

Agenda Report

November 3, 2003

TO: City Council/Pasadena Community Development Commission
THROUGH: Audit Committee

FROM: City Manager/Chief Executive Officer

SUBJECT: Fiscal Year 2003 Annual Financial Reports

RECOMMENDATION OF CITY MANAGER/CHIEF EXECUTIVE OFFICER

It is recommended that the following attached audited reports for the year ending June 30, 2003 be received by the City Council and/or Pasadena Community Development Commission (PCDC):

- Comprehensive Annual Financial Report
- Single Audit Report on Federal Awards
- Pasadena Community Development Commission Annual Financial Report
- Pasadena Center Operating Company Financial Statements
- Rose Bowl Operating Company General Purpose Financial Statements
- Pasadena Fire and Police Retirement System Report on Audited Financial Statements and Required Supplemental Information (Final Draft)
- Air Quality Improvement Fund Financial and Compliance Report
- Independent Accountant's Report on agreed-Upon Procedures Applied to Appropriation Limit Worksheets
- Independent Accountant's Report on agreed-Upon Procedures Applied to Employee Deduction for the Internal Revenue Code Section 457
- Management Letters – City of Pasadena, Rose Bowl Operating Company and Pasadena Center Operating Company
- Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

DISCUSSION

For the year ended June 30, 2002, the City of Pasadena was required to implement GASB Statement No. 34. This reporting format is continued for the period ending June 30, 2003. GASB 34 is a new accounting standard issued by the Governmental Accounting Standards Board (GASB) that dramatically changes the format of the

financial statements of local governments. Highlights of the reporting changes are as follows:

- A new section called Management's Discussion and Analysis that explains and puts into perspective the data contained in the financial statements.
- Two new government-wide financial statements were added providing information in summary form for the City of Pasadena as a whole: the Statement of Net Assets and the Statement of Activities.
- All assets (including infrastructure) and liabilities of the City have been reported in these two new government-wide financial statements.
- The accrual basis of accounting has been used (depreciation reported, etc.) in the government-wide financial statements.
- The Statement of Activities has been formatted in a way that highlights the degree to which the programs of the City are self-sustaining or require a draw from the general revenues of the City.
- The remainder of the basic financial statements are focused on the major funds of the City. The two major governmental funds account for approximately 70% of the governmental fund revenue of the City, while the four major enterprise funds account for nearly 97% of the enterprise fund revenues of the City.

FISCAL IMPACT

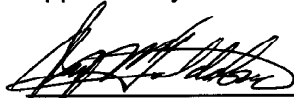
There is no fiscal impact as result of this report. Particular attention should be paid to the CAFR transmittal letter and Notes to the Financial Statements.

Respectfully submitted,



Cynthia J. Kurtz
City Manager/Chief Executive Officer

Approved by:



Jay M. Goldstone

Director of Finance/Treasurer