



ROSE BOWL OPERATING COMPANY  
(A COMPONENT UNIT OF THE CITY OF PASADENA, CALIFORNIA)  
FOR THE YEAR ENDED JUNE 30, 2024

BASIC FINANCIAL STATEMENTS

Focused  
on YOU



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

Basic Financial Statements

For the Year Ended June 30, 2024

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

Basic Financial Statements

For the Year Ended June 30, 2024

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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**

#### ***Opinions***

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, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinions.

#### ***Emphasis of 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, 2024, 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.

#### ***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.



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

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 the 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.

### ***Required Supplementary Information***

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



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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, 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, Solt & Luyhard, LLP*

Irvine, California  
December 20, 2024



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**ROSE BOWL OPERATING COMPANY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

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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, 2024 (FY 2024), with selected comparative information. This discussion should be read in conjunction with the financial statements. Unless otherwise indicated, years (2023, 2024) 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 **25-27** 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 **29-47** of this report.

## II. EXECUTIVE SUMMARY (STADIUM AND GOLF COURSE)

**In FY 2024, 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 has been focusing on State and Federal grant applications as a new form of capital funding efforts.
- Rose Bowl Stadium experienced a record high fiscal performance in the 8 Other Major Events that occurred during 2024: 4 Concerts and 4 Soccer matches combined for a Net Event Income of \$6.4 Million, which exceeded the budget net event income by \$3.5 million. As a point of reference, the closest year to this performance was 2019 with \$4.2 million Net Event Income.
- Music Festival agreement renewal and renegotiation with AEG (for a 5-year partnership) completed the third year; yielding a net event income of \$1.5 million.
- Flea market net income reaches a 10-year high (2<sup>nd</sup> 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 budget in net event income expectations.
- Golf operations continue 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 2024 Year End was 38 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 parking, public safety, event production (as plumbing, electrical, etc.), janitorial, catering, and rental expenses due to labor market demands.
- Factors that resulted in increased investment earnings were events cash receipts and the valuation of the debt service reserve. The increased earnings in FY 2024 have mainly been due to the events cash receipts investment in the California Asset Management Program (CAMP) investments program for most of the RBOC's investments.
- Non-Operating revenues have increased by \$440 thousand primarily due to the first full year of the Tourism Business Improvement District revenues (\$1.4 million or 1% of gross room rental revenue in FY 2024 which is projected to increase to \$2.6 million or 2% of gross room rental between July 2024-June 30, 2033), Legacy Connections transfer, Concessionaire contributions, Utilities cost recoveries and net of contract termination costs.

### III. FINANCIAL STATEMENTS

ROSE BOWL OPERATING COMPANY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION - FULL ACCRUAL  
YEAR ENDING JUNE 30, 2024

	Rose Bowl	Golf Course	Combined Totals		Variance
			2024	2023	
<b>Operating Revenues:</b>					
Green fees and other golf revenues	\$ -	\$ 7,304,652	\$ 7,304,652	\$ 6,570,865	\$ 733,787
Golf displacement	-	810,203	810,203	1,180,918	(370,715)
Advertising	3,360,209	-	3,360,209	3,395,930	(35,721)
Facility rentals and parking revenues	30,090,894	663,738	30,754,632	24,687,655	6,066,977
Concessions	5,316,653	-	5,316,653	3,443,299	1,873,354
Pro shop	-	214,965	214,965	186,901	28,064
Restaurant	-	3,349,211	3,349,211	2,383,989	965,222
Admission tax	1,343,694	-	1,343,694	1,016,866	326,828
Cost recoveries	9,662,044	402,943	10,064,987	9,546,503	518,484
<b>Total operating revenues</b>	<b>49,773,494</b>	<b>12,745,712</b>	<b>62,519,206</b>	<b>52,412,926</b>	<b>10,106,280</b>
<b>Operating Expenses:</b>					
Salaries and benefits (Overhead)	(5,132,757)	(298,800)	(5,431,557)	(4,589,946)	(841,611)
Annual PERS Valuation Adj	(379,247)	(12,131)	(391,378)	(118,673)	(272,705)
General and administrative	(5,653,329)	(1,100,029)	(6,753,358)	(5,598,851)	(1,154,507)
Depreciation	(10,759,212)	(818,056)	(11,577,268)	(11,888,412)	311,144
Capital Preventative Maint. Expense	(1,465,840)	(142,680)	(1,608,520)	(1,594,609)	(13,911)
Events and parking expenses	(28,234,963)	(744,792)	(28,979,755)	(23,576,288)	(5,403,467)
Green fees and other golf expenses	-	(4,750,307)	(4,750,307)	(4,425,419)	(324,888)
Restaurant Expenses	-	(2,821,314)	(2,821,314)	(2,216,440)	(604,874)
<b>Total Operating Expenses</b>	<b>(51,625,348)</b>	<b>(10,688,109)</b>	<b>(62,313,457)</b>	<b>(54,008,638)</b>	<b>(8,304,819)</b>
<b>Operating Income (Loss)</b>	<b>(1,851,854)</b>	<b>2,057,603</b>	<b>205,749</b>	<b>(1,595,712)</b>	<b>1,801,461</b>
<b>Nonoperating Revenues (Expenses):</b>					
Investment gain	1,975,984	470,742	2,446,726	636,547	1,810,179
Interest expense	(12,182,073)	-	(12,182,073)	(12,236,402)	54,329
Other nonoperating revenues / expenses	5,706,038	(680,000)	5,026,038	4,585,474	440,564
<b>Total Nonoperating Revenues</b>	<b>(4,500,051)</b>	<b>(209,258)</b>	<b>(4,709,309)</b>	<b>(7,014,381)</b>	<b>2,305,072</b>
<b>Income (Loss) Before Transfers</b>	<b>(6,351,905)</b>	<b>1,848,345</b>	<b>(4,503,560)</b>	<b>(8,610,093)</b>	<b>4,106,534</b>
<b>Changes in Net Position</b>	<b>(6,351,905)</b>	<b>1,848,345</b>	<b>(4,503,560)</b>	<b>(8,610,093)</b>	<b>4,106,533</b>
<b>Net Position:</b>					
Beginning of Year	(41,388,326)	21,667,811	(19,720,515)	(11,110,422)	(8,610,093)
<b>End of Year</b>	<b>\$ (47,740,231)</b>	<b>\$ 23,516,156</b>	<b>\$ (24,224,075)</b>	<b>\$ (19,720,515)</b>	<b>\$ (4,503,560)</b>

## FINANCIAL STATEMENTS (Continued)

ROSE BOWL OPERATING COMPANY  
STATEMENT OF NET POSITION - FULL ACCRUAL  
YEAR ENDING JUNE 30, 2024

	Rose Bowl	Golf Course	Totals		Variance
			2024	2023	
<b>Assets:</b>					
Current assets:					
Cash and investments	\$ 21,980,516	\$ 17,947,178	\$ 39,927,694	\$ 35,351,779	\$ 4,575,915
Accounts receivable, net of allowance	4,282,608	267,999	4,550,607	5,285,149	(734,542)
Lease Receivable	244,205	-	244,205	234,836	9,369
Inventory	5,484	268,898	274,382	315,753	(41,371)
Prepaid assets	151,810	13,549	165,359	224,137	(58,778)
<b>Total Current Assets</b>	<b>26,664,623</b>	<b>18,497,624</b>	<b>45,162,247</b>	<b>41,411,654</b>	<b>3,750,593</b>
Noncurrent assets:					
Due from Stadium	-	2,199,129	2,199,129	353,949	1,845,180
Due from City of Pasadena	405,139	-	405,139	422,335	(17,196)
Cash and investments restricted	10,490,643	-	10,490,643	10,633,043	(142,400)
Lease Receivable	-	-	-	244,205	(244,205)
Capital assets:					
Construction in progress	-	-	-	203	(203)
Other capital assets, net	133,940,831	5,810,864	139,751,695	148,967,213	(9,215,518)
<b>Total Noncurrent Assets</b>	<b>144,836,613</b>	<b>8,009,993</b>	<b>152,846,606</b>	<b>160,620,948</b>	<b>(7,774,342)</b>
<b>Total Assets</b>	<b>171,501,236</b>	<b>26,507,617</b>	<b>198,008,853</b>	<b>202,032,602</b>	<b>(4,023,749)</b>
<b>Deferred outflows of Resources:</b>					
Deferred refunding charge	1,015,275	-	1,015,275	1,396,004	(380,729)
Outflows related to net pension liability	1,711,785	57,796	1,769,580	1,780,413	(10,833)
<b>Total Deferred Outflows of Resources</b>	<b>2,727,060</b>	<b>57,796</b>	<b>2,784,856</b>	<b>3,176,417</b>	<b>(391,561)</b>
<b>Liabilities:</b>					
Current:					
Accounts payable and other liabilities	4,916,904	2,040,002	6,956,906	4,977,032	1,979,874
Accrued salaries and benefits	560,641	92,451	653,092	542,588	110,504
Interest payable	3,103,246	-	3,103,246	3,076,339	26,907
Due to Golf Course	2,199,129	-	2,199,129	353,949	1,845,180
Due to City of Pasadena	916,930	152,112	1,069,042	1,528,539	(459,497)
Deposits	833,759	-	833,759	2,417,164	(1,583,405)
Unearned revenues	7,297,868	124,025	7,421,893	5,190,957	2,230,936
Current portion of advance	100,000	-	100,000	100,000	-
Current portion compensated absences	202,276	10,010	212,286	173,126	39,160
Current portion of long-term debt	5,830,852	465,917	6,296,769	5,237,662	1,059,107
<b>Total Current Liabilities</b>	<b>25,961,605</b>	<b>2,884,517</b>	<b>28,846,122</b>	<b>23,597,356</b>	<b>5,248,766</b>
Noncurrent:					
Long-term advance	300,000	-	300,000	400,000	(100,000)
Compensated absences	82,891	9,287	92,178	98,725	(6,547)
Long-term debt	191,553,101	-	191,553,101	196,756,090	(5,202,989)
Net pension liability	3,801,935	129,857	3,931,792	3,526,411	405,381
<b>Total Noncurrent Liabilities</b>	<b>195,737,927</b>	<b>139,144</b>	<b>195,877,071</b>	<b>200,781,226</b>	<b>(4,904,155)</b>
<b>Total Liabilities</b>	<b>221,699,532</b>	<b>3,023,661</b>	<b>224,723,193</b>	<b>224,378,582</b>	<b>344,611</b>
<b>Deferred Inflows of Resources:</b>					
Deferred inflow related to lessor leases	231,524	-	231,524	463,049	(231,525)
Deferred inflow related to net pension liability	37,471	25,596	63,067	87,903	(24,836)
<b>Total Deferred inflows of Resources</b>	<b>268,995</b>	<b>25,596</b>	<b>294,591</b>	<b>550,952</b>	<b>(256,361)</b>
Net position:					
Net investment in capital assets	(32,813,236)	5,810,864	(27,002,372)	(24,145,337)	(2,857,035)
Restricted for debt service	10,490,643	(945,918)	9,544,725	10,633,043	(1,088,318)
Unrestricted	(25,417,638)	18,651,210	(6,766,428)	(6,208,221)	(558,207)
<b>Total Net Position</b>	<b>\$ (47,740,231)</b>	<b>\$ 23,516,156</b>	<b>\$ (24,224,075)</b>	<b>\$ (19,720,515)</b>	<b>\$ (4,503,560)</b>

Trend line represents high and current point.

## IV. FINANCIAL ANALYSIS

### A. Statistical and Fiscal Trends

During FY 2024 the Rose Bowl stadium hosted 19 displacement events and 12 flea market events with a combined attendance of 1,015,584, as well as 156 enterprise events including: runs/walks, food truck events, parties, graduations, and filming. The Flea Market annual attendance was 230,609 during FY 2024. UCLA Football is starting to experience increases in per game attendance. This year Rose Bowl with coordination with the City of Pasadena celebrated July 4th with fireworks during an LAFC-LA Galaxy soccer match.

ROSE BOWL OPERATING COMPANY  
EVENT STATISTICS: EVENT MIX  
YEAR ENDING JUNE 30, 2024

Major/Displacement		COVID IMPACTED 2020 to 2022					2023	Budget 2024	2024	Trend line
Major Event	Event Type	2019	2020	2021	2022					
1	UCLA	7	6	4	7	8	6	6		
2	Rose Bowl Game	1	1	0	1	1	1	1		
3	Music Festival	0	1	0	5	10	7	4		
4	Concerts	5	1	0	0	2	3	4		
5	Soccer Matches	2	1	0	0	2	2	3		
6	July 4th Celebration and Soccer	1	1	0	1	1	1	1		
Total Major/Displacement		16	11	4	14	24	20	19		
Flea Market		12	9	3	12	12	12	12		
Number of Enterprise Events		178	125	111	132	142	124	156		

EVENT STATISTICS: EVENT ATTENDANCE  
YEAR ENDING JUNE 30, 2024

Major/Displacement		COVID IMPACTED 2020 to 2022					2023	Budget 2024	2024	Trend line
Major Event	Event Type	2019	2020	2021	2022					
1	UCLA	251,486	137,860	-	227,500	153,063	180,000	150,760		
2	Rose Bowl Game	84,313	69,814	-	78,345	75,284	86,857	86,081		
3	Music Festival	-	25,092	-	108,884	224,644	108,000	95,787		
4	Concerts	264,342	55,534	-	-	16,853	175,000	250,086		
5	Soccer Matches	111,252	34,019	-	-	126,037	100,000	141,466		
6	July 4th Celebration and Soccer	17,744	17,924	-	14,569	10,639	80,000	60,795		
Total Major/Displacement		729,137	340,243	-	429,298	606,520	729,857	784,975		
Flea Market		153,585	126,674	60,176	209,616	212,616	209,600	230,609		
Total Attendance		882,722	466,917	60,176	638,914	819,136	939,457	1,015,584		

### Stadium / Golf Complex Net Event Income Comparison:

Stadium and Golf net event income for FY 2024 was \$21.9 million, next closest historical high was FY 2018 which was \$18.8 million. Highlights include - Football net event income of \$9.9 million made up of UCLA \$4.3 million – higher than prior years due to UCLA's opponent schedule; and the Rose Bowl Game was the 110th annual hosting Michigan vs. Alabama - which drove a 5-year high net event income of \$5.6 million. The Music Festival contract, in the third year of the 5-year contract, yielded \$1.6 million in net event income after a \$1.5M credit due to a contract guarantee extension to years 6 and 7. During FY 2024 Rose Bowl hosted (8) eight Other Major events (4 soccer matches, and 4 concerts) with a combined \$6.5 million net event income (a five-year record), which included a July 4th Celebration soccer match which netted \$413,000 and 60,800 attendees.

Enterprise events' net income during FY 2024 was a record \$2.1 million net event income, or \$96,000 higher than the 2021 COVID year high. The key to these successes was the mid-size Pokemon GO event occurring on the Golf Course. The average per enterprise event net income was approximately \$13,300, which is higher than the FY2023 Average by \$1000 per event.

*Trend line represents high and current point.*

## FINANCIAL ANALYSIS (Continued)

The Flea Market operated a net event income of \$1.849 million (a new record), mainly due to attendance and vendor paid rent.

ROSE BOWL OPERATING COMPANY  
NET EVENTS INCOME COMPARISON  
YEAR ENDING JUNE 30, 2024

Summary Net Event Income	COVID IMPACTED 2020 to 2022							Trend line
	2019	2020	2021	2022	2023	2024	2024	
Stadium	\$ 15,951,579	\$ 14,724,361	\$ 3,666,040	\$ 14,314,999	\$ 18,488,455	\$ 18,221,594	\$ 21,538,531	
Golf	154,399	61,638	2,407	261,179	25,496	79,775	421,128	
Combined Net Event Income:	16,105,978	14,785,999	3,668,447	14,576,177	18,513,951	18,301,369	21,959,659	
<b>Detail Net Event Income - Fiscal Year:</b>								
	2019	2020	2021	2022	2023	2024	2024	
<b>Event Count</b>	16	11	4	14	24	20	19	
1. UCLA	4,429,625	4,346,696	635,891	4,752,393	3,982,199	4,361,436	4,314,800	
2. Rose Bowl Game (i)	4,950,473	4,439,981	690,739	5,064,791	5,223,832	4,702,767	5,584,292	
3. Music Festival	-	2,845,446	-	1,378,330	4,335,027	3,232,072	1,631,431	
4. Concerts	3,497,195	856,401	-	-	854,683	1,764,255	4,663,257	
5. Soccer	837,639	297,691	-	-	1,233,319	955,928	1,416,119	
6. July 4th Soccer (or Celebration)	(170,869)	(168,665)	-	-	(467,987)	218,201	413,816	
7. Other/Event Reconciliations/Development	(205,238)	(46,639)	70,844	(113,777)	(136,883)	-	14,608	
Total Major/Displacement Events Net Income	13,338,825	12,570,911	1,397,474	11,081,737	15,024,190	15,234,659	18,038,323	
<b>Enterprise Events</b>								
1. Stadium	1,554,854	1,286,037	1,973,262	1,657,630	1,723,749	1,399,840	1,650,858	
2. Golf Complex	154,399	61,638	2,407	261,179	25,496	79,775	421,128	
Total Enterprise Events Net Income:	1,709,253	1,347,675	1,975,669	1,918,809	1,749,246	1,479,615	2,071,986	
Flea Market	1,057,900	867,413	295,304	1,575,632	1,740,516	1,587,094	1,849,350	
Total Net Event Income:	\$ 16,105,978	\$ 14,785,999	\$ 3,668,447	\$ 14,576,177	\$ 18,513,951	\$ 18,301,369	\$ 21,959,659	
<b>Average Net Event Income (by Event Type)</b>								
Displacement Event	\$ 833,677	\$ 1,142,810	\$ 349,369	\$ 791,553	\$ 626,008	\$ 761,733	\$ 949,385	
Enterprise Events	9,603	10,781	17,799	14,536	12,319	11,932	13,282	
Flea Market	88,158	96,379	98,435	131,303	145,043	132,258	154,113	

### Golf Complex Key Statistics:

As the demand for golf continues, the Brookside Golf Complex continues efforts to balance demand, course availability (given commitments to displacement events), competitive 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 139,000 generated a gross course revenue of \$7.3 million. Total Revenues per Round of \$52.44 increased from \$48.62 in FY 2023 (Average per Round plus Average Range Fee Per Round).
- A rounds per day average of 460 is slightly lower than the past 2 years.
- Playable days increased to 303 days due to 19 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, 2024

Key Statistics	COVID IMPACTED 2020 to 2022					Budget		Trend line
	2019	2020	2021	2022	2023	2024	2024	
Rounds	135,945	117,204	179,280	158,559	135,144	144,180	139,356	
Playable Days	321	278	353	327	286	311	303	
Rounds/Day	423	422	508	485	473	464	460	
Average Per Round	\$ 27.01	\$ 30.12	\$ 35.24	\$ 38.30	\$ 42.66	\$ 43.35	\$ 46.89	
Average Range Fees Per Round	4.43	4.68	4.56	4.83	5.96	5.00	5.55	
Total Revenue Per Round	31.44	34.80	39.80	43.13	48.62	48.35	52.44	
Gross Golf Revenues (in millions)	4.30	4.10	7.10	6.80	6.57	7.00	7.30	

Trend line represents high and current point.

## FINANCIAL ANALYSIS (Continued)

Golf Complex Net Income (made up of the below operating units) totals a 5-year high of \$3.3 million for FY 2024; 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 OPERATING NET INCOME  
YEAR ENDING JUNE 30, 2024

Fiscal Year	COVID IMPACTED 2020 to 2022				2023	Budget 2024	2024	Trend line
	2019	2020	2021	2022				
<b>Golf Complex Net Income by Unit</b>								
Golf Course	\$ 988,898	\$ 812,838	\$ 2,487,962	\$ 2,207,591	\$ 2,145,446	\$ 2,593,272	\$ 2,554,345	
Restaurant	449,091	310,978	188,677	379,412	167,549	566,860	428,660	
Displacement / Parking	436,438	289,714	-	765,084	1,180,918	940,000	810,203	
Enterprise Events	115,484	31,467	2,407	261,179	25,496	80,000	421,128	
Pro shop	16,338	11,371	32,628	127,246	186,901	215,000	214,965	
Cost recoveries (non-event)	53,910	61,695	-	(144,272)	-	-	-	
Other Non-operating Revenues /	156,912	97,010	18,496	(156,341)	16,055	-	270,742	
Overhead Expenses	(787,464)	(715,138)	(830,476)	(932,672)	(973,471)	(1,383,110)	(1,398,829)	
<b>Total Complex Net Income:</b>	<b>\$ 1,429,608</b>	<b>\$ 899,935</b>	<b>\$ 1,899,694</b>	<b>\$ 2,507,227</b>	<b>\$ 2,748,894</b>	<b>\$ 3,012,022</b>	<b>\$ 3,301,214</b>	

(1) Other Non-operating Revenue/Expense - Interest Income of 470K and AGC contract termination (\$200K); Excludes Capital payback to AGC (\$480K) in full accrual. Excludes Capital AGC capital asset purchases recognized in FY2018 (\$465K)

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

The chart and associated table below are comparisons of FY 2023 to FY 2024 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 2023 and 2024:

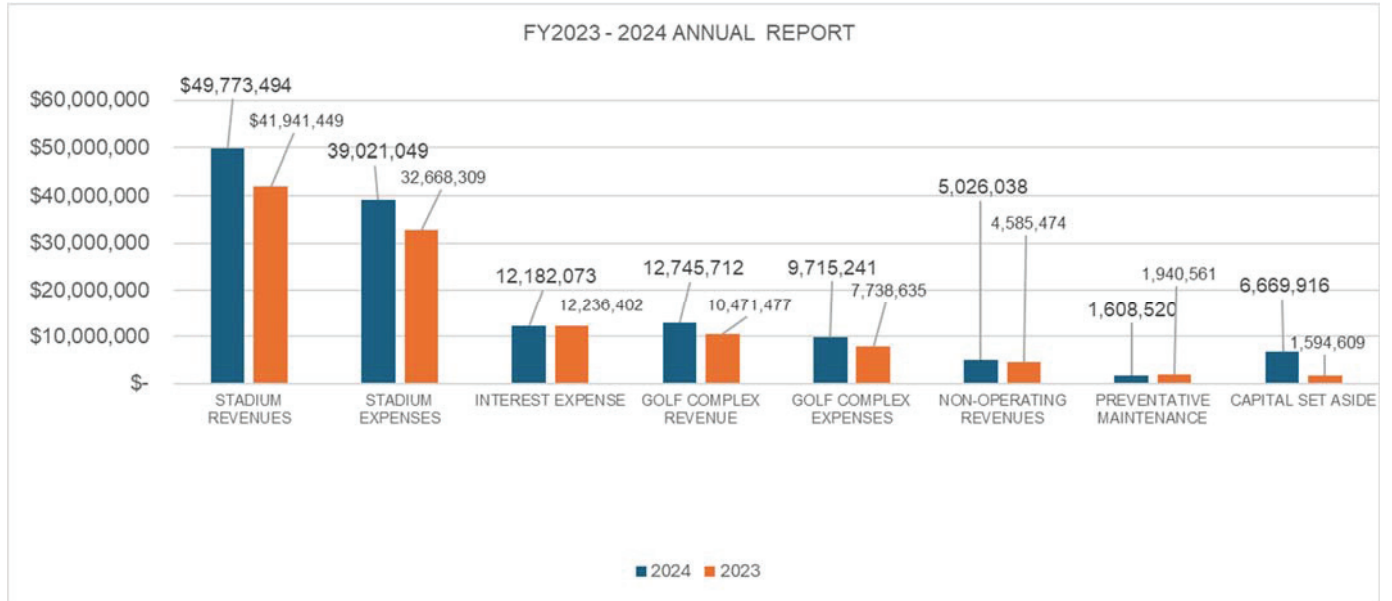
ROSE BOWL OPERATING COMPANY  
ANNUAL REPORT (FISCAL 2023 - 2024 ACTUALS)  
YEAR ENDING JUNE 30, 2024

FISCAL YEAR:	2023	2024	Y/Y Var
REVENUES	\$ 56,998,400	\$ 67,545,244	\$ 10,546,844
EXPENSES	54,583,907	62,526,883	7,942,976
Net (Excluding Capital Set aside)	\$ 2,414,493	\$ 5,018,361	\$ 2,603,868
STADIUM REVENUES	\$ 41,941,449	\$ 49,773,494	\$ 7,832,045
STADIUM EXPENSES	32,668,309	39,021,049	6,352,740
INTEREST EXPENSE	12,236,402	12,182,073	(54,329)
GOLF COMPLEX REVENUE	10,471,477	12,745,712	2,274,235
GOLF COMPLEX EXPENSES	7,738,635	9,715,241	1,976,606
* NON-OPERATING REVENUES	4,585,474	5,026,038	440,564
PREVENTATIVE MAINTENANCE	1,940,561	1,608,520	(332,041)
* CAPITAL SET ASIDE	1,594,609	6,669,916	5,075,307

\* Non-Operating and Capital Set Aside excludes \$3.5M in Grants to be recognized Fiscal Year 2025.



## FINANCIAL ANALYSIS (Continued)

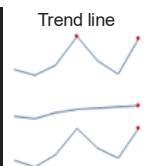


### Combined Net Event and Operations Income Comparison 5-Years:

#### Operating analysis excluding Depreciation and Nonoperating Revenues

ROSE BOWL OPERATING COMPANY  
STATEMENT OF OPERATING REVENUES, EXPENSES, AND NET OPERATING INCOME(LOSS) - MODIFIED ACCRUAL  
YEAR ENDING JUNE 30, 2024

SUMMARY	2019	2020	2021	2022	2023	Budget 2024	2024
Stadium Net Event and Operations Income/(Loss)	\$ (3,062,188)	\$ (4,265,643)	\$ (2,131,684)	\$ 3,886,516	\$ (1,174,867)	\$ (3,997,579)	\$ 3,311,651
COVID IMPACTED 2020 to 2022							
Golf Net Operations Income/(Loss)	1,429,608	899,935	1,899,719	2,507,230	2,748,894	2,982,020	3,301,214
<b>Combined Stadium and Golf Net Operating Income/(Loss)</b>	<b>\$ (1,632,579)</b>	<b>\$ (3,365,708)</b>	<b>\$ (231,965)</b>	<b>\$ 6,393,745</b>	<b>\$ 1,574,028</b>	<b>\$ (1,015,559)</b>	<b>\$ 6,612,865</b>
Less Operating Reserve Policy	Unadjusted	-----	-----	-----	(2,443,133)	(239,667)	(677,092)
Prior Years PM/Capital Reserve	Unadjusted	-----	-----	-----	(1,944,000)	(2,033,000)	(842,626)
* Current Capital Reserve Policy	Unadjusted	-----	-----	-----	-	-	(5,093,147)
<b>Net Operations after Reserves</b>	<b>\$ (1,632,579)</b>	<b>\$ (3,365,708)</b>	<b>\$ (231,965)</b>	<b>\$ 6,393,745</b>	<b>\$ (2,813,105)</b>	<b>\$ (3,288,226)</b>	<b>\$ -</b>



\* Effective FY24 Actuals - RBOC Reserve Policy requires Operating Net Income to be designated to Capital Reserves.

### Stadium

Key changes to Net Event and Operations Income were mainly due to the increased Stadium Net Event Income less Overhead Expenses and Debt Service. The Net Operating income from the Stadium was \$3.3 million after the Rose Bowl assumed the full \$11.5 million in debt service (net of federal subsidies and reserves credits).

Trend line represents high and current point.

## FINANCIAL ANALYSIS (Continued)

The FY 2024 Net Event Income is \$21.5 million, overhead expenses of \$10.8 million and investment gain/interest expense \$7.7 million resulted in a Stadium Net Event and Operations income of \$3.3 million.

DETAILS	COVID IMPACTED 2020 to 2022					Budget 2024	2024	Trend line
Stadium Net Event and Operations Income /(Loss)	2019	2020	2021	2022	2023			
Operating Revenues / Expenses	\$ 36,227,585	\$ 27,935,904	\$ 8,087,414	\$ 30,225,641	\$ 41,941,449	\$ 48,254,275	\$ 49,773,494	
Events and parking expenses	(20,959,597)	(13,214,188)	(4,421,388)	(15,910,642)	(23,452,983)	(30,032,681)	(28,234,963)	
<b>Net Event Income:</b>	<b>15,267,988</b>	<b>14,721,716</b>	<b>3,666,026</b>	<b>14,314,999</b>	<b>18,488,466</b>	<b>18,221,594</b>	<b>21,538,531</b>	
<b>Overhead Expenses</b>								
Salaries and benefits	(4,259,886)	(4,706,761)	(3,580,237)	(4,289,386)	(4,325,575)	(5,212,037)	(5,132,757)	
General and administrative	(3,982,472)	(4,225,832)	(3,610,074)	(5,160,941)	(4,889,751)	(6,273,571)	(5,653,329)	
<b>Subtotal Overhead Expenses</b>	<b>(8,242,358)</b>	<b>(8,932,593)</b>	<b>(7,190,311)</b>	<b>(9,450,327)</b>	<b>(9,215,326)</b>	<b>(11,485,608)</b>	<b>(10,786,086)</b>	
<b>Net Event and Operations Income</b>	<b>7,025,630</b>	<b>5,789,123</b>	<b>(3,524,285)</b>	<b>4,864,671</b>	<b>9,273,140</b>	<b>6,735,986</b>	<b>10,752,445</b>	
Before Non Operating/Capital contributions, Bond subsidies, Depreciation and Annual PERs Valuation Adjust								
Investment Gain /(Loss), Other Operating Revenues	696,536	863,381	(122,228)	31,596	620,492	-	1,798,702	
Non-Operating Revenues/ Expenses (Non-Capital)(1)	1,433,995	1,183,725	1,514,830	1,517,054	2,263,357	1,979,250	2,241,573	
Debt Service (2)	(12,218,348)	(12,101,872)	-	(2,526,806)	(13,331,856)	(12,712,815)	(11,481,069)	
Investment Gain/Interest Expense	(10,087,817)	(10,054,766)	1,392,601	(978,156)	(10,448,007)	(10,733,565)	(7,440,794)	
<b>Stadium Net Event and Operations</b>	<b>\$ (3,062,188)</b>	<b>\$ (4,265,643)</b>	<b>\$ (2,131,684)</b>	<b>\$ 3,886,516</b>	<b>\$ (1,174,867)</b>	<b>\$ (3,997,579)</b>	<b>\$ 3,311,651</b>	

(1) Non-Operating Revenues (Non-Capital) - Prior years updated in Report to include Modified Accrual assumptions.

(2) Debt Service converted to modified accrual and FY24 includes one (1) additional subsidy that was received late for FY23.

## Golf Complex

Golf Complex Net Operating Income has a 5-year high of \$3.3 million, with key drivers of direct golf course, restaurant and enterprise events.

DETAILS	COVID IMPACTED 2020 to 2022					Budget 2024	2024	Trend line
Golf Net Operations Income /(Loss)	2019	2020	2021	2022	2023			
<b>Operating Revenues</b>								
Green fees and other golf revenues	\$ 4,302,350	\$ 4,131,359	\$ 7,137,906	\$ 6,830,452	\$ 6,570,865	\$ 6,970,476	\$ 7,304,652	
Green fees and other golf expenses	(3,313,453)	(3,318,521)	(4,649,944)	(4,622,862)	(4,425,419)	(4,377,205)	(4,750,307)	
<b>Golf Course Net Income</b>	<b>988,897</b>	<b>812,838</b>	<b>2,487,962</b>	<b>2,207,591</b>	<b>2,145,446</b>	<b>2,593,272</b>	<b>2,554,345</b>	
<b>Ancillary Net Income:</b>								
Restaurant	449,089	310,978	188,677	379,412	167,549	566,860	428,660	
Parking/Displacement	436,438	289,714	-	580,290	1,180,918	940,000	810,203	
Golf Enterprise Events	115,489	31,467	2,432	261,179	25,496	79,775	421,128	
Pro shop	16,338	11,371	32,628	127,246	186,901	185,223	214,965	
Cost Recovery (non-event)	53,910	61,695	-	40,522	-	-	-	
<b>Total Operating Revenues:</b>	<b>2,060,161</b>	<b>1,518,063</b>	<b>2,711,699</b>	<b>3,596,241</b>	<b>3,706,310</b>	<b>4,365,129</b>	<b>4,429,301</b>	
<b>Operating Expenses</b>								
Salaries and benefits	(249,380)	(226,669)	(222,492)	(268,362)	(264,371)	(280,079)	(298,800)	
General and administrative	(538,084)	(488,469)	(607,984)	(664,309)	(709,100)	(1,103,030)	(1,100,029)	
<b>Total Overhead Expenses:</b>	<b>(787,464)</b>	<b>(715,138)</b>	<b>(830,476)</b>	<b>(932,671)</b>	<b>(973,471)</b>	<b>(1,383,110)</b>	<b>(1,398,829)</b>	
Before Non Operating/Capital contributions, Depreciation and Annual PERs Valuation Adjustment								
Investment Gain /(Loss)	156,912	97,010	18,496	(156,341)	16,055	-	470,742	
Non-Operating Revenues/ Expenses (Non-Capital)(1)	-	-	-	-	-	-	(200,000)	
<b>Golf Net Operations Income /(Loss)</b>	<b>\$ 1,429,608</b>	<b>\$ 899,935</b>	<b>\$ 1,899,719</b>	<b>\$ 2,507,230</b>	<b>\$ 2,748,894</b>	<b>\$ 2,982,020</b>	<b>\$ 3,301,214</b>	

(1) Non-Operating Revenues/ Expenses (Non-Capital) -Excludes \$480K in Capital payback to American Golf Co.

Trend line represents high and current point.

## **FINANCIAL ANALYSIS (Continued)**

Significant Year to Year changes:

The Golf Complex had five (5) key areas with a five-year high net:

- Golf Course Net Income of \$2.5 million – mainly due to available days and rates.
- Operating Expenses of \$1.4 million mainly in insurance, utilities and services.
- Golf Enterprise Events Net Income of \$421,000, mainly due to Pokemon GO event.
- Pro Shop Net Income of \$215,000 mainly due to lessons and available days.
- Investment Gains of \$471,000 mainly due to City Investment of Golf funds.
- Non-Operating Expense of \$200,000 due AGCs contract termination.

### **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 demand, driving costs higher than the cost-of-living adjustments (COLA). 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.

#### **Stadium Overhead Expenses:**

Stadium overhead expenditure increased by \$1.8 million to \$11.2 million since FY 2023 mainly due:

- General and Administrative increased by \$764,000 mainly due to Utilities, Insurance, supplies and repair and maintenance services.
- Salaries and benefits of \$783,000: COLA of \$275,000 and \$508,000 open positions during FY 2023.
- Annual PERs Valuation increase of \$268,000: Adjustments of Cal-PERs policy valuation.

Stadium overhead expenditures less than budget by \$345,000 mainly due to lower Professional and Contracted services.

*Trend line represents high and current point.*

## FINANCIAL ANALYSIS (Continued)

ROSE BOWL OPERATING COMPANY  
STADIUM OVERHEAD EXPENSES  
YEAR ENDING JUNE 30, 2024

### Overhead Expenses:

Stadium	Fiscal Year:	COVID IMPACTED 2020 to 2022					Budget 2024	2024	Current Yr % of Total	Trend line
		2019	2020	2021	2022	2023				
<b>Summary Category Expenses</b>										
Salaries and benefits (Overhead)		\$ 4,224,538	\$ 4,532,667	\$ 3,565,660	\$ 4,289,386	\$ 4,325,575	\$ 5,212,038	\$ 5,132,756	46.0%	
Annual PERs Valuation Adj		-	-	-	(182,143)	111,533	-	379,247	3.4%	
General and administrative		3,982,470	5,064,230	4,029,063	5,160,941	4,889,751	6,273,571	5,653,329	50.6%	
<b>Stadium Total Overhead Expense:</b>		<b>\$ 8,207,008</b>	<b>\$ 9,596,897</b>	<b>\$ 7,594,722</b>	<b>\$ 9,268,184</b>	<b>\$ 9,326,859</b>	<b>\$ 11,485,609</b>	<b>\$ 11,165,332</b>		
<b>STADIUM DETAILS:</b>										
<b>Salaries &amp; Benefits</b>										
Salaries & Taxes		\$ 2,959,005	\$ 3,188,855	\$ 2,544,660	\$ 3,063,475	\$ 3,201,828	\$ 3,714,811	\$ 3,724,611	73%	
Benefits		1,300,880	1,517,907	1,036,239	1,225,929	1,123,747	1,497,227	1,408,145	27%	
<b>Total Salaries &amp; Benefits</b>		<b>\$ 4,259,886</b>	<b>\$ 4,706,761</b>	<b>\$ 3,580,899</b>	<b>\$ 4,289,403</b>	<b>\$ 4,325,575</b>	<b>\$ 5,212,038</b>	<b>\$ 5,132,756</b>		
Annual PERs Valuation Adj		\$ 126,626	\$ 196,614	\$ 244,916	\$ (182,143)	\$ 111,533	\$ -	\$ 379,247		
<b>STADIUM DETAILS:</b>										
<b>General and administrative:</b>										
Utilities: Water, gas, power, refuse		\$ 1,278,771	\$ 1,426,906	\$ 1,319,565	\$ 1,481,509	\$ 1,587,769	\$ 1,682,504	\$ 1,851,475	33%	
Professional Services: City Legal, HR, IT, Contract Negotiation Support, Staff Development		782,595	789,218	880,712	1,497,174	876,079	1,201,401	778,425	14%	
Professional Services: Government Affairs		-	-	-	45,000	127,500	232,945	215,889	4%	
Contracted Services: Admin Support, Plumbing, Electrical, Pest Control, Janitorial, Landscaping, Security, Fleet/Fuel Maintenance, etc..		801,162	752,821	644,014	759,031	789,573	1,104,120	667,450	12%	
Repair and Maintenance: Elevator, Landscaping, Equipment, Electricians, Plumbers, HVAC, Locksmith and City Internal Services (structural maintenance etc)		90,642	87,935	51,790	43,667	66,606	86,725	273,144	5%	
Insurance		96,387	122,867	205,059	375,740	400,749	613,199	563,382	10%	
Premium Seating Sales / Contract Services		275,283	313,835	193,730	304,298	455,383	430,148	390,634	7%	
Operating Leases/Rental Expense: Vehicles, Office Equipment, Storage, etc..		162,113	279,324	122,904	138,237	169,498	246,367	179,337	3%	
Other: Advertising, dues, permits, banking fees.		218,090	194,915	102,622	297,983	206,255	415,861	368,533	7%	
Supplies: Medical, vehicle parts, electrical, plumbing equipment, general (ie office/postage, reference materials, communications/conferencing)		243,878	221,462	89,677	218,302	210,340	260,301	365,061	6%	
<b>Total General and administrative:</b>		<b>\$ 3,948,920</b>	<b>\$ 4,189,282</b>	<b>\$ 3,610,074</b>	<b>\$ 5,160,941</b>	<b>\$ 4,889,751</b>	<b>\$ 6,273,571</b>	<b>\$ 5,653,329</b>		

ROSE BOWL OPERATING COMPANY  
GOLF COMPLEX OVERHEAD EXPENSES  
YEAR ENDING JUNE 30, 2024

### Overhead Expenses:

Golf Complex	Fiscal Year:	COVID IMPACTED 2020 to 2022					Budget 2024	2024	Current Yr % of Total	Trend line
		2019	2020	2021	2022	2023				
<b>Summary Category Expenses</b>										
Salaries and benefits (Overhead)		\$ 249,378	\$ 226,669	\$ 222,491	\$ 268,363	\$ 264,368	\$ 280,079	\$ 298,800		
Annual PERs Valuation Adj		-	-	(4,653)	(180,044)	7,140	-	12,131		
General and administrative		538,080	495,244	607,761	664,309	709,101	1,103,030	1,100,029		
<b>Golf Complex Total Overhead Expense:</b>		<b>\$ 787,459</b>	<b>\$ 721,913</b>	<b>\$ 825,599</b>	<b>\$ 752,628</b>	<b>\$ 980,610</b>	<b>\$ 1,383,110</b>	<b>\$ 1,410,960</b>		
<b>GOLF DETAILS:</b>										
<b>Payroll &amp; Benefits</b>										
Salaries & Taxes		\$ 190,913	\$ 191,443	\$ 186,753	\$ 211,956	\$ 225,359	\$ 177,263	\$ 246,730		
Benefits		58,465	35,226	35,739	56,407	39,010	102,816	52,070		
<b>Subtotal Payroll &amp; Benefits</b>		<b>\$ 249,378</b>	<b>\$ 226,669</b>	<b>\$ 222,491</b>	<b>\$ 268,363</b>	<b>\$ 264,368</b>	<b>\$ 280,079</b>	<b>\$ 298,800</b>		
Annual PERs Valuation Adj		7,167	8,079	(4,653)	(180,044)	7,140	-	12,131		
<b>General and administrative:</b>										
Utilities: Water, gas, power, refuse		\$ 167,298	\$ 173,145	\$ 163,443	\$ 215,578	\$ 199,809	\$ 241,715	\$ 230,494		
Professional Services: City Legal, HR, IT, Contract Negotiation Support, Staff Development		74,981	42,000	27,000	37,160	44,163	93,277	94,974		
Contracted Services: Admin Support, Plumbing, Electrical, Pest Control, Janitorial, Landscaping, Security, Fleet/Fuel Maintenance, etc..		179,964	192,890	297,778	187,853	267,111	255,088	282,923		
Insurance		3,288	3,224	6,285	7,252	7,956	323,960	319,821		
Repair and Maintenance: Elevator, Landscaping, Equipment,		34,272	39,104	58,427	73,428	47,028	65,648	20,383		
Operating Leases/Rental Expense: Vehicles, Office		388	390	1,348	1,168	-	5,012	18,776		
Other: Advertising, dues, permits, banking fees.		30,102	12,754	11,744	38,501	57,449	54,832	45,960		
Supplies: Medical, vehicle parts, electrical, plumbing		47,786	31,737	41,737	103,368	85,585	63,498	86,698		
<b>Subtotal Services &amp; Supplies:</b>		<b>\$ 538,080</b>	<b>\$ 495,244</b>	<b>\$ 607,761</b>	<b>\$ 664,309</b>	<b>\$ 709,101</b>	<b>\$ 1,103,030</b>	<b>\$ 1,100,029</b>		

Trend line represents high and current point.

## FINANCIAL ANALYSIS (Continued)

### Event Expenses:

Event mix is one of the key drivers to year-to-year changes to event expenses. For example – Total Event Expenses increased by \$4.8 million between FY 2023 and FY 2024, while the number of displacement events decreased by 5 events. This is mainly due to the three (3) additional Other Major Events such as concerts and soccer matches which require increased security, public safety, and turf replacements, whereas Music Festivals generally have lower production costs. During FY 2024 there were 6 fewer Music Festivals than FY 2023.

Key significant areas of event expenditures continue to be security, public safety, event production costs, parking/neighborhood traffic management, turf replacement and janitorial services. Between FY 2019 and FY 2024, the average expense per displacement event increased by \$125,000 per event (both years having 8 Other Major Events)

FY2019: 5 Concerts, 2 Soccer matches and 1 July 4th Celebration (not a soccer match)

FY2024: 4 Concerts, 4 Soccer matches (with 1 match including a July 4th Celebration)

During the same years the average per event expense for Enterprise and Flea Market increased by \$4,200 and \$25,000 respectively per event. The Flea Market increase is driven by higher attendance.

ROSE BOWL OPERATING COMPANY  
STADIUM EVENT EXPENSES  
YEAR ENDING JUNE 30, 2024

#### Event Count Statistics:

Major Event	COVID IMPACTED 2020 to 2022					2023	Budget 2024	2024
	2019	2020	2021	2022	2023			
UCLA	7	6	4	7	8	6	6	
Rose Bowl Game	1	1	0	1	1	1	1	
Music Festival	0	1	0	5	10	7	4	
Concerts	5	1	0	0	2	3	4	
Soccer Matches	2	1	0	0	2	2	3	
4th of July Soccer (Celebration)	1	1	0	1	1	1	1	
Total Major/Displacement	16	11	4	14	24	20	19	
Flea Market	12	9	3	12	12	12	12	
Number of Enterprise Events	178	125	111	132	142	124	156	

#### Event Expenses:

Stadium	Fiscal Year:						Budget 2024	2024	CY % of Total
Category Expenses	2019	2020	2021	2022	2023	2023	2024		
SECURITY	\$ 3,963,795	\$ 2,388,194	\$ 578,521	\$ 2,495,189	\$ 2,952,586	\$ 5,119,868	\$ 5,601,590	20%	
PARKING	3,466,867	2,173,142	401,140	2,736,246	4,845,744	5,031,783	5,033,702	18%	
PUBLIC SAFETY	3,801,844	2,313,345	173,832	3,043,575	4,384,098	5,001,990	4,745,356	17%	
EVENT PRODUCTION	2,863,129	1,835,962	2,118,078	2,890,258	3,770,187	3,809,409	4,002,053	14%	
JANITORIAL	2,326,516	1,353,806	346,816	1,406,661	2,287,733	2,391,030	2,900,987	10%	
CATERING	853,215	615,555	12,194	719,441	1,151,109	1,156,003	1,246,180	4%	
RENTALS	1,004,703	531,274	105,947	675,934	954,945	1,026,253	1,226,118	4%	
SHUTTLE EXP	498,567	316,318	-	360,666	765,364	784,675	1,056,159	4%	
FIELD AND SOD RELATED	964,240	610,247	52,086	575,900	986,988	1,166,155	984,776	3%	
PROFESSIONAL CONSULTING	201,398	152,684	15,599	226,033	480,642	437,166	316,495	1%	
RBOC STAFFING	425,588	475,189	490,461	466,200	470,115	501,609	491,923	2%	
PERMITS AND FEES	154,158	133,220	26,821	130,494	177,744	243,667	187,251	1%	
TEMP SUPPORT	222,679	126,033	68,588	124,595	139,556	162,783	184,596	1%	
ADVERTISING	212,899	189,217	31,304	59,432	86,177	24,043	257,777	1%	
<b>Stadium Event Expenses:</b>	<b>\$ 20,959,597</b>	<b>\$ 13,214,188</b>	<b>\$ 4,421,388</b>	<b>\$ 15,910,624</b>	<b>\$ 23,452,988</b>	<b>\$ 26,856,435</b>	<b>\$ 28,234,963</b>		

Trend line represents high and current point.

## FINANCIAL ANALYSIS (Continued)

### Event Expenses: Stadium

Event Type Expense Review:	Fiscal Year:	2019	COVID IMPACTED 2020 to 2022			2023	Budget	2024	Trend line
			2020	2021	2022		2024		
<b>Displacement</b> Events Expense	\$	19,755,237	\$ 12,202,483	\$ 924,804	\$ 13,519,110	\$ 19,403,065	\$ 24,496,202	\$ 25,834,195	
Average Per Event Expense		1,234,702	1,109,317	231,201	965,651	808,461	1,224,810	1,359,694	
Displacement Events Counts		16	11	4	14	24	20	19	
<b>Enterprise</b> Events Expense	\$	1,204,360	\$ 1,011,705	\$ 3,416,019	\$ 1,906,500	\$ 3,474,402	\$ 1,857,827	\$ 1,746,081	
Average Per Event Expense		<b>6,766</b>	8,431	30,775	14,443	24,468	14,982	11,193	
Enterprise Events Counts		178	120	111	132	142	124	156	
<b>Flea Market</b> Events Expense	\$	354,329	\$ 264,417	\$ 80,552	\$ 485,014	\$ 575,521	\$ 502,407	\$ 654,684	
Average Per Event Expense		29,527	29,380	26,851	40,418	47,960	41,867	54,557	
Flea Market Events		12	9	3	12	12	12	12	
<b>Average per event cost recovery and percent of Avg Expenses:</b>									
<b>Displacement</b>	\$	271,256	\$ 411,629	\$ 125,192	\$ 434,321	\$ 337,111	\$ 444,907	\$ 411,373	
% of Avg Expenses		22%	37%	54%	45%	42%	36%	30%	
<b>Enterprise Events</b>	\$	8,833	\$ 12,180	\$ 23,037	\$ 10,102	\$ 7,372	\$ 10,011	\$ 8,749	
% of Avg Expenses		131%	144%	75%	70%	30%	67%	78%	
<b>Flea Market</b>	\$	19,164	\$ 19,264	\$ 18,614	\$ 35,470	\$ 34,089	\$ 37,243	\$ 40,093	
% of Avg Expenses		65%	66%	69%	88%	71%	89%	73%	

### Cost Recovery:

Displacement	\$	4,340,090	\$ 4,527,918	\$ 500,768	\$ 6,080,490	\$ 8,090,669	\$ 8,898,140	\$ 7,816,096
Enterprise Events		1,572,329	1,461,598	2,557,132	1,333,477	1,046,771	1,241,400	1,364,827
Flea Market		229,968	173,378	55,843	425,639	409,062	446,921	481,119
Total Cost Recovery:		6,142,387	6,162,895	3,113,743	7,839,607	9,546,502	10,586,462	9,662,041
Cost Recovery % of Expenses		29%	47%	70%	49%	41%	39%	34%

Contractually, events cost recovery have historically fallen in 2 main categories – (1) Client requests not included in the license fee or (2) Shared costs based on contracted terms.

Cost recovery as a 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 80-90% and events such as concerts, soccer matches and July 4<sup>th</sup> (Celebrations) average between 20%-40%. FY 2024 average cost recovery as a percentage of total costs per event was:

- Displacement - 30% or \$411,000 per event; total cost recovery of \$7.8 million.
- Enterprise events - 78% or \$8,700 per event; total cost recovery of \$1.3 million.
- Flea Market - 73% or \$40,100 per event; total cost recovery of \$481,000

### D. Other Non-Operating Revenue (Expenses):

Total Other Non-Operating revenue of \$5.0 million is 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 changes were mainly due to the Tournament of Roses final payment (for 2021 Rose Bowl game) not recurring and lower Music Festival event days and contributions. Material non-operating revenue reduction total (\$680,000) which is the result of the American Golf contract termination costs with (\$480,000) from capital and (\$200,000) from operations and not recurring. A key increase to Other Non-Operating Revenues (Expenses) in FY 2024 was mainly due to Tourism Business Improvement District revenues (\$1.4 million or 1% of gross room rental revenue in FY 2024 which is projected to increase to \$2.6 million or 2% of gross room rental between July 2024-June 30, 2023).

**FINANCIAL ANALYSIS (Continued)**

ROSE BOWL OPERATING COMPANY  
OTHER NONOPERATING REVENUES & EXPENSES  
YEAR ENDING JUNE 30, 2024

<b>Summary:</b>	2024	2023	Details Ref.
Legacy Connections	\$ 200,000	\$ -	#1
Recurring Sources	5,506,038	4,585,474	#2-12
Non- Recurring Sources	(680,000)	-	#13
<b>Total non-operating Revenue</b>	<b>\$ 5,026,038</b>	<b>\$ 4,585,474</b>	
<b>Estimated recurring funds 4.5M to 5.2M annually.</b>			

<b>Details:</b>	2024	2023	Variance
Sources	Bus.Unit	\$ 5,026,038	\$ 4,585,474 \$ 440,563

**Legacy and Recurring:**

1 Legacy Connections	Stadium	\$ 200,000	\$ -	\$ 200,000
<i>Securities Grant 200K recognized and pending recognition of \$3.0 (State Water line funding) and \$500K (Save America's Treasures Grants) to be recognized in future years per Grant recognition.</i>				
2 Tourism Business Improvement District	Stadium	1,435,131	-	1,435,131
3 ToR - Rose Bowl Game 2021 final payment	Stadium	-	666,667	(666,667)
4 ToR - Contribution	Stadium	75,000	75,000	-
5 Music Festival per ticket contribution	Stadium	92,004	224,644	(132,640)
6 Concessionaire contribution 3% of revenues	Stadium	415,844	234,603	181,241
	Golf	-	3,316	(3,316)
7 Water Rebates and Claims Settlements	Stadium	15,118	-	15,118
8 Subsidy from 2010 Bonds	Stadium	2,756,617	2,736,642	19,974
9 Misc. Non-Operating: Finance Credits	Stadium	11,586	9,165	2,421
10 Misc. Non-Operating: Utilities Recovery	Stadium	467,030	397,245	69,785
11 Misc. Non-Operating: ATM Mach / Marketing	Stadium	3,896	6,668	(2,772)
12 Misc. Non-Operating: Sales/Marketing	Stadium	99	-	99
13 Misc. Non-Operating: Cell Site rentals*	Stadium	233,714	231,524	2,189
<b>Sub-total Recurring:</b>		5,706,038	4,585,474	1,120,563
* Cell site rentals agreement adjusted for GASB87				
<b>Non- Recurring Sources</b>			-	-
14 Contract termination costs (AGC)	Golf	(680,000)	-	(680,000)
<b>Sub-total non recurring:</b>		(680,000)	-	(680,000)
<b>Total Other nonoperating revenue:</b>		\$ 5,026,038	\$ 4,585,474	\$ 440,563

*Reference Income Statement: Other nonoperating revenues / expenses (Net)*



## FINANCIAL ANALYSIS (Continued)

### E. Balance Sheet Highlights:

On a full accrual basis, the Net Position decreased by **\$4.503 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 - FULL ACCRUAL (SUMMARY)  
YEAR ENDING JUNE 30, 2024

	Rose Bowl	Golf Course	Totals		Variance
			2024	2023	
<b>Assets:</b>					
Total Current Assets	\$ 26,664,623	\$ 18,497,624	\$ 45,162,247	\$ 41,411,654	\$ 3,750,593
Total Noncurrent Assets	144,836,613	8,009,993	152,846,606	160,620,948	(7,774,342)
<b>Total Assets</b>	<b>171,501,236</b>	<b>26,507,617</b>	<b>198,008,853</b>	<b>202,032,602</b>	<b>(4,023,749)</b>
Total Deferred Outflows of Resources	2,727,060	57,796	2,784,856	3,176,417	(391,561)
<b>Liabilities:</b>					
Total Current Liabilities	25,961,605	2,884,517	28,846,122	23,597,356	5,248,766
Total Noncurrent Liabilities	195,737,927	139,144	195,877,071	200,781,226	(4,904,155)
<b>Total Liabilities</b>	<b>221,699,532</b>	<b>3,023,661</b>	<b>224,723,193</b>	<b>224,378,582</b>	<b>344,611</b>
Total Deferred inflows of Resources	268,995	25,596	294,591	550,952	(256,361)
<b>Total Net Position</b>	<b>\$ (47,740,231)</b>	<b>\$ 23,516,156</b>	<b>\$ (24,224,075)</b>	<b>\$ (19,720,515)</b>	<b>\$ (4,503,560)</b>

Key areas of change in Assets include cash, accounts receivable, capital and debt related:

#### CHANGE IN CASH

Total Unrestricted Cash balances at year end increased by \$4.576 million mainly due to:

Stadium cash increased by \$3.994 million net of:

- \$385,000 less Capital,
- \$8.061 million increased Operating mainly due to concert, soccer match performances and interest earnings.
- \$3.682 million less event deposits

Cash and Investment restricted decreased by \$142,000 due to fair market valuation.

Golf Complex cash increased by \$581,000 net of

- \$228,000 increased Capital,
- \$609,000 less Operating mainly due to Pro-Shop, Restaurant/Food-Beverage Operations and interest earning.
- \$960,000 increased Golf Course mainly due to increased rates.



## FINANCIAL ANALYSIS (Continued)

### Balance Sheet highlights

#### CHANGE IN CASH

ROSE BOWL OPERATING CO.  
STATEMENT OF NET POSITION SUMMARY (CASH)  
YEAR ENDING JUNE 30, 2024

	Totals		
	2024	2023	
<b>Cash Summary</b>			
Rose Bowl	\$ 21,980,516	\$ 17,986,050	\$ 3,994,466
Golf Course	17,947,178	17,365,729	581,449
Cash Summary Total	39,927,694	35,351,777	4,575,915
Cash and investments restricted	10,490,643	10,633,043	(142,400)
<b>Cash Details</b>			
<b>Rose Bowl</b>			
Capital	11,501,251	11,886,387	(385,136)
Operating	10,445,341	2,384,240	8,061,101
Events Deposits	33,924	3,715,423	(3,681,499)
<b>Total</b>	21,980,516	17,986,050	3,994,466
<b>Golf Complex</b>			
Capital	3,825,880	3,597,992	227,888
Operating	11,731,218	12,340,025	(608,807)
Golf Course	2,365,362	1,405,699	959,663
Event Deposits	24,718	22,013	2,705
<b>Total</b>	\$ 17,947,178	\$ 17,365,729	\$ 581,449
Cash and investments restricted	10,490,643	10,633,043	(142,400)

#### CHANGE IN ACCOUNTS RECEIVABLE:

**Accounts Receivables** decreased by \$735,000:

- Stadium Accounts Receivables are less than the prior year by \$859,000 mainly due to events.
  - Events increased by \$393,000 associated with Q4 billing higher than FY 2023
  - Non-Events increased by \$2,000.
  - Other Accounts Receivables decreased by \$1.254 million due to prior year subsidies collected in FY 2024.
- Golf Accounts Receivable increased by \$124,000 mainly due to:
  - Golf Course increased by \$119,000 due to Tournament and banquets billing.
  - Other Accounts Receivables increased by \$5,000 due to increased interest earnings due at Year end.
- Allowance for Doubtful Accounts decreased by \$132,000 mainly due to:
  - A write off uncollectible accounts of \$313,000 due premium seating and a displacement event that will not re-occur and increased premium seating allowance for doubtful accounts of \$181,000 mainly due to multi-year premium seating contracts with high risk of collections.

## FINANCIAL ANALYSIS (Continued)

### Balance Sheet highlights

#### CHANGE IN ACCOUNTS RECEIVABLE

ROSE BOWL OPERATING COMPANY  
STATEMENT OF NET POSITION SUMMARY (ACCOUNTS RECEIVABLE)  
YEAR ENDING JUNE 30, 2024

	Totals		
	2024	2023	
<b>Accounts Receivable Summary</b>			
Rose Bowl	\$ 4,282,608	\$ 5,141,259	\$ (858,651)
Golf Course	267,999	143,890	124,109
Accounts Receivable Total	4,550,607	5,285,149	(734,542)
<b>Accounts Receivable Details</b>			
<b>Rose Bowl</b>			
Events	3,101,971	2,708,575	393,396
Non-Events	4,600	2,468	2,131
Other	1,176,038	2,430,216	(1,254,178)
<b>Total</b>	<b>4,282,608</b>	<b>5,141,259</b>	<b>(858,651)</b>
<b>Golf Complex</b>			
Golf Course	238,089	118,992	119,097
Other	29,910	24,898	5,012
<b>Total</b>	<b>\$ 267,999</b>	<b>\$ 143,890</b>	<b>\$ 124,109</b>
Allowance for Doubtful Accounts (included above)	(571,823)	(703,687)	131,863

#### CHANGE IN CAPITAL ASSETS:

Capital assets decreased by \$9.2 million mainly due to \$11.5 million in depreciation offset by activated assets/Spend of \$2.3 million (Stadium \$1.3 million and Golf \$1.0 million).

Lease Assets net of accumulated amortization for GASBs 87 and 96 decreased by \$219,000 to the first full year of GASB 96 implementation during FY 2024. Interest Amortization increased by \$105,000 mainly for the same GASB 96 first full year of implementation.

Types of Leases considered for GASB 87 and 96 include – Software(s), Data bases, cloud systems backups, copiers, ATM machines, and Security system.

## FINANCIAL ANALYSIS (Continued)

### Balance Sheet highlights

#### CHANGE IN CAPITAL

ROSE BOWL OPERATING COMPANY  
CHANGE IN CAPITAL  
YEAR ENDING JUNE 30, 2024

##### Summary:

	2024	2023	Variance
Stadium	\$ 133,940,831	\$ 143,371,734	\$ (9,430,903)
Golf Course	5,810,864	5,595,479	215,385
Total Other capital assets, net	\$ 139,751,695	\$ 148,967,213	(9,215,518)
Combined Construction in progress	-	203	(203)

**Change in Capital** **\$ (9,215,721)**

##### Detail:

##### Stadium

	June 30, 2024	June 30, 2023	Variance
Building and improvements	\$ 259,307,593	\$ 258,808,328	\$ 499,265
Machinery and equipment	19,205,371	18,402,334	803,037
Sub-total	278,512,964	277,210,662	1,302,302
Leased Assets (GASB87/96 Adj. Net)	1,399,902	1,619,401	(219,499)
Less accumulated depreciation	(145,972,035)	(135,458,327)	(10,513,708)
Total NBV/Other Capital Asset, net	\$ 133,940,831	\$ 143,371,734	\$ (9,430,903)
Interest Amortization (GASB 87-96)	\$ (245,504)	\$ (140,395)	\$ (105,110)

##### Golf Course

	June 30, 2024	June 30, 2023	Variance
Building and improvements	\$ 14,781,129	\$ 13,747,687	\$ 1,033,442
Machinery and equipment	1,770,106	1,770,106	0
Sub-total	16,551,235	15,517,793	1,033,442
Less accumulated depreciation	(10,740,370)	(9,922,314)	(818,057)
Total NBV/Other Capital Asset, net	\$ 5,810,864	\$ 5,595,479	\$ 215,385

Reference: Balance Sheet: Other capital asset, net

Construction in Progress	\$ -	\$ 203	\$ (203)
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#### CHANGE IN DEBT

Outstanding debt decreased by \$4.1 million during FY 2024 mainly due to principal payments on the 2016 Bonds (\$4.3 million), one year of the 2016 bond premium amortization (\$550,000), one year of the 2018 bond premium amortization (\$843,000) net of accreted interest amortization<sup>(i)</sup> of \$1.8 million and decreased Lease Liability GASB 87-96 Adjustments of \$195,000.

## FINANCIAL ANALYSIS (Continued)

### Balance Sheet highlights

#### CHANGE IN DEBT

ROSE BOWL OPERATING COMPANY  
CHANGE IN DEBT  
YEAR ENDING JUNE 30, 2024

##### Summary:

	2024	2023	
Long-Term Debt(Stadium)	\$ 190,216,780	\$ 194,970,167	\$ (4,753,387)
Current Portion of Long-Term Debt (Stadium)	5,830,852	4,975,000	855,852
Lease Liability (GASB87/96 Adjustment)	1,336,321	1,530,898	(194,577)
Long-Term Debt(Golf)	-	465,918	(465,918)
Current Portion of Long-Term Debt (Golf)	465,917	51,769	414,148
<b>Total Debt</b>	<b>\$ 197,849,870</b>	<b>\$ 201,993,752</b>	<b>\$ (4,143,882)</b>

##### Details:

##### Stadium

	June 30, 2024	June 30, 2023	Variance
2010 Revenue Bonds	\$ 125,648,265	\$ 125,648,266	\$ (1)
2016 Revenue Bonds	13,320,000	17,630,000	(4,310,000)
2016 Bond Premium	1,513,057	2,063,259	(550,202)
2018 Bond and Premium	38,792,067	39,635,389	(843,322)
Accreted Interest	16,774,243	14,968,252	1,805,991
Lease Liability (GASB87/96 Adjustment)	1,336,321	1,530,898	(194,577)
Total Bond Related:	197,383,953	201,476,065	(4,092,112)

##### Golf Course

* Golf Course Debt	465,917	517,686	(51,769)
Long Term Note Due American Golf (Scheduled for 15-year schedule, but will term. FY 2025)			
<b>Total Debt</b>	<b>\$ 197,849,870</b>	<b>\$ 201,993,752</b>	<b>\$ (4,143,882)</b>

(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@rosebowlstadium.com), Rose Bowl Operating Company, 1001 Rose Bowl Dr., Pasadena, California 91103.

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**ROSE BOWL OPERATING COMPANY**  
**Statement of Net Position**  
**June 30, 2024**

	<u>Rose Bowl</u>	<u>Golf Course</u>	<u>Total</u>
<b>Assets:</b>			
Current:			
Cash and investments	\$ 21,980,516	\$ 17,947,178	\$ 39,927,694
Accounts receivable, net of allowance of \$571,823 for the Rose Bowl	4,282,608	267,999	4,550,607
Lease receivable	244,205	-	244,205
Inventory	5,484	268,898	274,382
Prepaid items	151,810	13,549	165,359
<b>Total Current Assets</b>	<b><u>26,664,623</u></b>	<b><u>18,497,624</u></b>	<b><u>45,162,247</u></b>
Noncurrent:			
Due from City of Pasadena	405,139	-	405,139
Due from Stadium	-	2,199,129	2,199,129
Cash and investments, restricted	10,490,643	-	10,490,643
Capital assets:			
Other capital assets, net	133,940,831	5,810,864	139,751,695
<b>Total Noncurrent Assets</b>	<b><u>144,836,613</u></b>	<b><u>8,009,993</u></b>	<b><u>152,846,606</u></b>
<b>Total Assets</b>	<b><u>171,501,236</u></b>	<b><u>26,507,617</u></b>	<b><u>198,008,853</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred refunding charge	1,015,275	-	1,015,275
Outflows related to net pension liability	1,711,785	57,796	1,769,581
<b>Total Deferred Outflows of Resources</b>	<b><u>2,727,060</u></b>	<b><u>57,796</u></b>	<b><u>2,784,856</u></b>
<b>Liabilities:</b>			
Current:			
Accounts payable and other liabilities	4,916,904	2,040,002	6,956,906
Accrued salaries and benefits	560,641	92,451	653,092
Interest payable	3,103,246	-	3,103,246
Due to Golf Course	2,199,129	-	2,199,129
Due to City of Pasadena	916,930	152,112	1,069,042
Deposits	833,759	-	833,759
Unearned revenue	7,297,868	124,025	7,421,893
Current portion of long-term advance	100,000	-	100,000
Current portion compensated absences	202,276	10,010	212,286
Current portion of long-term debt	5,830,852	465,917	6,296,769
<b>Total Current Liabilities</b>	<b><u>25,961,605</u></b>	<b><u>2,884,517</u></b>	<b><u>28,846,122</u></b>
Noncurrent:			
Long-term advance	300,000	-	300,000
Compensated absences	82,891	9,287	92,178
Long-term debt, net of current portion	191,553,101	-	191,553,101
Net pension liability	3,801,935	129,857	3,931,792
<b>Total Noncurrent Liabilities</b>	<b><u>195,737,927</u></b>	<b><u>139,144</u></b>	<b><u>195,877,071</u></b>
<b>Total Liabilities</b>	<b><u>221,699,532</u></b>	<b><u>3,023,661</u></b>	<b><u>224,723,193</u></b>
<b>Deferred Inflows of Resources:</b>			
Inflows related to lessor leases	231,524	-	231,524
Inflows related to net pension liability	37,471	25,596	63,067
<b>Total Deferred Inflows of Resources</b>	<b><u>268,995</u></b>	<b><u>25,596</u></b>	<b><u>294,591</u></b>
<b>Net Position:</b>			
Net investment in capital assets	(32,813,236)	5,810,864	(27,002,372)
Restricted for debt service	10,490,643	(945,918)	9,544,725
Unrestricted	(25,417,638)	18,651,210	(6,766,428)
<b>Total Net Position</b>	<b><u>\$ (47,740,231)</u></b>	<b><u>\$ 23,516,156</u></b>	<b><u>\$ (24,224,075)</u></b>

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

**ROSE BOWL OPERATING COMPANY**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**Year Ended June 30, 2024**

	<b>Rose Bowl</b>	<b>Golf Course</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Green fees and other golf revenues	\$ -	\$ 7,304,652	\$ 7,304,652
Golf displacement	-	810,203	810,203
Advertising revenue	3,360,209	-	3,360,209
Facility rentals	30,090,894	663,738	30,754,632
Concessions	5,316,653	-	5,316,653
Pro shop	-	214,965	214,965
Restaurant	-	3,349,211	3,349,211
Admission tax	1,343,694	-	1,343,694
Cost recoveries	9,662,044	402,943	10,064,987
	<b>49,773,494</b>	<b>12,745,712</b>	<b>62,519,206</b>
<b>Operating Expenses:</b>			
Salaries and benefits	5,132,757	298,800	5,431,557
Annual PERS valuation adjustment	379,247	12,131	391,378
General and administrative	5,653,329	1,100,029	6,753,358
Depreciation/amortization	10,759,212	818,056	11,577,268
Capital preventative maintenance	1,465,840	142,680	1,608,520
Events and parking	28,234,963	744,792	28,979,755
Green fees and other golf expenses	-	4,750,307	4,750,307
Restaurant	-	2,821,314	2,821,314
	<b>51,625,348</b>	<b>10,688,109</b>	<b>62,313,457</b>
Operating Income (Loss)	(1,851,854)	2,057,603	205,749
<b>Nonoperating Revenues (Expenses):</b>			
Investment income	1,975,984	470,742	2,446,726
Interest expense	(12,182,073)	-	(12,182,073)
Other nonoperating revenues (expenses)	5,706,038	(680,000)	5,026,038
	<b>(4,500,051)</b>	<b>(209,258)</b>	<b>(4,709,309)</b>
Changes in Net Position	(6,351,905)	1,848,345	(4,503,560)
<b>Net Position:</b>			
Beginning of Year	(41,388,326)	21,667,811	(19,720,515)
End of Year	<b>\$ (47,740,231)</b>	<b>\$ 23,516,156</b>	<b>\$ (24,224,075)</b>

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

**ROSE BOWL OPERATING COMPANY**  
**Statement of Cash Flows**  
**Year Ended June 30, 2024**

	<b>Rose Bowl</b>	<b>Golf Course</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 1,558,315	\$ 478,127	\$ 2,036,442
Cash paid to employees for services	(5,033,480)	(254,961)	(5,288,441)
Cash paid to suppliers for goods and services	(33,930,087)	(7,308,246)	(41,238,333)
Other cash receipts	49,773,494	10,653,863	60,427,357
<b>Net Cash Provided by Operating Activities</b>	<b>12,368,242</b>	<b>3,568,783</b>	<b>15,937,025</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Repayments from other funds	1,394,972	152,112	1,547,084
Repayment made to other funds	-	(1,845,180)	(1,845,180)
Other nonoperating revenues	5,474,513	-	5,474,513
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>6,869,485</b>	<b>(1,693,068)</b>	<b>5,176,417</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of capital assets	(1,302,305)	(1,033,441)	(2,335,746)
Capital grants and contributions	-	(680,000)	(680,000)
Interest subsidy on bonds payable	(10,870,798)	-	(10,870,798)
Principal payments on long-term debt	(5,213,511)	(51,769)	(5,265,280)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(17,386,614)</b>	<b>(1,765,210)</b>	<b>(19,151,824)</b>
<b>Cash Flows from Investing Activities:</b>			
Investment gain (loss)	2,000,953	470,944	2,471,897
<b>Net Cash Provided by Investing Activities</b>	<b>2,000,953</b>	<b>470,944</b>	<b>2,471,897</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>3,852,066</b>	<b>581,449</b>	<b>4,433,515</b>
Cash and Cash Equivalents at Beginning of Year	28,619,093	17,365,729	45,984,822
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 32,471,159</b>	<b>\$ 17,947,178</b>	<b>\$ 50,418,337</b>
<b>Reconciliation of Cash and Investments to Amounts Reported on the Statement of Net Position:</b>			
Cash and investments	\$ 21,980,516	\$ 17,947,178	\$ 39,927,694
Cash and investments restricted	10,490,643	-	10,490,643
<b>Total reported on Statement of Net Position</b>	<b>32,471,159</b>	<b>17,947,178</b>	<b>50,418,337</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 32,471,159</b>	<b>\$ 17,947,178</b>	<b>\$ 50,418,337</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ (1,851,854)	\$ 2,057,603	\$ 205,749
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>			
Depreciation/amortization	10,759,212	818,056	11,577,268
(Increase) decrease in accounts receivable	858,651	(124,109)	734,542
(Increase) decrease in inventory	51,200	(9,829)	41,371
(Increase) decrease in prepaid assets	72,327	(13,549)	58,778
(Increase) decrease in lease receivable	(9,369)	-	(9,369)
Increase (decrease) in accounts payable and accrued expenses	1,133,731	846,143	1,979,874
Increase (decrease) in accrued salaries and benefits	69,421	41,083	110,504
Increase (decrease) in deposits	709,033	(61,502)	647,531
Increase (decrease) in subscription liability	166,787	-	166,787
Increase (decrease) in compensated absences	29,856	2,757	32,613
Increase (decrease) in net pension liability	379,247	12,130	391,377
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 12,368,242</b>	<b>\$ 3,568,783</b>	<b>\$ 15,937,025</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of deferred charge and bond discounts/premiums	\$ 380,729	\$ -	\$ 380,729

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



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**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
	Lesser of useful life of the asset
Leases and subscriptions	or length of the contract

**E. Lease/Subscription Assets**

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.

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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**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.

**NOTE 2: CASH AND INVESTMENTS**

Cash and Investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 39,927,694
Cash and investments restricted	10,490,643
Total cash and investments	<u>\$ 50,418,337</u>

Cash and investments as of June 30, 2024, consist of the following:

Cash on hand	\$ 2,963
Deposits with financial institutions	6,227,433
City of Pasadena Investment Pool	44,187,941
Total cash and investments	<u>\$ 50,418,337</u>

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

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

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

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

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Disclosures Relating to Interest Rate Risk

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

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	\$ 44,187,941	\$ 44,187,941
Total	\$ 44,187,941	\$ 44,187,941

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	\$ 44,187,941	N/A	\$ 44,187,941
Total	\$ 44,187,941		\$ 44,187,941

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.

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Fair Value Hierarchy

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

The Company has the following recurring fair value measurements as of June 30, 2024:

Investment Type	Totals	Level 2
City of Pasadena Investment Pool	\$ 44,187,941	\$ 44,187,941
Total	\$ 44,187,941	\$ 44,187,941

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, 2024, is as follows:

	Balance July 1, 2023	Adjustments	Additions	Deletions	Balance June 30, 2024
Business-type activities:					
Capital assets, being depreciated/amortized					
Buildings	\$ 209,232,153	\$ -	\$ 61,485	\$ -	\$ 209,293,638
Improvements other than buildings	49,576,173	-	437,784	-	50,013,957
Machinery, equipment, and vehicles	18,402,334	-	803,036	-	19,205,370
Lease assets	97,084	-	-	-	97,084
Subscription assets	1,684,265	-	43,933	(22,632)	1,705,566
Total capital assets, being depreciated/amortized	278,992,009	-	1,346,238	(22,632)	280,315,615
Less accumulated depreciation/amortization					
Buildings	(76,788,700)	-	(7,329,333)	-	(84,118,033)
Improvements other than buildings	(41,728,629)	-	(2,416,737)	-	(44,145,366)
Machinery, equipment, and vehicles	(16,940,997)	-	(767,639)	-	(17,708,636)
Lease assets	(51,803)	-	(28,444)	-	(80,247)
Subscription assets	(110,146)	(402)	(217,059)	5,105	(322,502)
Total accumulated depreciation/amortization	(135,620,275)	(402)	(10,759,212)	5,105	(146,374,784)
Total capital assets, being depreciated/amortized, net	143,371,734	(402)	(9,412,974)	(17,527)	133,940,831
Total business-type activities capital assets	\$ 143,371,734	\$ (402)	\$ (9,412,974)	\$ (17,527)	\$ 133,940,831

Depreciation and amortization expense for the year was \$10,759,212.

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 3: CAPITAL ASSETS (CONTINUED)**

Golf Course

Capital asset activity for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental activities:				
Capital assets, not being depreciated				
Construction-in-progress	\$ 203	\$ -	\$ (203)	\$ -
Total capital assets, not being depreciated	203	-	(203)	-
Capital assets, being depreciated				
Buildings	1,638,524	-	-	1,638,524
Improvements other than buildings	12,244,737	1,033,441	-	13,278,178
Machinery and equipment	1,634,532	-	-	1,634,532
Total capital assets, being depreciated	15,517,793	1,033,441	-	16,551,234
Less accumulated depreciation				
Buildings	(1,217,724)	(43,831)	-	(1,261,555)
Improvements other than buildings	(7,708,223)	(672,171)	-	(8,380,394)
Machinery and equipment	(996,367)	(102,054)	-	(1,098,421)
Total accumulated depreciation	(9,922,314)	(818,056)	-	(10,740,370)
Total capital assets, being depreciated, net	5,595,479	215,385	-	5,810,864
Total business-type activities capital assets	\$ 5,595,682	\$ 215,385	\$ (203)	\$ 5,810,864

Depreciation expense for the year was \$818,056.

**NOTE 4: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

**A. Leases**

Asset Class	As of Fiscal Year-End	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 97,084	\$ 80,247
Total Leases	\$ 97,084	\$ 80,247

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 11,894	\$ 72	\$ 11,966
2026	3,935	34	3,969
2027	1,980	5	1,985
Total	\$ 17,809	\$ 111	\$ 17,920



**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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

As of June 30, 2024, the Rose Bowl Operating Company had 4 active leases. The leases have payments that range from \$3,969 to \$14,388 and interest rates that range from 0.3150% to 0.8300%. As of June 30, 2024, the total combined value of the lease liability is \$17,809, the total combined value of the short-term lease liability is \$11,894. The combined value of the right to use assets, as of 06/30/2024 of \$97,084 with accumulated amortization of \$80,247 is included within the Lease Class activities table found below.

**B. Subscription-Based Information Technology Arrangements**

As of June 30, 2024, the Rose Bowl Operating Company had 24 active subscriptions. The subscriptions have payments that range from \$1,211 to \$48,538 and interest rates that range from 2.1840% to 3.5490%. As of June 30, 2024, the total combined value of the subscription liability is \$1,318,512, and the total combined value of the short-term subscription liability is \$198,958. The combined value of the right to use asset, as of 06/30/2024 of \$1,705,566 with accumulated amortization of \$322,502 is included within the Subscription Class activities table found below.

Asset Class	As of Fiscal Year-End	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 1,705,566	\$ 322,502
Total Subscriptions	\$ 1,705,566	\$ 322,502

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 198,958	\$ 34,818	\$ 233,776
2026	172,553	29,116	201,669
2027	150,698	24,736	175,434
2028	144,279	20,666	164,945
2029	149,810	16,773	166,583
2030-2033	502,214	25,491	527,705
Total	\$ 1,318,512	\$ 151,600	\$ 1,470,112

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 5: LONG-TERM DEBT**

Rose Bowl

Long-Term liabilities for the year ended June 30, 2024, are as follows:

	Balance at July 1, 2023	Additions/ Accretions	Deletions/ Amortizations	Balance at June 30, 2024	Due in One Year
2010A Tax-Exempt Lease Revenue Bonds:					
Capital Appreciation Bonds	\$ 26,556,516	\$ 1,805,992	\$ -	\$ 28,362,508	\$ -
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	17,630,000	-	(4,310,000)	13,320,000	4,705,000
2016A Bond Premium	2,063,260	-	(550,203)	1,513,057	-
2018A Tax-Exempt Lease Revenue Bonds	30,585,000	-	-	30,585,000	-
2018B Taxable Lease Revenue Bonds	5,385,000	-	(665,000)	4,720,000	915,000
2018A Bond Premium	3,698,367	-	(184,917)	3,513,450	-
2018B Bond Discount	(32,978)	-	6,595	(26,383)	-
Subtotal - Bonded Long-Term Liabilities	199,945,165	1,805,992	(5,703,525)	196,047,632	5,620,000
Lease Liability	45,601	-	(27,792)	17,809	11,894
Subscription Liability	1,485,299	43,932	(210,719)	1,318,512	198,958
Total Long-Term Liabilities	<u>\$ 201,476,065</u>	<u>\$ 1,849,924</u>	<u>\$ (5,942,036)</u>	<u>\$ 197,383,953</u>	<u>\$ 5,830,852</u>

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.

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 5: LONG-TERM DEBT (CONTINUED)**

The 2010A bonds were partially refunded during the year ended June 30, 2017 with the 2016A bonds.

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, 2024, the Treasury made subsidy payments totaling \$2,756,617 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, 2024, are as follows:

June 30	Principal Payments			Interest	Total
	Series A	Series B	Series D		
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	6,520,000	-	-	8,138,391	14,658,391
2030-2033	27,060,000	1,710,000	-	7,609,439	36,379,439
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	\$ 96,983,304	\$ 252,968,305
Less: Future Accretion	(13,562,493)				
	\$ 28,362,508				

**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,*

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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**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, 2024 is comprised of the principal amount of \$13,320,000, plus unamortized deferred bond premium of \$1,513,057, for a total of \$14,833,057.

The annual debt service requirements for the 2016 Lease Revenue Bond as of June 30, 2024, is as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>\$ 13,320,000</u>	<u>\$ 1,271,000</u>	<u>\$ 14,591,000</u>

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, 2024 is comprised of the principal amount of \$30,585,000, plus unamortized deferred bond premium of \$3,513,450, for a total of \$34,098,450.

The Series 2018B balance outstanding at June 30, 2024 is comprised of the principal amount of \$4,720,000, plus unamortized deferred bond discount of (\$26,383), for a total of \$4,693,617.

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 5: LONG-TERM DEBT (CONTINUED)**

The annual debt service requirements for the 2018 Lease Revenue Bonds as of June 30, 2024, are as follows:

June 30	Principal Payments		Interest	Total
	Series A	Series B		
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	<u>\$ 30,585,000</u>	<u>\$ 4,720,000</u>	<u>\$ 18,901,420</u>	<u>\$ 54,206,420</u>

Pledge of Stadium Revenues

In accordance with the financing plan approved by the City Council of the City of Pasadena in October 2010, the Company has pledged net revenues before reserves to secure repayment of the aforementioned bonds. Proceeds from the bonds provided financing for the Rose Bowl Renovation project. The bonds are payable from net revenues and are payable through maturity. In the event of any bond default, the City is the sole obligor for all debt service repayments. 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 is \$322,757,056. During fiscal year 2024-2025, the City refinanced the 2010B bond to the 2024A refunding Lease Revenue Bonds (Rose Bowl project) for \$106,660,000 for the principal value.

Golf Course

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 \$51,770 per year. There is no interest charged on this purchase. During the year ended June 30, 2025, prior to the issuance of these financial statements, the Company paid the remaining balance of the finance agreement. Therefore, the full outstanding balance of \$465,917 is shown as current portion of long-term debt for the year ended June 30, 2024.

	Balance at July 1, 2023	Additions/ Accretions	Deletions/ Amortizations	Balance at June 30, 2024	Due in One Year
Financed Purchase	\$ 517,687	\$ -	\$ 51,770	\$ 465,917	\$ 465,917
Total Long-Term Liabilities	<u>\$ 517,687</u>	<u>\$ -</u>	<u>\$ 51,770</u>	<u>\$ 465,917</u>	<u>\$ 465,917</u>

Compensated Absences

Compensated absences for the year ended June 30, 2024, are as follows:

	Balance at July 1, 2023	Additions/ Accretions	Deletions/ Amortizations	Balance at June 30, 2024	Due in One Year
Rose Bowl	\$ 255,311	\$ 29,856	\$ -	\$ 285,167	\$ 202,276
Golf Course	16,540	2,757	-	19,297	10,010
	<u>\$ 271,851</u>	<u>\$ 32,613</u>	<u>\$ -</u>	<u>\$ 304,464</u>	<u>\$ 212,286</u>

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 6: NET POSITION**

Net position for the Rose Bowl Stadium at June 30, 2024, consisted of the following:

Net investment in capital assets:	
Property, plant and equipment, net	\$ 133,940,834
Less:	
Net carrying value of capital-related debt	(166,421,670)
Accounts payable on capital assets	<u>(332,400)</u>
Total net investment in capital assets	(32,813,236)
Restricted for debt service	10,490,643
Unrestricted net deficit	<u>(25,417,638)</u>
Total net position	<u>\$ (47,740,231)</u>

Net position for the Golf Course at June 30, 2024, consisted of the following:

Net investment in capital assets:	
Property, plant and equipment, net	\$ 5,810,864
Restricted for debt service	(945,918)
Unrestricted net deficit	<u>18,651,210</u>
Total net position	<u>\$ 23,516,156</u>

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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**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 statute 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, 2024, are summarized as follows:

	<u>Miscellaneous*</u>	<u>PEPRA Miscellaneous</u>
	Prior to January 1, 2013	January 1, 2013 and after
Hire date	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%	7.75%
Required employer contribution rates	14.06%	7.68%
Required employer unfunded liability payment	\$225,979	\$0

\* Closed to new entrants



**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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**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, 2024, the contributions recognized as a reduction to the net pension liability were \$608,451.

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

As of June 30, 2024, the Company reported a net pension liability for its proportionate share of the net pension liability of each Plan of \$3,931,792.

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, 2023, 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, 2022, rolled forward to June 30, 2023, 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, 2022 and 2023, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2022	0.07536%
Proportion - June 30, 2023	0.07863%
Change - Increase (Decrease)	<u>0.00327%</u>

For the year ended June 30, 2024, the Company recognized pension expense of \$378,664 for the Plans. At June 30, 2024, the Company reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 621,165	\$ -
Differences between expected and actual experiences	193,451	(30,009)
Change in assumptions	187,566	-
Net differences between projected and actual earnings on pension plan investments	613,120	-
Adjustment due to difference in proportions	127,142	-
Differences between actual contributions and the proportionate share of contributions	27,137	(33,058)
Total	<u>\$ 1,769,581</u>	<u>\$ (63,067)</u>



**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The \$621,165 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, 2025. 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
2025	\$ 404,055
2026	259,161
2027	462,949
2028	(40,816)
Total	<u>\$ 1,085,349</u>

Actuarial Assumptions

For the measurement period ended June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022, total pension liability. The June 30, 2022 and the June 30, 2023, total pension liabilities were based on the following actuarial methods and assumptions:

	<u>2024</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial assumptions	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.75%
Projected Salary Increase	2.3% depending on Age, Service, and Type of Employment
Investment Rate of Return	7.00% net of pension plan investment expenses, includes inflation
Mortality	Derived using CalPERS' Membership Data for all Funds

All other actuarial assumptions used in the June 30, 2022 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.

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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-weighted	30.00%	4.54%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Infrastructure and Forestland	0.00%	0.00%
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 Asset Liability Management study

**ROSE BOWL OPERATING COMPANY**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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**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) \$	6,236,721	\$ 3,931,792	\$ 1,999,349

**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, 2024 was \$400,000. 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 \$1,611,456. At June 30, 2024, amounts payable to the City totaled \$1,069,042.

During the current year, the Company has amounts receivable from the City related to the 2006 bond refunding in the amount of \$405,139 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.

**NOTE 13: SUBSEQUENT EVENTS**

Lease Revenue Refunding Bonds 2024A Series

On October 28, 2024, the City approved the issuance of the 2024A Refunding Lease Revenue Bonds ("2024A Bonds") issued to refinance the 2010B Build America Bonds. The financing transaction was closed on November 20, 2024.

The Series 2010B Lease Revenue Bonds were issued as Build America Bonds (BABs). BABs were issued as taxable fixed rate bonds whereby the United States Treasury rebates the issuer (the City) 35% of the interest portion due on the bonds semi-annually for the life of the bonds, therefore, reducing the taxable interest rate on the debt to an equivalent tax-exempt rate. The annual subsidy by the Federal Government has been reduced over the years from 35% to 33%. The risk of the Federal Government further reducing or eliminating the BABs cash subsidy in the future and materially increasing the cost of the BABs financing is real and this risk increases as the federal budget deficit grows. The post subsidy interest rate paid on the BABs is 4.78%. If the cash subsidies are eliminated, the interest rate on the bonds will increase to 7.13%. This equates to a 2.35% interest rate increase on the bonds or an annual increase of \$2,500,000 in interest expense to the Rose Bowl Operating Company (RBOC).

The purpose and objective of the refunding was to eliminate the sequestration risk, provide the ability to refinance in 2034, level the annual debt service payments, and provide annual funding until 2043 to enable the RBOC to invest in the capital improvements and preventive maintenance of the facility. The purpose of the refunding was not to generate economic savings. The final pricing generated a present value dis-saving of \$11,375,000 or a -10.7% net present value savings of par value of refunded bonds. The debt refinancing extends the terms from 2043 to 2048 and levels the annual debt service payments.

The Company evaluated subsequent events for recognition and disclosure through December 20, 2024, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024 other than the item noted above that required recognition or disclosure in such financial statements.

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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**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Proportion of the Net Pension Liability (Asset)	0.07863%	0.07536%	0.07321%	0.07105%
Proportionate Share of the Net Pension Liability (Asset)	\$ 3,931,792	\$ 3,526,411	\$ 1,390,048	\$ 2,996,767
Covered Payroll	\$ 3,332,480	\$ 3,209,344	\$ 2,655,214	\$ 3,273,956
Proportionate Share of the Net Pension Liability (Asset) as Percentage of Covered Payroll	<b>117.98%</b>	<b>109.88%</b>	<b>52.35%</b>	<b>91.53%</b>
Total Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>87.16%</b>	<b>87.16%</b>	<b>90.35%</b>	<b>76.58%</b>

**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, 2022 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

*Changes of Assumptions:* There were no assumption changes in 2023. 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.

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<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.06964%	0.06867%	0.06821%	0.06766%	0.07266%	0.02717%
\$ 2,788,864	\$ 2,587,867	\$ 2,688,676	\$ 2,350,455	\$ 1,993,478	\$ 1,690,891
\$ 3,083,082	\$ 2,798,456	\$ 2,583,602	\$ 2,183,555	\$ 2,292,759	\$ 2,304,751
<b>90.46%</b>	<b>92.47%</b>	<b>104.07%</b>	<b>107.64%</b>	<b>86.95%</b>	<b>73.37%</b>
<b>75.26%</b>	<b>77.69%</b>	<b>75.39%</b>	<b>75.87%</b>	<b>78.40%</b>	<b>76.63%</b>



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

Fiscal year ended	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Actuarially Determined Contributions	\$ 621,165	\$ 608,451	\$ 593,271	\$ 513,532
Contribution in Relation to the Actuarially Determined Contribution	<u>(621,165)</u>	<u>(608,451)</u>	<u>(593,271)</u>	<u>(513,532)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 4,107,965	\$ 3,332,480	\$ 3,209,344	\$ 2,655,214
Contributions as a Percentage of Covered Payroll	15.12%	18.26%	18.49%	19.34%

**Note to Schedule:**

Valuation Date:	June 30, 2022
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	
Inflation	2.30%
Payroll Growth	2.75%

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<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
\$ 537,091	\$ 470,264	\$ 403,984	\$ 371,534	\$ 317,561	\$ 324,587
(537,091)	(470,264)	(403,984)	(371,534)	(317,561)	(324,587)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,273,956	\$ 3,083,082	\$ 2,798,456	\$ 2,583,602	\$ 2,373,593	\$ 1,922,101
16.40%	15.25%	14.44%	14.38%	13.38%	16.89%

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

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 the Rose Bowl Operating Company (the "Company"), a component unit of the City of Pasadena, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements, and have issued our report thereon dated December 20, 2024.

### **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 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 & Lughard, LLP*

Irvine, California  
December 20, 2024