On October 3, 2022, The Company entered into a 120-month subscription for the use of Formstack. An initial subscription liability was recorded in the amount of $25,371. As of June 30, 2023, the value of the subscription liability is $23,710. The Company is required to make monthly fixed payments of $249. The subscription has

NOTE 4: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

an interest rate of 3.5490%. The value of the right to use asset as of June 30, 2023 of $25,371 with accumulated amortization of $1,880 is included with Software on the Subscription Class activities table found above. The Company has 9 extension option(s), each for 12 months.

On December 2, 2022, the Company entered into a 60-month subscription for the use of GoTo Meeting. An initial subscription liability was recorded in the amount of $14,690. As of June 30, 2023, the value of the subscription liability is $11,557.54. The Company is required to make annual fixed payments of $3,132. The subscription has an interest rate of 3.3050%. The value of the right to use asset as of June 30, 2023 of $14,690 with accumulated amortization of $1,706 is included with Software on the Subscription Class activities table found above. The Company has 4 extension option(s), each for 12 months.

On April 1, 2023, the Company entered into a 120-month subscription for the use of 24/7 Software. An initial subscription liability was recorded in the amount of $482,789. As of June 30, 2023, the value of the subscription liability is $435,665. The Company is required to make annual fixed payments of $47,124. The subscription has an interest rate of 2.4500%. The value of the right to use asset as of June 30, 2023 of $482,789 with accumulated amortization of $12,070 is included with Software on the Subscription Class activities table found above. The Company has 9 extension option(s), each for 12 months.

On December 14, 2022, the Company entered into a 36-month subscription for the use of Hive. An initial subscription liability was recorded in the amount of $79,017. As of June 30, 2023, the value of the subscription liability is $64,074. The Company is required to make monthly fixed payments of $2,300. The subscription has an interest rate of 3.2380%. The value of the right to use asset as of June 30, 2023 of $79,017 with accumulated amortization of $14,413 is included with Software on the Subscription Class activities table found above. The Company has 2 extension option(s), each for 12 months.

On October 3, 2022, the Company entered into a 120-month subscription for the use of Image Relay. An initial subscription liability was recorded in the amount of $12,336. As of June 30, 2023, the value of the subscription liability is $10,900. The Company is required to make annual fixed payments of $1,436. The subscription has an interest rate of 3.5490%. The value of the right to use asset as of June 30, 2023 of $12,336 with accumulated amortization of $918 is included with Software on the Subscription Class activities table found above. The Company has 9 extension option(s), each for 12 months.

On September 3, 2022, the Company entered into a 36-month subscription for the use of LinkedIn Navigator. An initial subscription liability was recorded in the amount of $22,320. As of June 30, 2023, the value of the subscription liability is $16,236. The Company is required to make monthly fixed payments of $640. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023 of $22,320 with accumulated amortization of $6,159 is included with Software on the Subscription Class activities table found above. The Company has 2 extension option(s), each for 12 months.

On January 12, 2023, the Company entered into a 120-month subscription for the use of Mailchimp. An initial subscription liability was recorded in the amount of $22,999. As of June 30, 2023, the value of the subscription liability is $21,946. The Company is required to make monthly fixed payments of $220. The subscription has an interest rate of 2.8530%. The value of the right to use asset as of June 30, 2023 of $22,999 with accumulated amortization of $1,080 is included with Software on the Subscription Class activities table found above. The Company has 9 extension option(s), each for 12 months.

On January 10, 2023, the Company entered into a 60-month subscription for the use of Miro. An initial subscription liability was recorded in the amount of $18,223. As of June 30, 2023, the value of the subscription liability is $14,383. The Company is required to make annual fixed payments of $3,840. The subscription has an interest rate of 2.6820%. The value of the right to use asset as of June 30, 2023 of $18,223 with accumulated amortization of $1,731 is included with Software on the Subscription Class activities table found above. The Company has 4 extension option(s), each for 12 months.

NOTE 4: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

On July 1, 2022, the Company entered into a 120-month subscription for the use of Rackspace (Microsoft Office). An initial subscription liability was recorded in the amount of $182,256. As of June 30, 2023, the value of the subscription liability is $165,929. The Company is required to make monthly fixed payments of $1,749. The subscription has an interest rate of 2.9270%. The value of the right to use asset as of June 30, 2023 of $182,256 with accumulated amortization of $18,226 is included with Software on the Subscription Class activities table found above. The Company has 9 extension option(s), each for 12 months.

On June 17, 2023, The Company entered into a 120-month subscription for the use of Sage 100 Cloud. An initial subscription liability was recorded in the amount of $104,438. As of June 30, 2023, the value of the subscription liability is $92,820. The Company is required to make annual fixed payments of $11,618. The subscription has an interest rate of 2.4500%. The value of the right to use asset as of June 30, 2023 of $104,438 with accumulated amortization of $406 is included with Software on the Subscription Class activities table. The Company has 9 extension option(s), each for 12 months.

On May 18, 2023, The Company entered into a 36-month subscription for the use of Salesforce. An initial subscription liability was recorded in the amount of $25,379. As of June 30, 2023, the value of the subscription liability is $16,721. The Company is required to make annual fixed payments of $8,658. The subscription has an interest rate of 2.3630%. The value of the right to use asset as of June 30, 2023 of $25,379 with accumulated amortization of $1,010 is included with Software on the Subscription Class activities table. The Company has 2 extension option(s), each for 12 months.

On April 3, 2023, The Company entered into a 120-month subscription for the use of Symantec Endpoint. An initial subscription liability was recorded in the amount of $10,887. As of June 30, 2023, the value of the subscription liability is $9,676. The Company is required to make annual fixed payments of $1,211. The subscription has an interest rate of 2.4500%. The value of the right to use asset as of June 30, 2023 of $10,887 with accumulated amortization of $266 is included with Software on the Subscription Class activities table. The Company has 9 extension option(s), each for 12 months.

On July 1, 2022, The Company entered into a 120-month subscription for the use of VenueOps. An initial subscription liability was recorded in the amount of $158,628. As of June 30, 2023, the value of the subscription liability is $140,628. The Company is required to make annual fixed payments of $18,000. The subscription has an interest rate of 2.9270%. The value of the right to use asset as of June 30, 2023 of $158,628 with accumulated amortization of $15,863 is included with Software on the Subscription Class activities table. The Company has 9 extension option(s), each for 12 months.

On September 29, 2022, The Company entered into a 120-month subscription for the use of Weather DTN. An initial subscription liability was recorded in the amount of $38,317. As of June 30, 2023, the value of the subscription liability is $33,969. The Company is required to make annual fixed payments of $4,348. The subscription has an interest rate of 2.9270%. The value of the right to use asset as of June 30, 2023 of $38,317 with accumulated amortization of $2,895 is included with Software on the Subscription Class activities table. The Company has 9 extension option(s), each for 12 months.

On July 1, 2022, The Company entered into a 120-month subscription for the use of Flippingbook. An initial subscription liability was recorded in the amount of $12,397. As of June 30, 2023, the value of the subscription liability is $11,286.53. The Company is required to make monthly fixed payments of $119. The subscription has an interest rate of 2.9270%. The value of the right to use asset as of June 30, 2023 of $12,397 with accumulated amortization of $1,240 is included with Software on the Subscription Class activities table.The Company has 9 extension option(s), each for 12 months.

On September 2, 2022, The Company entered into a 60-month subscription for the use of Calendly. An initial subscription liability was recorded in the amount of $24,388. As of June 30, 2023, the value of the subscription liability is $19,280. The Company is required to make annual fixed payments of $5,108. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of June 30, 2023 of $24,388 with accumulated amortization of $4,051 is included with Software on the Subscription Class activities table. The Company has 4 extension option(s), each for 12 months.

NOTE 5: LONG-TERM DEBT

Rose Bowl

Long-Term liabilities for the year ended June 30, 2023, are as follows:

	Balance at July 1, 2022	Additions/ Accretions	Deletions/ Amortizations	Balance at June 30, 2023	Due in One Year
2010A Tax-Exempt Lease Revenue Bonds:					
Capital Appreciation Bonds	$ 24,865,661	$ 1,690,855	$ -	$ 26,556,516	$ -
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	19,885,000	-	(2,255,000)	17,630,000	4,310,000
2016A Bond Premium	2,613,463	-	(550,203)	2,063,260	-
2018A Tax-Exempt Lease Revenue Bonds	30,585,000	-	-	30,585,000	-
2018B Taxable Lease Revenue Bonds	7,540,000	-	(2,155,000)	5,385,000	665,000
2018A Bond Premium	3,883,285	-	(184,918)	3,698,367	-
2018B Bond Discount	(39,574)	-	6,596	(32,978)	-
Subtotal - Bonded Long-Term Liabilities	203,392,835	1,690,855	(5,138,525)	199,945,165	4,975,000
Lease Liability	73,286	-	(27,685)	45,601	27,792
Subscription Liability	-	1,684,265	(198,966)	1,485,299	183,101
Total Long-Term Liabilities	$ 203,466,121	$ 3,375,120	$ (5,365,176)	$ 201,476,065	$ 5,185,893

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. These bonds matured serially from fiscal year 2014-2015 to 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 2010A bonds were partially refunded during the year ended June 30, 2017 with the 2016A bonds.

NOTE 5: LONG-TERM DEBT (CONTINUED)

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, 2023, the Treasury made subsidy payments totaling $2,736,642 towards the interest due on the 2010B and 201D bonds which has been included in other nonoperating revenues.

The total annual debt service requirements for the 2010 Lease Revenue Bonds including accretion as of June 30, 2023, are as follows:

	Principal Payments				
June 30	Series A	Series B	Series D	Interest	Total
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	6,250,001	-	-	8,138,391	14,388,392
2029-2033	33,580,000	1,710,000	-	40,691,955	75,981,955
2034-2038	-	46,555,000	-	33,955,600	80,510,600
2039-2043	-	58,395,000	7,400,000	14,726,310	80,521,310
Total	41,925,001	$ 106,660,000	$ 7,400,000	$ 130,065,820	$ 286,050,821
Less: Future Accretion	(15,368,485)				
	$ 26,556,516				

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,

NOTE 5: LONG-TERM DEBT (CONTINUED)

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.

The balance outstanding at June 30, 2023 is comprised of the principal amount of $17,630,000, plus unamortized deferred bond premium of $2,063,260, for a total of $19,693,260.

The annual debt service requirements for the 2016 Lease Revenue Bond as of June 30, 2023, is as follows:

June 30,	Principal	Interest	Total
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	$17,630,000	$2,152,500	$19,782,500

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, 2023 is comprised of the principal amount of $30,585,000, plus unamortized deferred bond premium of $3,698,368, for a total of $34,283,368.

The Series 2018B balance outstanding at June 30, 2023 is comprised of the principal amount of $5,385,000, plus unamortized deferred bond discount of ($32,978), for a total of $5,352,022.

NOTE 5: LONG-TERM DEBT (CONTINUED)

The annual debt service requirements for the 2018 Lease Revenue Bonds as of June 30, 2023, are as follows:

June 30	Principal Payments Series A	Principal Payments Series B	Interest	Total
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	170,000	1,215,000	1,546,263	2,931,263
2029-2033	8,355,000	-	6,589,375	14,944,375
2034-2038	10,025,000	-	4,299,125	14,324,125
2039-2043	12,035,000	-	1,549,125	13,584,125
Total	$ 30,585,000	$ 5,385,000	$ 20,607,988	$ 56,577,988

Pledge of Stadium Revenues

In accordance with the Company's bond indenture, the Company has pledged all of the future revenues to secure repayment of the aforementioned bonds. Proceeds from the bonds provided financing for the current construction at 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 $392,906,771. Principal and interest paid for the current year and total net revenues were $13,855,647 and $42,516,773, 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:

	Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 27,792	$ 165	$ 27,957
2025	11,894	72	11,966
2026	3,935	34	3,969
2027	1,980	5	1,985
Total	$ 45,601	$ 276	$ 45,877

Golf Course

Long-Term liabilities for the year ended June 30, 2023, are as follows:

	Balance at July 1, 2022	Additions/ Accretions	Deletions/ Amortizations	Balance at June 30, 2023	Due in One Year
Financed Purchase	$ 569,455	$ -	$ 51,768	$ 517,687	$ 51,769
Total Long-Term Liabilities	$ 569,455	$ -	$ 51,768	$ 517,687	$ 51,769

NOTE 5: LONG-TERM DEBT (CONTINUED)

Golf Equipment Finance

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

Compensated Absences

Compensated absences for the year ended June 30, 2023, are as follows:

	Balance at July 1, 2022	Additions/ Accretions	Deletions/ Amortizations	Balance at June 30, 2023	Due in One Year
Rose Bowl	$ 210,870	$ 179,758	$ (135,317)	$ 255,311	$ 167,040
Golf Course	13,661	11,645	(8,766)	16,540	6,086
	$ 224,531	$ 191,403	$ (144,083)	$ 271,851	$ 173,126

NOTE 6: NET POSITION

Net position for the Rose Bowl Stadium at June 30, 2023, consisted of the following:

Net investment in capital assets:	
Property, plant and equipment, net	$ 141,752,335
Less:	
Net carrying value of capital-related debt	(170,034,930)
Accounts payable on capital assets	(940,738)
Total net investment in capital assets	(29,223,333)
Restricted for debt service	10,633,043
Unrestricted net deficit	(22,798,036)
Total net position	$ (41,388,326)

Net position for the Golf Course at June 30, 2023, consisted of the following:

Net investment in capital assets:	
Property, plant and equipment, net	$ 5,595,682
Less:	
Net carrying value of capital-related debt	(517,686)
Total net investment in capital assets	5,077,996
Unrestricted net deficit	16,589,815
Total net position	$ 21,667,811

NOTE 7: DEFINED BENEFIT PENSION PLAN

Miscellaneous Plan:

Description of Plan

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

Benefits Provided

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

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

The Plans provisions and benefits in effect at June 30, 2023, 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	12.21%	7.47%
Required employer unfunded liability payment	$322,519	$5,500

* Closed to new entrants

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 year ended June 30, 2023, the contributions recognized as a reduction to the net pension liability were $593,271.

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

As of June 30, 2023, the Company reported a net pension liability for its proportionate share of the net pension liability of each Plan of $3,526,411.

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, 2022, 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, 2021, rolled forward to June 30, 2022, 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, 2021 and 2022, was as follows:

	Miscellaneous
Proportion - June 30, 2021	0.07321%
Proportion - June 30, 2022	0.07536%
Change - Increase (Decrease)	0.00215%

For the year ended June 30, 2023, the Company recognized pension expense of $118,672 for the Plans. At June 30, 2023, 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	$ 608,451	$ -
Differences between expected and actual experiences	68,089	(45,603)
Change in assumptions	347,435	-
Net differences between projected and actual earnings on pension plan investments	621,062	-
Adjustment due to difference in proportions	113,753	-
Differences between actual contributions and the proportionate share of contributions	21,623	(42,300)
Total	$ 1,780,413	$ (87,903)

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The $608,451 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

For the Fiscal Year Ending June 30,	Recognized Deferred Outflows (Inflows) of Resources
2024	$ 348,825
2025	276,462
2026	143,961
2027	314,811
Total	$ 1,084,059

Actuarial Assumptions

For the measurement period ended June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021, total pension liability. The June 30, 2021 and the June 30, 2022, 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	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% 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, 2.75% thereafter.

(1) The mortality table used in the June 30, 2022 and 2021 valuation was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2021 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

In 2021, the accounting discount rate changes from 7.15% to 6.90%. The impact is reflected in deferred outflows represented as unamortized portion of the change in assumption.

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

In 2021, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2021. There were no changes in the discount rate.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

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 best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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 (11-60 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 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 rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 (a,b)
Global Equity- cap-weighed	30.00%	4.45%
Global Equity non-cap-weighed	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.
(b) Figures are based on the 2021-2022 Asset Liability Management study.

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The following presents the net pension liability (asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Plan's Net Pension Liability/(Assets)	$ 5,645,146	$ 3,526,411	$ 1,783,216

NOTE 8: ADVANCE

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, 2023 was $500,000. 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 $1,944,990 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 $3,917,769. At June 30, 2023, amounts payable to the City totaled $1,528,539.

During the current year, the Company has amounts receivable from the City related to the 2006 bond refunding in the amount of $422,335, which will be received through annual payments from the City through 2043.

NOTE 12: COMMITMENTS AND CONTINGENCIES

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.

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REQUIRED SUPPLEMENTARY INFORMATION

ROSE BOWL OPERATING COMPANY
Cost Sharing Multiple-Employer Plans
Schedule of Proportionate Share of the Net Pension Liability
As of June 30, for the Last Ten Fiscal Years (1)

	2023	2022	2021	2020
Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Proportion of the Net Pension Liability (Asset)	0.07536%	0.07321%	0.07105%	0.06964%
Proportionate Share of the Net Pension Liability (Asset)	$ 3,526,411	$ 1,390,048	$ 2,996,767	$ 2,788,864
Covered Payroll	$ 3,209,344	$ 2,655,214	$ 3,273,956	$ 3,083,082
Proportionate Share of the Net Pension Liability (Asset) as Percentage of Covered Payroll	**109.88%**	**52.35%**	**91.53%**	**90.46%**
Total Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**87.16%**	**90.35%**	**76.58%**	**75.26%**

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

[1] *Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore only nine years are shown.*

2019	2018	2017	2016	2015
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.06867%	0.06821%	0.06766%	0.07266%	0.02717%
$ 2,587,867	$ 2,688,676	$ 2,350,455	$ 1,993,478	$ 1,690,891
$ 2,798,456	$ 2,583,602	$ 2,183,555	$ 2,292,759	$ 2,304,751
92.47%	**104.07%**	**107.64%**	**86.95%**	**73.37%**
77.69%	**75.39%**	**75.87%**	**78.40%**	**76.63%**

ROSE BOWL OPERATING COMPANY
Cost Sharing Multiple-Employer Plans
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years (1)

Fiscal year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially Determined Contributions	$ 608,451	$ 593,271	$ 513,532	$ 537,091
Contribution in Relation to the Actuarially Determined Contribution	(608,451)	(593,271)	(513,532)	(537,091)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,332,480	$ 3,209,344	$ 2,655,214	$ 3,273,956
Contributions as a Percentage of Covered Payroll	18.26%	18.49%	19.34%	16.40%

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

Note to Schedule:

Valuation Date:	June 30, 2021
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Discount Rate	6.90% (net of administrative expenses)
Projected Salary Increases	Depending on Age, Service, and type of employment.
Inflation	2.50%
Payroll Growth	2.75%

June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
$ 470,264	$ 403,984	$ 371,534	$ 317,561	$ 324,587
(470,264)	(403,984)	(371,534)	(317,561)	(324,587)
$ -	$ -	$ -	$ -	$ -
$ 3,083,082	$ 2,798,456	$ 2,583,602	$ 2,373,593	$ 1,922,101
15.25%	14.44%	14.38%	13.38%	16.89%

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INDEPENDENT AUDITOR'S 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*

To the 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 major fund of Rose Bowl Operating Company (the "Company"), component unit of the City of Pasadena, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements, and have issued our report thereon dated November 22, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

To the Board of Directors
Rose Bowl Operating Company
Pasadena, California

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.

Lance, Soll & Lunghard, LLP

Brea, California
November 22, 2023