

this project. Work continues this year in the area of historic preservation, design services, preparation of construction and bidding documents and construction of three major projects: City Hall Seismic Retrofit and Exterior Restoration, Seismic Retrofit of Glenarm Power Plant and Pasadena Ice Rink Facility Construction. Approximately \$55,256,236 was spent on these projects during fiscal year 2006.

- A variety of street maintenance and construction, electrical system undergrounding, traffic control and parks and landscape projects continue Citywide. Some of the major projects in these categories this fiscal year include: Raymond Avenue Pasadena Freeway Connector, Preventive Maintenance of Asphalt Streets, Avenue 64-La Loma Road Street Lighting and Undergrounding, Traffic Control and Monitoring System (ITS), Lincoln Avenue Corridor Improvements, and Eason Wash Park Improvements. Work on these projects during the 2006 fiscal year reached \$9,095,851. Construction in Progress as of the end of the current fiscal year is \$196,280,147.

**City of Pasadena's Capital Assets**  
(Net of Depreciation)

	Governmental Activities		Business Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 55,467,474	54,229,664	5,236,929	5,236,929	60,704,403	59,466,593
Buildings and improvements	80,391,450	79,806,280	89,726,299	91,242,881	170,117,749	171,049,161
Machinery and equipment	15,017,029	15,088,203	269,450,930	265,126,776	284,467,959	280,214,979
Infrastructure	94,283,537	92,630,417	-	-	94,283,537	92,630,417
Construction in progress	150,543,916	87,737,935	45,736,231	32,956,941	196,280,147	120,694,876
Totals	<u>\$ 395,703,406</u>	<u>329,492,499</u>	<u>410,150,389</u>	<u>394,563,527</u>	<u>805,853,795</u>	<u>724,056,026</u>

Additional information on the City of Pasadena's capital assets can be found in note 7 on pages 95-98 of this report.

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## Long-Term Debt

At year-end, the City has a number of debt issues outstanding. These issues include \$132.0 million of taxable pension bonds, \$1.6 million of general obligation bonds, \$10.6 million of tax allocation bonds applicable to PCDC, \$211.9 million of revenue bonds, \$175.3 million of certificates of participation, \$10.1 million of notes payable and \$11.6 million of capitalized lease obligations. Long-term debt decreased by a net amount of \$8.3 million as a result of normal scheduled principal maturities, increase in net pension obligation, and \$10.4 in new revenue bond debt. The City has maintained its AA rating by Standard and Poor's Corporation and Fitch Ratings Services and an Aa2 rating from Moody's Investor Service on general obligation bond issues.

### City of Pasadena's Outstanding Debt

	Governmental Activities		Business Activities		Total	
	2006	2005	2006	2005	2006	2005
Notes payable	\$ 8,144,865	7,811,133	2,016,981	2,119,416	10,161,846	9,930,549
Pension bonds	131,960,000	135,590,000	-	-	131,960,000	135,590,000
General obligation bonds	1,550,000	3,025,000	-	-	1,550,000	3,025,000
Tax allocation bonds	10,607,328	12,065,364	-	-	10,607,328	12,065,364
Certificates of participation	143,901,497	149,034,480	31,469,001	33,688,067	175,370,498	182,722,547
Revenue bonds	10,355,000	-	201,535,000	210,515,000	211,890,000	210,515,000
Capitalized lease obligations	9,291,742	9,618,935	2,353,108	3,247,905	11,644,850	12,866,840
Unamortized premium (discount)	(4,624,363)	(4,969,260)	2,343,757	2,473,490	(2,280,606)	(2,495,770)
Arbitrage rebate liability	759,576	675,988	-	-	759,576	675,988
Compensated absences	6,975,434	7,202,577	-	-	6,975,434	7,202,577
Net pension obligation	41,128,901	36,023,278	-	-	41,128,901	36,023,278
<b>Totals</b>	<b>\$ 360,049,980</b>	<b>356,077,495</b>	<b>239,717,847</b>	<b>252,043,878</b>	<b>599,767,827</b>	<b>608,121,373</b>

Additional information on the City of Pasadena's long-term debt can be found in notes 9 through 16 on pages 101 to 123 of this report.

## REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Pasadena's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of the Director of Finance, 117 East Colorado Boulevard, 5<sup>th</sup> Floor, Pasadena, California, 91109.

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**CITY OF PASADENA**  
**Statement of Net Assets**  
**June 30, 2006**

	<b>Primary Government</b>		<b>Total Primary Government</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>Assets</b>			
Cash and investments (note 2)	\$ 271,099,115	60,202,778	331,301,893
Accounts receivable (note 3)	41,976,695	50,371,577	92,348,272
Less allowance for uncollectible amounts (note 3)	(662,450)	(8,299,378)	(8,961,828)
Notes receivable (note 4)	28,470,611	50,000	28,520,611
Internal balances (note 5)	1,259,580	(1,259,580)	-
Inventories	253,687	12,783,154	13,036,841
Prepays and other assets	763,007	15,463,325	16,226,332
Internal advances (note 6)	4,585,291	(4,585,291)	-
Advances to (from) component units (note 6)	1,085,522	-	1,085,522
Allowance for uncollectible long-term receivables (notes 4 and 6)	(11,894,527)	-	(11,894,527)
Restricted assets - cash and investments (note 2)	3,620,933	167,827,579	171,448,512
Property held for resale	5,322,588	-	5,322,588
Capital assets (note 7):			
Land	55,467,474	5,236,929	60,704,403
Construction in progress	150,543,916	45,736,231	196,280,147
Other capital assets, net	189,692,016	359,177,229	548,869,245
Total assets	<u>741,583,458</u>	<u>702,704,553</u>	<u>1,444,288,011</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	28,819,125	18,729,293	47,548,418
Deposits	2,823,552	4,323,733	7,147,285
Insurance claims payable (note 22)	20,435,788	-	20,435,788
Interest payable	1,816,015	-	1,816,015
Due to other governments	24,035	-	24,035
Unearned revenue (note 8)	7,422,459	12,591	7,435,050
Noncurrent liabilities (notes 9 to 16):			
Due within one year	20,519,920	12,968,837	33,488,757
Due in more than one year	339,530,060	226,749,010	566,279,070
Total liabilities	<u>421,390,954</u>	<u>262,783,464</u>	<u>684,174,418</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	247,551,661	172,776,299	420,327,960
Restricted:			
Expendable:			
Culture and leisure	3,331,704	-	3,331,704
Capital projects	-	-	-
Community development	8,716,431	-	8,716,431
Restricted - Stranded investments (note 18 and 25)	-	145,504,122	145,504,122
Restricted - Restricted for Project/Contribution/Debt S	-	45,606,395	45,606,395
Nonexpendable	992,663	-	992,663
Unrestricted	59,600,045	76,034,273	135,634,318
Total net assets	<u>\$ 320,192,504</u>	<u>439,921,089</u>	<u>760,113,593</u>

See accompanying notes to the basic financial statements.

Component Units	Total	
	2006	2005
10,705,129	342,007,022	387,005,285
3,514,156	95,862,428	83,820,262
-	(8,961,828)	(9,246,466)
-	28,520,611	25,539,280
-	-	-
-	13,036,841	10,515,485
348,564	16,574,896	16,528,161
-	-	-
(1,085,522)	-	-
-	(11,894,527)	(10,437,002)
17,431,256	188,879,768	174,946,571
-	5,322,588	4,053,669
2,423,473	63,127,876	61,890,066
9,732,534	206,012,681	127,542,481
39,851,875	588,721,120	583,564,812
<u>82,921,465</u>	<u>1,527,209,476</u>	<u>1,455,722,604</u>
3,812,727	51,361,145	44,032,617
400,271	7,547,556	5,548,568
-	20,435,788	21,607,490
-	1,816,015	2,507,574
-	24,035	27,733
994,900	8,429,950	8,776,969
45,045	33,533,802	33,905,361
<u>36,802,506</u>	<u>603,081,576</u>	<u>595,293,709</u>
<u>42,055,449</u>	<u>726,229,867</u>	<u>711,700,021</u>
31,665,784	451,993,744	350,151,883
-	3,331,704	3,068,307
1,229,408	1,229,408	996,958
-	8,716,431	6,981,617
-	145,504,122	144,188,768
-	45,606,395	40,101,574
-	992,663	970,816
<u>7,970,824</u>	<u>143,605,142</u>	<u>197,562,660</u>
<u>40,866,016</u>	<u>800,979,609</u>	<u>744,022,583</u>

**CITY OF PASADENA**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2006**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 38,300,960	14,786,147	487,454	4,121,281
Public safety	82,372,339	12,068,388	3,682,832	246,562
Transportation	42,277,246	10,963,924	5,158,641	7,573,836
Sanitation	3,103,965	5,357,588	-	-
Health	11,547,887	765,790	8,400,099	-
Culture and leisure	24,725,157	2,112,001	1,028,449	-
Community development	33,654,958	11,768,337	16,084,110	4,171,559
Interest and other fiscal charges	15,978,523	-	-	-
Total governmental activities	<u>251,961,035</u>	<u>57,822,175</u>	<u>34,841,585</u>	<u>16,113,238</u>
<b>Business-type activities:</b>				
Electric	143,062,795	149,985,253	1,880,781	-
Water	29,423,662	34,507,500	812,639	-
Refuse	10,737,103	9,136,421	-	-
Parking	11,292,758	11,878,224	-	-
Telecommunication	382,516	355,512	-	-
Total business-type activities	<u>194,898,834</u>	<u>205,862,910</u>	<u>2,693,420</u>	<u>-</u>
Total primary government	<u>\$ 446,859,869</u>	<u>263,685,085</u>	<u>37,535,005</u>	<u>16,113,238</u>
<b>Component units</b>	<u>\$ 17,134,398</u>	<u>21,400,664</u>	<u>-</u>	<u>2,651,076</u>

**General revenues:**

**Taxes:**

- Property tax, levied for general purpose
- Sales tax
- Utility users' tax
- Transient occupancy tax
- Construction tax
- Business license tax
- Franchise tax
- Other taxes
- Other intergovernmental, unrestricted
- Investment earnings
- Net change in fair value of investments
- Gain on sale of assets
- Miscellaneous revenues

**Transfers**

- Total general revenues and transfers
- Change in net assets

**Net assets - beginning of year, as restated (note 29)**

**Net assets - end of year**

See accompanying notes to the basic financial statements.

**Net (Expenses) Revenues and  
Changes in Net Assets**

<b>Primary Government</b>					
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>	<b>Component Units</b>	<b>Total</b>	
				<b>2006</b>	<b>2005</b>
(18,906,078)	-	(18,906,078)	-	(18,906,078)	(34,130,892)
(66,374,557)	-	(66,374,557)	-	(66,374,557)	(58,662,606)
(18,580,845)	-	(18,580,845)	-	(18,580,845)	(9,903,665)
2,253,623	-	2,253,623	-	2,253,623	2,474,906
(2,381,998)	-	(2,381,998)	-	(2,381,998)	(2,793,627)
(21,584,707)	-	(21,584,707)	-	(21,584,707)	(19,977,222)
(1,630,952)	-	(1,630,952)	-	(1,630,952)	(959,641)
(15,978,523)	-	(15,978,523)	-	(15,978,523)	(15,739,971)
<u>(143,184,037)</u>	<u>-</u>	<u>(143,184,037)</u>	<u>-</u>	<u>(143,184,037)</u>	<u>(139,692,718)</u>
-	8,803,239	8,803,239	-	8,803,239	14,748,924
-	5,896,477	5,896,477	-	5,896,477	4,783,251
-	(1,600,682)	(1,600,682)	-	(1,600,682)	(586,863)
-	585,466	585,466	-	585,466	348,427
-	(27,004)	(27,004)	-	(27,004)	30,636
-	<u>13,657,496</u>	<u>13,657,496</u>	<u>-</u>	<u>13,657,496</u>	<u>19,324,375</u>
<u>(143,184,037)</u>	<u>13,657,496</u>	<u>(129,526,541)</u>	<u>-</u>	<u>(129,526,541)</u>	<u>(120,368,343)</u>
-	-	-	6,917,342	6,917,342	3,135,674
51,115,947	-	51,115,947	-	51,115,947	46,267,839
33,992,089	-	33,992,089	-	33,992,089	34,025,536
26,766,277	-	26,766,277	-	26,766,277	26,638,754
8,480,672	1,765,939	10,246,611	-	10,246,611	8,883,631
3,223,420	-	3,223,420	-	3,223,420	3,974,255
5,288,965	-	5,288,965	-	5,288,965	4,147,408
2,193,997	1,658,664	3,852,661	-	3,852,661	3,188,466
5,721,149	-	5,721,149	-	5,721,149	5,475,612
13,478,384	-	13,478,384	-	13,478,384	14,213,101
11,301,595	10,059,307	21,360,902	350,741	21,711,643	20,173,000
(2,481,680)	(5,604,708)	(8,086,388)	-	(8,086,388)	594,979
23,003	-	23,003	-	23,003	1,105,836
9,428,706	3,905,450	13,334,156	409,911	13,744,067	17,308,452
<u>22,914,233</u>	<u>(22,914,233)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>191,446,757</u>	<u>(11,129,581)</u>	<u>180,317,176</u>	<u>760,652</u>	<u>181,077,828</u>	<u>185,996,869</u>
48,262,720	2,527,915	50,790,635	7,677,994	58,468,629	68,764,200
<u>271,929,784</u>	<u>437,393,174</u>	<u>709,322,958</u>	<u>33,188,022</u>	<u>742,510,980</u>	<u>675,258,383</u>
<u>\$ 320,192,504</u>	<u>439,921,089</u>	<u>760,113,593</u>	<u>40,866,016</u>	<u>800,979,609</u>	<u>744,022,583</u>

**CITY OF PASADENA**

**Balance Sheet**

**Governmental Funds**

**June 30, 2006**

	<u>General</u>	<u>Pasadena Community Development Commission Debt Service</u>	<u>Project Management Capital Project</u>	<u>Non-Major Governmental Funds</u>
<b><u>Assets</u></b>				
Cash and investments (note 2)	\$ 71,316,176	7,309,358	9,918,366	151,857,796
Accounts receivable (note 3)	15,265,750	3,180,063	9,183,419	9,142,722
Less allowance for uncollectible amounts (note 3)	(638,934)	-	-	(23,516)
Notes receivable (note 4)	380,403	-	-	28,090,208
Due from other funds (note 5)	6,252,418	-	-	1,763,041
Prepays and other assets	564,497	-	30,793	-
Advances to other funds (note 6)	15,117,050	-	-	24,142,466
Advances to component units (note 6)	1,085,522	-	-	-
Allowance for uncollectible long-term receivables	(10,936,952)	-	-	(31,822,549)
Property held for resale	-	-	-	5,322,588
<b>Total assets</b>	<b><u>\$ 98,405,930</u></b>	<b><u>10,489,421</u></b>	<b><u>19,132,578</u></b>	<b><u>188,472,756</u></b>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 10,307,288	93,157	6,620,595	5,240,891
Deposits	2,097,183	-	-	631,205
Due to other funds (note 5)	-	2,921,295	-	3,848,984
Due to other governments	24,035	-	-	-
Deferred revenue (note 8)	6,511,012	-	6,635,271	2,586,752
Advances from other funds (note 6)	-	32,837,550	-	4,507,500
<b>Total liabilities</b>	<b><u>18,939,518</u></b>	<b><u>35,852,002</u></b>	<b><u>13,255,866</u></b>	<b><u>16,815,332</u></b>
<b>Fund balances:</b>				
<b>Reserved for:</b>				
Encumbrances	855,095	-	-	12,229,711
Notes receivable	380,403	-	-	15,686,009
Prepays and other assets	564,497	-	30,793	-
Advances to other funds	5,265,620	-	-	5,611,814
Property held for resale	-	-	-	5,322,588
Debt service	-	-	-	38,780,430
<b>Unreserved, reported in (note 17):</b>				
General fund	72,400,797	-	-	-
Special revenue funds	-	-	-	44,033,108
Debt service funds	-	(25,362,581)	-	-
Capital projects funds	-	-	5,845,919	49,001,101
Permanent funds	-	-	-	992,663
<b>Total fund balances</b>	<b><u>79,466,412</u></b>	<b><u>(25,362,581)</u></b>	<b><u>5,876,712</u></b>	<b><u>171,657,424</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 98,405,930</u></b>	<b><u>10,489,421</u></b>	<b><u>19,132,578</u></b>	<b><u>188,472,756</u></b>

See accompanying notes to the basic financial statements.



**Totals**

<u>2006</u>	<u>2005</u>
240,401,696	263,954,511
36,771,954	28,889,804
(662,450)	(742,231)
28,470,611	25,520,080
8,015,459	4,960,842
595,290	534,778
39,259,516	38,717,783
1,085,522	1,140,709
(42,759,501)	(41,383,276)
5,322,588	4,053,669
<u>316,500,685</u>	<u>325,646,669</u>

22,261,931	17,438,726
2,728,388	2,315,519
6,770,279	4,960,842
24,035	27,733
15,733,035	13,083,609
37,345,050	36,434,210
<u>84,862,718</u>	<u>74,260,639</u>

13,084,806	8,106,568
16,066,412	13,559,582
595,290	534,778
10,877,434	11,322,360
5,322,588	4,053,669
38,780,430	36,951,516
72,400,797	61,996,252
44,033,108	43,104,414
(25,362,581)	(24,786,221)
54,847,020	95,572,296
992,663	970,816
<u>231,637,967</u>	<u>251,386,030</u>
<u>316,500,685</u>	<u>325,646,669</u>

**CITY OF PASADENA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
**June 30, 2006**

Fund balances of governmental funds		\$ 231,637,967
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		385,864,769
Allowance for advances		31,352,783
Long term debt has not been included in governmental fund activity.		
Arbitrage Rebate Liability	(759,576)	
Notes payable	(8,144,865)	
Pension bonds	(131,960,000)	
General obligation bonds	(1,550,000)	
Tax allocation bonds	(10,607,328)	
Revenue bonds	(10,355,000)	
Certificates of participation	(143,901,497)	
Capitalized lease obligations	(5,525,957)	
Net pension obligation	(41,128,901)	
Unamortized premium (discount)	<u>4,624,363</u>	
Net adjustment		(349,308,761)
Accrued interest payable for the current portion of interest due on Tax Allocation Bonds has not been reported in the governmental funds.		(1,816,015)
Unearned revenue related to GASB 33 requirement.		8,310,576
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net assets and liabilities of the internal service funds must be added to the statement of net assets.		<u>14,151,185</u>
Net assets of governmental activities		<u>\$ 320,192,504</u>

See accompanying notes to the basic financial statements.

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**CITY OF PASADENA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2006**

	<u>General</u>	<u>Pasadena Community Development Commission Debt Service</u>	<u>Project Management Capital Project</u>	<u>Non-Major Governmental Funds</u>
<b>Revenues:</b>				
Taxes	\$ 108,259,679	17,969,258	-	10,553,579
Licenses and permits	2,389,206	-	-	6,796,217
Intergovernmental revenues	12,013,725	558,000	7,521,709	36,391,338
Charges for services	27,954,633	-	-	6,698,035
Fines and forfeits	6,911,046	-	-	168,900
Investment earnings	18,656,672	295,641	-	6,017,500
Net change in fair value of investments	(831,808)	(85,521)	-	(1,178,313)
Rental income	1,536,322	-	-	3,330,337
Miscellaneous revenues	2,155,607	176,572	116,389	8,887,401
Contributions	-	-	650,340	4,186,646
Total revenues	<u>179,045,082</u>	<u>18,913,950</u>	<u>8,288,438</u>	<u>81,851,640</u>
<b>Expenditures:</b>				
Current:				
General government	30,274,937	-	-	761,658
Public safety	78,487,902	-	-	3,372,961
Transportation	23,974,050	-	-	9,948,854
Sanitation	-	-	-	3,103,965
Health	-	-	-	11,430,318
Culture and leisure	13,097,817	-	-	11,195,576
Community development	8,796,832	224,251	-	28,037,516
Capital outlay	-	-	75,110,942	-
Debt service:				
Principal retirement	-	1,676,924	-	10,644,826
Interest	-	16,462,964	-	15,094,010
Payment to refunded bond escrow agent	-	1,409,032	-	-
Total expenditures	<u>154,631,538</u>	<u>19,773,171</u>	<u>75,110,942</u>	<u>93,589,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,413,544</u>	<u>(859,221)</u>	<u>(66,822,504)</u>	<u>(11,738,044)</u>
<b>Other financing sources (uses):</b>				
Issuance of long-term debt	-	5,920,000	-	11,622,620
Other financing use--bond discount	-	-	-	(36,459)
Payment to refunded bond escrow agent	-	(5,185,699)	-	-
Transfers in (note 22)	26,940,474	1,044,082	66,848,334	41,665,432
Transfers out (note 22)	(40,969,032)	(1,495,522)	(1,047,152)	(68,632,766)
Total other financing sources (uses)	<u>(14,028,558)</u>	<u>282,861</u>	<u>65,801,182</u>	<u>(15,381,173)</u>
Change in fund balances	10,384,986	(576,360)	(1,021,322)	(27,119,217)
<b>Fund balances at beginning of year, as restated (note 29)</b>	<u>69,081,426</u>	<u>(24,786,221)</u>	<u>6,898,034</u>	<u>198,776,641</u>
<b>Fund balances at end of year</b>	<u>\$ 79,466,412</u>	<u>(25,362,581)</u>	<u>5,876,712</u>	<u>171,657,424</u>

See accompanying notes to the basic financial statements.

**Totals**

<u>2006</u>	<u>2005</u>
136,782,516	130,052,868
9,185,423	9,437,684
56,484,772	64,173,040
34,652,668	32,357,771
7,079,946	6,541,630
24,969,813	22,870,390
(2,095,642)	(288,205)
4,866,659	4,870,257
11,335,969	15,148,578
4,836,986	2,382,073
<u>288,099,110</u>	<u>287,546,086</u>

31,036,595	27,260,289
81,860,863	77,964,993
33,922,904	31,011,872
3,103,965	2,408,961
11,430,318	10,727,069
24,293,393	22,911,337
37,058,599	35,142,190
75,110,942	38,786,274

12,321,750	53,054,450
31,556,974	29,577,432
1,409,032	-
<u>343,105,335</u>	<u>328,844,867</u>

(55,006,225)      (41,298,781)

17,542,620	42,931,479
(36,459)	-
(5,185,699)	-
136,498,322	134,570,106
<u>(112,144,472)</u>	<u>(116,182,054)</u>
<u>36,674,312</u>	<u>61,319,531</u>
(18,331,913)	20,020,750
249,969,880	231,365,280
<u>231,637,967</u>	<u>251,386,030</u>

**CITY OF PASADENA**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2006**

Net change in fund balances - total governmental funds		\$ (18,331,913)
<p>Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of activities because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		65,316,009
<p>Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.</p>		
<p>Debt issued:</p>		
Notes payable	(1,267,620)	
Revenue bonds	(10,355,000)	
Tax allocation bonds	(5,920,000)	
Bond discount	36,459	
<p>Repayments:</p>		
Changes in net pension obligations	(5,105,623)	
To bond, certificate, and note holders	<u>18,812,416</u>	
Net adjustment		(3,799,368)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		3,240,565
Expenditures in the statement of activities that do not represent current liabilities are not reported as expenditures in the funds.		(1,140,932)
Interest payable related to debt services or long term liabilities. This is the net change in interest payable expense for the current period.		691,559
<p>Internal service funds are used by management to charge the costs of certain activities, such as computing and communication, building maintenance, fleet maintenance, benefits, equipment leasing, workers' compensation, general liability printing services and mail services, to individual funds.</p> <p>The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities.</p>		<u>2,286,800</u>
Change in net assets of governmental activities		<u>\$ 48,262,720</u>

See accompanying notes to the basic financial statements.

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**CITY OF PASADENA**

**Statement of Net Assets**

**Proprietary Funds**

**June 30, 2006**

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>	<u>Paseo Colorado Parking</u>
<b>Assets</b>				
Current assets:				
Cash and investments (note 2)	\$ 44,078,328	7,849,946	1,575,835	-
Accounts receivable (note 3)	23,058,609	5,094,462	472,999	307,191
Less allowance for uncollectible amounts (note 3)	(520,585)	(137,238)	-	-
Notes receivable	-	-	50,000	-
Due from other funds (note 5)	-	-	-	-
Inventories	5,601,192	7,181,962	-	-
Prepays and other assets	10,307,008	1,675,701	2,410,193	1,070,423
Total current assets	<u>82,524,552</u>	<u>21,664,833</u>	<u>4,509,027</u>	<u>1,377,614</u>
Noncurrent assets:				
Restricted assets - cash and investments:				
To finance stranded investments (note 18)	145,504,122	-	-	-
Other restricted cash and investments	11,236,218	3,414,573	3,367,231	1,466,645
Advances to other funds (note 6)	-	-	-	-
Less allowance for long-term receivable (note 6)	-	-	-	-
Accounts receivable from Independent System Operator (ISO)	19,591,686	-	-	-
Less allowance for uncollectible amounts from ISO	(7,606,563)	-	-	-
Capital assets (note 7)	482,246,449	141,667,622	22,468,021	30,580,865
Less accumulated depreciation	(220,212,241)	(49,439,765)	(6,193,169)	(2,627,801)
Net property, plant and equipment	262,034,208	92,227,857	16,274,852	27,953,064
Total noncurrent assets	<u>430,759,671</u>	<u>95,642,430</u>	<u>19,642,083</u>	<u>29,419,709</u>
Total assets	<u>513,284,223</u>	<u>117,307,263</u>	<u>24,151,110</u>	<u>30,797,323</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	10,842,532	6,209,128	955,597	235,060
Deposits	923,782	3,360	332,728	79,477
Due to other funds (note 5)	-	-	-	1,245,180
Unearned revenue (note 8)	12,591	-	-	-
Notes payable - current (notes 9 and 11)	-	-	107,641	-
Revenue bonds - current (notes 9 and 15)	6,940,000	1,520,000	-	840,000
Certificates of participation - current (notes 9 and 16)	-	-	1,162,318	-
Capitalized lease obligations - current (notes 9 and 17)	-	-	123,395	234,173
Total current liabilities	<u>18,718,905</u>	<u>7,732,488</u>	<u>2,681,679</u>	<u>2,633,890</u>
Long-term liabilities:				
Insurance claims payable (note 23)	-	-	-	-
Compensated absences	-	-	-	-
Advances from other funds (note 6)	-	-	3,486,545	1,098,746
Notes payable - long-term (notes 9 and 11)	-	-	1,909,340	-
Revenue bonds - long-term (notes 9 and 15)	121,695,000	41,880,000	-	28,660,000
Certificates of participation - long-term (notes 9 and 16)	-	-	18,306,683	-
Capitalized lease obligations - long-term (notes 9 and 17)	-	-	533,069	380,934
Unamortized premium (discount)	1,659,287	501,349	376,934	-
Total long-term liabilities	<u>123,354,287</u>	<u>42,381,349</u>	<u>24,612,571</u>	<u>30,139,680</u>
Total liabilities	<u>142,073,192</u>	<u>50,113,837</u>	<u>27,294,250</u>	<u>32,773,570</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	133,399,208	48,827,857	(5,867,594)	(2,162,043)
Restricted:				
Restricted - Stranded investments (note 18 and 26)	145,504,122	-	-	-
Restricted - Restricted for Project/Contribution/Debt Service	23,553,414	16,833,498	3,372,793	1,599,683
Unrestricted	68,754,287	1,532,071	(648,339)	(1,413,887)
Total net assets	<u>\$ 371,211,031</u>	<u>67,193,426</u>	<u>(3,143,140)</u>	<u>(1,976,247)</u>

See accompanying notes to the basic financial statements.



Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds	Totals	
			2006	2005
			6,698,669	60,202,778
1,846,630	30,779,891	5,204,741	35,984,632	32,857,884
(34,992)	(692,815)	-	(692,815)	(897,672)
-	50,000	-	50,000	-
-	-	14,400	14,400	19,200
-	12,783,154	253,687	13,036,841	10,515,485
-	15,463,325	167,717	15,631,042	15,917,693
<u>8,510,307</u>	<u>118,586,333</u>	<u>36,337,964</u>	<u>154,924,297</u>	<u>174,532,117</u>
-	145,504,122	-	145,504,122	148,511,655
2,838,790	22,323,457	3,620,933	25,944,390	29,234,757
-	-	2,670,825	2,670,825	2,589,525
-	-	(487,809)	(487,809)	(406,509)
-	19,591,686	-	19,591,686	19,604,188
-	(7,606,563)	-	(7,606,563)	(7,606,563)
23,113,372	700,076,329	30,991,545	731,067,874	695,433,073
<u>(11,452,964)</u>	<u>(289,925,940)</u>	<u>(21,152,908)</u>	<u>(311,078,848)</u>	<u>(291,679,245)</u>
<u>11,660,408</u>	<u>410,150,389</u>	<u>9,838,637</u>	<u>419,989,026</u>	<u>403,753,828</u>
<u>14,499,198</u>	<u>589,963,091</u>	<u>15,642,586</u>	<u>605,605,677</u>	<u>591,357,994</u>
<u>23,009,505</u>	<u>708,549,424</u>	<u>51,980,550</u>	<u>760,529,974</u>	<u>765,890,111</u>
486,976	18,729,293	6,557,194	25,286,487	24,112,937
2,984,386	4,323,733	95,164	4,418,897	2,887,759
14,400	1,259,580	-	1,259,580	19,200
-	12,591	-	12,591	74,344
-	107,641	-	107,641	102,435
-	9,300,000	-	9,300,000	8,980,000
1,200,000	2,362,318	-	2,362,318	2,219,067
<u>711,577</u>	<u>1,069,145</u>	<u>756,515</u>	<u>1,825,660</u>	<u>959,421</u>
<u>5,397,339</u>	<u>37,164,301</u>	<u>7,408,873</u>	<u>44,573,174</u>	<u>39,355,163</u>
-	-	20,435,788	20,435,788	21,607,490
-	-	6,975,434	6,975,434	7,202,577
-	4,585,291	-	4,585,291	4,873,098
-	1,909,340	-	1,909,340	1,997,781
-	192,235,000	-	192,235,000	201,535,000
10,800,000	29,106,683	-	29,106,683	31,469,000
369,960	1,283,963	3,009,270	4,293,233	6,118,953
<u>(193,813)</u>	<u>2,343,757</u>	<u>-</u>	<u>2,343,757</u>	<u>2,473,490</u>
<u>10,976,147</u>	<u>231,464,034</u>	<u>30,420,492</u>	<u>261,884,526</u>	<u>277,296,589</u>
<u>16,373,486</u>	<u>268,628,335</u>	<u>37,829,365</u>	<u>306,457,700</u>	<u>316,632,552</u>
(1,421,129)	172,776,299	6,072,852	178,849,151	150,352,971
-	145,504,122	-	145,504,122	144,188,768
247,007	45,606,395	5,701,838	51,308,233	42,572,558
<u>7,810,141</u>	<u>76,034,273</u>	<u>2,376,495</u>	<u>78,410,768</u>	<u>112,143,262</u>
<u>6,636,019</u>	<u>439,921,089</u>	<u>14,151,185</u>	<u>454,072,274</u>	<u>449,257,559</u>

**CITY OF PASADENA**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2006**

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>	<u>Paseo Colorado Parking</u>	<u>Non-Major Enterprise Funds</u>
<b>Operating revenues:</b>					
Charges for services:					
Utilities	\$ 149,985,253	34,507,500	-	-	-
Plaza Las Fuentes parking	-	-	-	-	1,832,470
Refuse collection	-	-	-	-	9,136,421
Old Pasadena parking	-	-	5,510,641	-	-
Paseo Colorado parking	-	-	-	4,535,113	-
Telecommunication	-	-	-	-	355,512
Computing and communication services	-	-	-	-	-
Building maintenance	-	-	-	-	-
Fleet maintenance	-	-	-	-	-
Employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Printing	-	-	-	-	-
Mail	-	-	-	-	-
Total operating revenues	<u>149,985,253</u>	<u>34,507,500</u>	<u>5,510,641</u>	<u>4,535,113</u>	<u>11,324,403</u>
<b>Operating expenses:</b>					
Utility production	98,067,765	14,311,091	-	-	-
Utility transmission and distribution	9,856,558	4,608,777	-	-	-
Utility commercial and general	14,974,086	5,475,502	-	-	-
Plaza Las Fuentes parking	-	-	-	-	1,591,325
Refuse collection	-	-	-	-	9,970,641
Old Pasadena parking	-	-	2,075,912	-	-
Paseo Colorado parking	-	-	-	2,996,705	-
Telecommunications	-	-	-	-	382,516
Computing and communication services	-	-	-	-	-
Building maintenance	-	-	-	-	-
Fleet maintenance	-	-	-	-	-
Depreciation	14,226,983	2,768,208	449,601	654,499	1,009,691
Benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Printing	-	-	-	-	-
Mail	-	-	-	-	-
Total operating expenses	<u>137,125,392</u>	<u>27,163,578</u>	<u>2,525,513</u>	<u>3,651,204</u>	<u>12,954,173</u>
Operating income (loss)	<u>12,859,861</u>	<u>7,343,922</u>	<u>2,985,128</u>	<u>883,909</u>	<u>(1,629,770)</u>
<b>Nonoperating revenues (expenses):</b>					
Taxes	-	-	-	-	3,424,603
Intergovernmental revenues	-	-	-	-	162,257
Investment earnings	9,118,562	463,365	264,892	23,403	189,085
Net change in fair value of investments	(5,406,826)	(137,301)	(7,778)	3,420	(56,223)
Miscellaneous revenues	-	-	49,539	-	11,346
Interest expense	(5,937,403)	(2,165,058)	(1,326,725)	(1,355,394)	(593,097)
Gain (loss) on disposal of assets	-	(95,026)	-	-	(6,271)
Other nonoperating revenues (expenses)	<u>1,643,016</u>	<u>2,016,281</u>	<u>(137,683)</u>	<u>(17,162)</u>	<u>177,856</u>
Total nonoperating revenues (expenses)	<u>(582,651)</u>	<u>82,261</u>	<u>(1,157,755)</u>	<u>(1,345,733)</u>	<u>3,309,556</u>
Income (loss) before transfers and contributions	12,277,210	7,426,183	1,827,373	(461,824)	1,679,786
Capital contributions	1,880,781	812,639	-	-	-
Transfers in (note 22)	1,047,152	-	-	-	-
Transfers out (note 22)	<u>(21,166,679)</u>	<u>(2,596,466)</u>	-	-	<u>(198,240)</u>
Net income (loss)	(5,961,536)	5,642,356	1,827,373	(461,824)	1,481,546
Net assets at beginning of year	<u>377,172,567</u>	<u>61,551,070</u>	<u>(4,970,513)</u>	<u>(1,514,423)</u>	<u>5,154,473</u>
Net assets at end of year	<u>\$ 371,211,031</u>	<u>67,193,426</u>	<u>(3,143,140)</u>	<u>(1,976,247)</u>	<u>6,636,019</u>

See accompanying notes to the basic financial statements.

Total Enterprise Funds	Governmental Activities- Internal Service Funds	Totals	
		2006	2005
		184,492,753	-
1,832,470	-	1,832,470	1,666,792
9,136,421	-	9,136,421	8,744,404
5,510,641	-	5,510,641	4,742,925
4,535,113	-	4,535,113	4,665,860
355,512	-	355,512	446,139
-	7,900,903	7,900,903	7,417,195
-	7,749,553	7,749,553	7,582,023
-	8,264,565	8,264,565	7,331,236
-	23,244,458	23,244,458	22,675,674
-	13,022,748	13,022,748	9,594,772
-	1,046,358	1,046,358	898,224
-	377,322	377,322	327,035
<u>205,862,910</u>	<u>61,605,907</u>	<u>267,468,817</u>	<u>249,000,707</u>
112,378,856	-	112,378,856	98,059,502
14,465,335	-	14,465,335	12,907,517
20,449,588	-	20,449,588	20,235,592
1,591,325	-	1,591,325	1,467,822
9,970,641	-	9,970,641	8,525,393
2,075,912	-	2,075,912	2,377,448
2,996,705	-	2,996,705	3,049,669
382,516	-	382,516	415,503
-	7,469,933	7,469,933	6,883,404
-	6,889,532	6,889,532	6,168,482
-	7,102,724	7,102,724	5,978,934
19,108,982	1,936,421	21,045,403	20,363,602
-	25,292,347	25,292,347	24,180,822
-	8,952,461	8,952,461	9,016,901
-	1,039,091	1,039,091	963,547
-	352,882	352,882	308,414
<u>183,419,860</u>	<u>59,035,391</u>	<u>242,455,251</u>	<u>220,902,552</u>
<u>22,443,050</u>	<u>2,570,516</u>	<u>25,013,566</u>	<u>28,098,155</u>
3,424,603	-	3,424,603	2,548,633
162,257	-	162,257	1,584,226
10,059,307	1,360,303	11,419,610	10,915,880
(5,604,708)	(386,038)	(5,990,746)	883,184
60,885	1,100	61,985	183,846
(11,377,677)	(141,629)	(11,519,306)	(11,078,603)
(101,297)	(59,363)	(160,660)	1,175,906
<u>3,682,308</u>	<u>187,106</u>	<u>3,869,414</u>	<u>2,594,504</u>
<u>305,678</u>	<u>961,479</u>	<u>1,267,157</u>	<u>8,807,576</u>
22,748,728	3,331,995	26,280,723	36,905,731
2,693,420	-	2,693,420	2,763,877
1,047,152	150,143	1,197,295	3,037,457
<u>(23,961,385)</u>	<u>(1,395,338)</u>	<u>(25,356,723)</u>	<u>(21,425,509)</u>
2,527,915	2,286,800	4,814,715	21,281,556
<u>437,393,174</u>	<u>11,864,385</u>	<u>449,257,559</u>	<u>427,976,003</u>
<u>439,921,089</u>	<u>14,151,185</u>	<u>454,072,274</u>	<u>449,257,559</u>

**CITY OF PASADENA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2006**

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 147,695,801	34,396,521	5,317,125
Cash payments to suppliers for goods and services	(101,990,032)	(13,893,174)	(1,566,684)
Cash payments to employees for services	(19,392,219)	(10,713,016)	(44,405)
Cash payments to other funds for services	(1,640,710)	(1,105,364)	(12,727)
Cash payments from other funds for services	144,254	75,413	-
Other nonoperating revenues (expenses)	1,498,762	1,940,868	(88,144)
Net cash provided by (used for) operating activities	<u>26,315,856</u>	<u>10,701,248</u>	<u>3,605,165</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers from other funds	1,047,152	-	-
Transfers to other funds	(21,166,679)	(2,596,466)	-
Cash received (paid) on loans from other funds	-	-	-
Cash received (paid) on loans to other funds	-	-	(400,000)
Taxes received	-	-	-
Intergovernmental revenues	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(20,119,527)</u>	<u>(2,596,466)</u>	<u>(400,000)</u>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from long-term debt	-	-	-
Acquisition and construction of capital assets	(22,194,416)	(11,762,796)	(604,411)
Proceeds from sale of capital assets	-	-	-
Cash received from developers	1,880,781	812,640	-
Principal paid on debt	(6,740,000)	(1,450,001)	(1,221,501)
Interest paid on debt	(5,937,403)	(2,165,058)	(1,326,725)
Net cash used for capital and related financing activities	<u>(32,991,038)</u>	<u>(14,565,215)</u>	<u>(3,152,637)</u>
<b>Cash flows from investing activities:</b>			
Purchase of investments	(14,357,828)	-	-
Proceeds from sale of investments	13,042,474	-	-
Investment earnings	3,711,738	326,063	257,114
Net cash provided by investing activities	<u>2,396,384</u>	<u>326,063</u>	<u>257,114</u>
Net increase (decrease) in cash and cash equivalents	(24,398,325)	(6,134,370)	309,642
<b>Cash and cash equivalents at beginning of year</b>	<u>79,712,871</u>	<u>17,398,889</u>	<u>4,633,424</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 55,314,546</u>	<u>11,264,519</u>	<u>4,943,066</u>

Paseo Colorado Parking	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental	Totals	
			Activities-	2006	2005
			Internal Service Funds		
4,616,510	11,171,879	203,197,836	-	203,197,836	193,588,694
(3,132,194)	(4,583,109)	(125,165,193)	(18,072,872)	(143,238,065)	(135,036,691)
(83,882)	(3,795,068)	(34,028,590)	(38,465,689)	(72,494,279)	(67,053,968)
(96,020)	(1,880,992)	(4,735,813)	(1,969,747)	(6,705,560)	(5,930,510)
-	-	219,667	60,876,052	61,095,719	55,660,855
(17,162)	189,203	3,523,527	188,206	3,711,733	2,562,715
<u>1,287,252</u>	<u>1,101,913</u>	<u>43,011,434</u>	<u>2,555,950</u>	<u>45,567,384</u>	<u>43,791,095</u>
-	-	1,047,152	150,143	1,197,295	3,037,457
-	(198,240)	(23,961,385)	(1,395,338)	(25,356,723)	(21,425,509)
1,307,373	-	1,307,373	-	1,307,373	(163,900)
-	14,400	(385,600)	-	(385,600)	(1,991,457)
-	3,424,604	3,424,604	-	3,424,604	2,548,633
-	162,257	162,257	-	162,257	1,584,226
<u>1,307,373</u>	<u>3,403,021</u>	<u>(18,405,599)</u>	<u>(1,245,195)</u>	<u>(19,650,794)</u>	<u>(16,410,550)</u>
-	-	-	-	-	3,662,058
(235,518)	6,271	(34,790,870)	(2,691,616)	(37,482,486)	(33,079,702)
-	-	-	47,497	47,497	1,258,179
-	-	2,693,421	-	2,693,421	2,763,877
(1,009,530)	(1,794,467)	(12,215,499)	(64,684)	(12,280,183)	(12,051,825)
(1,355,394)	(593,097)	(11,377,677)	(141,629)	(11,519,306)	(11,078,603)
<u>(2,600,442)</u>	<u>(2,381,293)</u>	<u>(55,690,625)</u>	<u>(2,850,432)</u>	<u>(58,541,057)</u>	<u>(48,526,016)</u>
-	-	(14,357,828)	-	(14,357,828)	(45,403,813)
-	-	13,042,474	-	13,042,474	42,892,639
26,823	132,861	4,454,599	975,525	5,430,124	11,778,287
<u>26,823</u>	<u>132,861</u>	<u>3,139,245</u>	<u>975,525</u>	<u>4,114,770</u>	<u>9,267,113</u>
21,006	2,256,502	(27,945,545)	(564,152)	(28,509,697)	(11,878,358)
1,445,639	7,280,957	110,471,780	34,882,504	145,354,284	157,232,642
<u>1,466,645</u>	<u>9,537,459</u>	<u>82,526,235</u>	<u>34,318,352</u>	<u>116,844,587</u>	<u>145,354,284</u>

(continued)