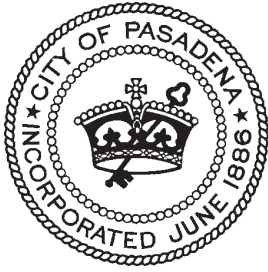


City of Pasadena, California



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015



Terry Tornek
Mayor



Gene Masuda
Vice-Mayor
District 4



Tyron A.L. Hampton
Council Member
District 1



Margaret McAustin
Council Member
District 2



John J. Kennedy
Council Member
District 3



Victor Gordo
Council Member
District 5



Steve Madison
Council Member
District 6



Andy Wilson
Council Member
District 7

MICHAEL J. BECK, CITY MANAGER
JULIE A. GUTIERREZ, INTERIM DIRECTOR OF FINANCE
PREPARED BY THE DEPARTMENT OF FINANCE, CITY OF PASADENA

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Comprehensive Annual Financial Report
Year Ended June 30, 2015

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DEPARTMENT OF FINANCE

February 24, 2016

To the Honorable Mayor, Members of the City Council
and the Citizens of the City of Pasadena, California

In accordance with Section 907.5 of the City Charter, the Department of Finance hereby submits the Comprehensive Annual Financial Report (CAFR) of the City of Pasadena, California (City) for the fiscal year ended June 30, 2015. This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). GASB has the primary responsibility for determining accounting and financial reporting standards for state and local government entities.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. It is believed that the data, as presented, is accurate in all material respects, and is presented in a manner designed to fairly set forth the financial position and results of operations of the City and its component units as measured by the financial activity of the various funds and includes all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs and evaluate its financial condition.

The City Charter requires an audit of the financial statements of all accounts of the City by an independent certified public accountant. Accordingly, this year's audit was undertaken by Lance, Soll & Lunghard, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Pasadena for the fiscal year ended June 30, 2015, fairly state the City's financial position. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City of Pasadena's financial statements for the fiscal year ended June 30, 2015 and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. Additionally, this year, the City requested and contracted for the audit to include sampling from every fund and with a scope larger than is required by generally accepted auditing standards.

Comprehensive Annual Financial Report (CAFR)
City of Pasadena, California (City)
Fiscal year ended June 30, 2015

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on internal controls and compliance with legal requirements, with emphasis on those involving the administration of federal awards. These reports are available in the City’s separately issued Single Audit Report.

GASB requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Pasadena’s MD&A can be found immediately following the report of the independent auditor.

GOVERNMENTAL STRUCTURE

The City was incorporated in 1886 and became a charter City in 1901. The City operates under the powers granted by the City Charter which dictates the responsibilities of the City Council and City Manager. There are seven City Council members who are nominated and elected by district for overlapping four-year terms. In addition, there is a citywide elected Mayor who also serves for four years per term.

The City Council is responsible for, among other things, setting policies, passing ordinances, adopting the budget, appointing committees and hiring the City's Manager, City Attorney/City Prosecutor, and City Clerk. The City Manager is responsible for carrying out policies and ordinances of the City Council, appointing the heads of the City's departments, preparing and managing the budget, and overseeing the day-to-day operations of the City.

The City covers an area of 23 square miles in the northwestern portion of the San Gabriel Valley and has a 2015 population of 141,510, according to the State Department of Finance. The City is bounded on the west by the cities of Los Angeles, Glendale and La Canada, on the south by South Pasadena and San Marino, on the east by Arcadia and Sierra Madre, and on the north by the unincorporated community of Altadena.

REPORTING ENTITY AND ITS SERVICES

This report includes all funds of the City, as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are included in this CAFR as part of the City. Accordingly, the Pasadena Public Financing Authority, Pasadena Parking Authority, the Pasadena Civic Improvement Corporation (PCIC), and the Pasadena Fire and Police Retirement System (FPRS) are reported as part of the City. The Successor Agency to the Pasadena Community Development Commission is shown as a Private Purpose Trust Fund reported in the Fiduciary Fund Section. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City and to differentiate their financial position, results of operations and cash flows from those of

the City. The Rose Bowl Operating Company (RBOC), the Pasadena Center Operating Company (PCOC), and the Pasadena Community Access Corporation (PCAC) are discretely presented component units. Additionally, separate financial statements are available for all three discretely presented component units.

The City provides a full range of municipal services including: public safety (police and fire); street construction and maintenance, refuse collection, water, power, and sewer collection utilities, libraries, parks and recreation, planning and zoning, code enforcement, public health, affordable housing, career services and job training; and general administrative and support services.

BUDGETARY CONTROLS

The City adopts a comprehensive budget detailed by department and fund prior to the beginning of each fiscal year, July 1. From the effective date of the budget, funds become appropriated to the departments and Component Units for the objects and purposes identified. At any public meeting after the adoption of the budget, the City Council may amend or supplement the budget by a motion adopted by the affirmative vote of at least five members of the City Council. The accounts of the City are maintained by line item detail or object of expenditure. The legal level of budgetary control (the level at which management may not reassign resources or over spend appropriations) is at the departmental level within each fund. Revenues are estimated annually and monitored on an ongoing basis to ensure there are adequate resources to cover expenditures.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the current environment within which the City of Pasadena operates.

The Current Economic Climate

The national and state economies have continued to experience slow growth that has existed during the past few years, requiring the City to remain diligent in monitoring its revenues and adjusting expense patterns accordingly. National Gross Domestic Product (GDP) is anticipated to grow at a rate of 2.8 percent in 2016 as compared to 2.4 percent in 2015, according to the Los Angeles Economic Development Corporation. Despite slow growth during the first quarter of 2015, the prospects for the US economy remain optimistic. The improving labor market and domestic demand accompanied by real gains in household income will provide the necessary support for consumer spending and drive economic growth for the remainder of 2015 and into 2016.

The California economy also continues to improve. According to the state Department of Finance, California's GDP grew by 3.3 percent in 2014, outperforming the national U. S. economic growth of 2.4 percent. California's unemployment rate is at pre-recession levels and total private nonfarm employment has fully recovered, adding more jobs than were lost. After reaching a peak of 12.4 percent in 2010, the unemployment rate in California has dropped to 6.3

percent and the state has been adding jobs at a faster rate than the rest of the nation. According to Beacon Economics, California's economy is gaining steam, with better than expected employment in 2014 and the future for California's labor market continues to look bright.

Prudent actions such as paying down the State's "Wall of Debt" and building up economic reserves are positive steps to improve the State's fiscal strength in the coming years. If these plans are realized, local city and county jurisdictions could be spared additional State take-aways.

After five consecutive years of massive budget shortfalls, the State had a surplus in FY 2014 and 2015 and is expecting to balance the budget with a surplus in the current fiscal year as well as the next thanks to the state's economic recovery, permanent budget cuts and temporary taxes from Proposition 30. The State has also established its Budget Stabilization Account/Rainy Day Fund to be used for the next recession and to pay down State debt and liabilities. The Governor's 2016 budget includes an additional \$660 million contribution to the Rainy Day Fund to bring it to \$3.5 billion by the end of the year. However, Governor Brown indicated that the State is facing many challenges in the next several years that could complicate California's budget. Revenues from Proposition 30, the quarter-cent sales tax increase will expire at the end of 2016, and the income tax rate on the State's wealthiest will expire in 2018.

The local economy in Pasadena continues to perform well and there are positive signs of renewed economic growth, including increases in retail sales, tourism and business travel, lower unemployment, and a continued upswing in the residential and commercial real estate markets.

The California Employment Development Department reports that as of June 2015 Pasadena's unemployment rate was 6.5 percent, down from 9.5 percent at the peak of the 2009 Great Recession. In comparison to our neighbors, the cities of Burbank, Glendale and LA County, only Burbank has a lower rate at 6.0 percent while Glendale is at 6.5 percent and Los Angeles County unemployment rate stands at 7.4 percent.

Total assessed property valuation for Pasadena in 2015 was \$25.96 billion, up 6.5 percent from the previous year, according to the Los Angeles County Assessor's Office. The increase is part of an overall trend for both residential and commercial property in Pasadena, one of the few regions in Southern California where property values have remained strong even during the economic recession.

Since 2009, commercial development has been robust, especially in the hospitality sector. Currently, there are four new hotel projects that are in various stages of development. Recently the Constance Hotel dusit-D2, a 136 room hotel opened; the Residence Inn by Marriott, a 144 room hotel, is under construction with a June 2016 anticipated opening date; the City is in negotiations with Kimpton Hotels to renovate the former YWCA property into an approximately 175 room hotel; and a 179 room Hyatt Place hotel was recently entitled to be constructed on the former Macy's site at Paseo Colorado. Moreover, the City recently approved a nearly one million square feet commercial project that consists of 475 housing units and 620,000 square feet of office and retail space on the Parsons Engineering headquarters site. Overall, several mixed use projects including 1,700 residential units are among the various projects under construction or proceeding through the development process in

the City. Given the scope of new development projects and continued positive employment growth, it is expected that the City's assessed valuation will continue to grow.

Design, high-tech and innovation companies, along with academic institutions are continuing to thrive in Pasadena and many are associated with the Innovate Pasadena initiative, which seeks to support the City's technology cluster. The City's resilient and diversified local economy along with its educated work force contributes to the city's innovation ecosystem with more than 150 technology, design and start-up companies that are helping to change the way the world lives, works, connects and plays together. The opening of the new Cross Campus co-working facility in a renovated building in Old Pasadena will be a catalyst to continued growth of local innovation companies.

LONG-TERM FINANCIAL PLANNING AND NEXT YEAR'S BUDGETS AND RATES

The FY 2016 Adopted Budget has been developed based on the City Council Strategic Plan goals. All Department performance measures and City activities are tied to one or more of these goals:

- Maintain fiscal responsibility and stability
- Improve, maintain, and enhance public facilities and infrastructure
- Increase conservation and sustainability
- Improve mobility and accessibility throughout the city
- Support and promote the local economy
- Ensure public safety

The FY 2016 budget continues the practice of conservative revenue estimates, especially in the General Fund. Overall, the FY 2016 Adopted Budget anticipates modest increases in most revenues.

Tax revenue is projected to total \$150.7 million which is 8.3 percent higher than the FY 2015 budget and 4.1 percent higher than previously projected. Property taxes are projected to increase by 19.1 percent over the FY 2015 budget. In addition to increases in assessed valuation which produces additional property tax revenues, the City is also now receiving the tax increment revenues from the now dissolved Pasadena Community Development Commission, which accounts for part of the large increase.

Transient Occupancy Taxes (TOT) charged to hotel visitors continues to show improvement over the prior year due to increased tourism, business travel and bookings at the Pasadena Convention Center. The FY 2016 Adopted Budget anticipates that TOT revenues will be approximately 9.6 percent higher than FY 2015 budget; the majority of which is transferred to the Pasadena Center Operating Company to service the debt associated with its recent expansion.

General Fund expenses are estimated to increase by 3.1 percent over the 2015 adopted budget primarily due to higher CalPERS contribution rates and increased costs of employee medical insurance.

The City's General Fund reported an operating surplus of \$10,826,974 for the year ended June 30, 2015, after accounting for transfers out to other funds. This surplus includes a number of one-time revenues. Based on a projected preliminary surplus in the General Fund, City Council authorized the transfer of \$10 million to the General Fund Emergency Contingency Committed Fund Balance.

Fiscal Drivers

Although Pasadena is relatively financially healthy at this point, there remain a number of issues that are on the horizon which could quickly and significantly influence its financial position. These fiscal drivers expanded upon over the next few pages include:

- On-going & future increased costs for personnel and benefits
- The pace of revenue growth
- Unfunded Liabilities-Other Post Employment Benefits
- Aging infrastructure & maintenance costs
- Pending and future litigation
- Replenishing the City's fiscal reserves

Personnel Costs

CalPERS employer contributions, which are not under the City's control, are a primary driver of personnel costs. It is estimated that by FY 2020, these costs account for as much as \$32 million to the annual budget. The increase for FY 2016 over FY 2015 is estimated to be \$5.5 million and represents a 17 percent increase.

Over the past several years through cooperation with our employees, the City has been successful in shifting responsibility for the payment of the employee-portion of CalPERS retirement to its employees. This action has mitigated some of the growth in the City's pension expenses. Today, all non-safety employees contribute 8 percent towards their CalPERS retirement (7.5 percent for PARS members). Beginning July 1, 2015, all sworn (Police and Fire) employees began contributing their full 9 percent member contribution. Even with these reform measures, personnel costs still remain at approximately 62 percent of operating expenses in the General Fund for FY 2016. Absent the successful, local pension reform, however, this figure would be significantly higher.

Unfunded Liabilities - Other Post-Employment Benefits

An actuarial study of Pasadena's Other Post-Employment Benefits (OPEB) relating to retiree health benefit liability was completed in 2015, reflecting a July 1, 2014 valuation date. The report determined that Pasadena's actuarial liability was approximately \$28.6 million. The annual required contribution (ARC) to address this liability was determined to be approximately \$3.1 million. Pasadena is currently using a pay-as-you-go methodology and is only paying about \$623,000 per year toward this amount. Continuing the pay as you go method will significantly increase the ARC in future years. The actual amount will depend on future actuarial valuation reports.

Aging Infrastructure

Thanks to City Council leadership, the City continued to invest in capital projects even during the Great Recession. The recently adopted five-year FY 2016 Capital Improvement Program (CIP) appropriated \$85.5 million to 92 capital projects maintaining an impressive commitment towards funding aging infrastructure and public facilities. However, the CIP has identified over \$364 million of needed projects without identified funding sources. The longer these projects are delayed, the more expensive they become. The CIP is discussed in more detail later in this letter.

Litigation & Impact on Revenues

Water Fund Transfers

In August 2014 the City settled a lawsuit challenging transfers from the Water Fund to the General Fund, which are set forth in the City's Charter. Under the terms of the settlement, the City will transfer back to the Water Fund \$7.2 million over the course of seven years. With the City receiving one-time tax revenues this year, City Council approved and the City paid the entire outstanding balance in fiscal year 2015.

Claim for Partial Refund of Water Charges to Customers Outside City Limits

The City has been sued by non-residents seeking refunds for charges collected by the City from water customers who are served by the City but live outside the City limits. Depending on the outcome of the litigation, the Water Fund could be facing a loss of up to \$2 million per year.

SB 481 Litigation

In 1987, the City sponsored and secured the passage of Senate Bill No.481 (SB 481), which provided a supplemental source of payment to fund the City's liabilities to the Fire and Police Retirement System (FPRS). SB 481 authorized the City to utilize tax increment revenues received by the Pasadena Community Development Commission (PCDC) from PCDC's Downtown Redevelopment Project Area and payable by PCDC to the City under a reimbursement agreement (Reimbursement Agreement) for the purpose of funding the City's liabilities to FPRS. PCDC's payments of tax increment under the Reimbursement Agreement are referred to as "SB 481 Receipts".

In 2011, the State of California enacted legislation that required the dissolution of California redevelopment agencies (including the PCDC) and the disposition and winding-down of the operations of those agencies. Following the enactment of the legislation, the State Department of Finance challenged the enforceability of the obligation of PCDC to pay tax increment to the City under SB 481 and the Reimbursement Agreement. As a result of the litigation which subsequently ensued (the "SB 481 Litigation"), all SB 481 Receipts are now held in escrow by the County of Los Angeles, pending the resolution of such litigation.

On May 8, 2015, the merits of the case were heard in the Writ Department of Sacramento Superior Court. At the hearing, the Court ruled in favor of the Department of Finance. The City has appealed the decision to the Appellate Court. This matter is expected to be heard during 2016. At issue is roughly \$40 million. SB481 required all tax increment revenues generated from the downtown redevelopment project area to be used to fund the liability in the Fire and Police Retirement System. This includes the payment of any outstanding pension obligation bonds issued to fund the

Comprehensive Annual Financial Report (CAFR)
 City of Pasadena, California (City)
 Fiscal year ended June 30, 2015

system. These bonds had a balloon payment and a mandatory tender on May 15, 2015. As this matter was not resolved prior to May 2015, the due date of the bonds, the City was forced to incur additional \$40 million debt.

Replenishment of the City’s Reserves

Approximately \$25 million of General Fund reserves was used between FY 2009 and FY 2012 to help cushion the impact of the Great Recession on City service levels. Prudent fiscal planning and a commitment in the years leading up to FY 2009 had built up reserves that, absent their availability, would have resulted in catastrophic reductions in service levels that would have significantly reduced the quality of life in Pasadena.

Fortunately due to one-time tax revenues and lower than anticipated expenditures, the City Council will be able to consider making substantial strides in rebuilding its reserves this year. The City Council approved a \$10 million transfer to the General Fund reserve on June 22, 2015. The emergency reserves total approximately \$31 million or 14.0 percent of the Adopted General Fund appropriations for FY 2016.

General Fund 5-Year Financial Plan

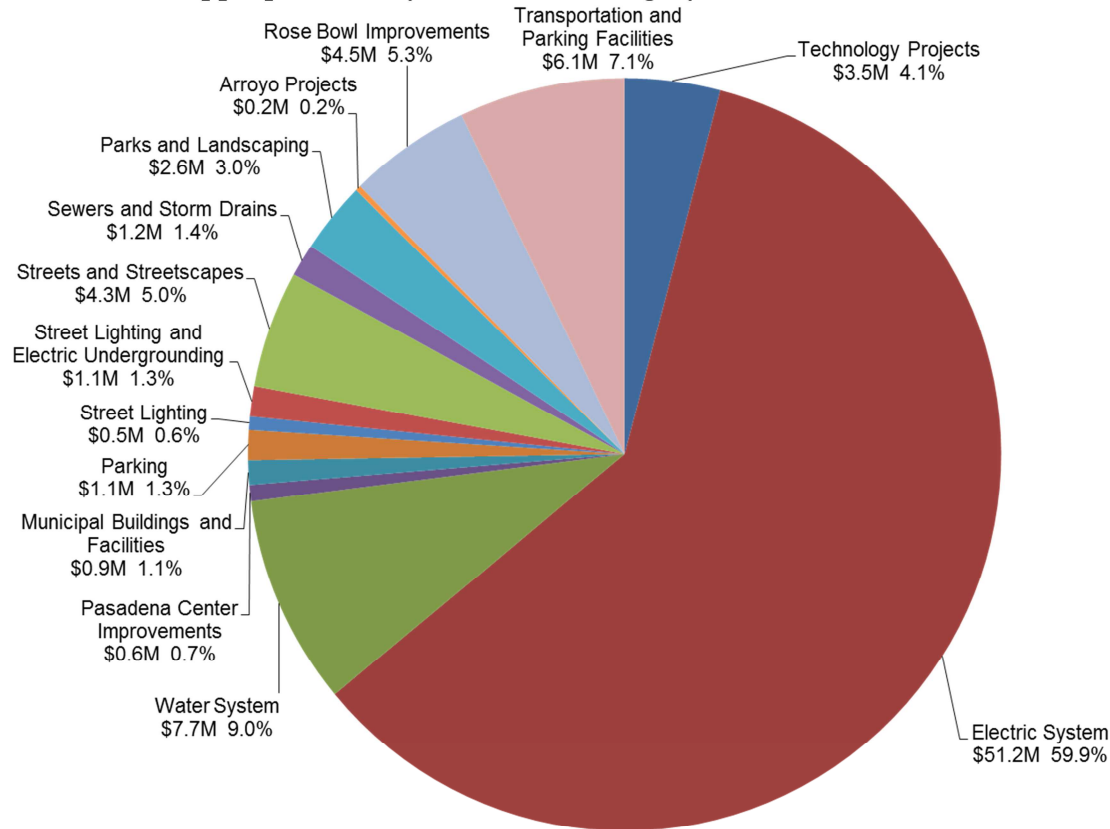
	FY 2016 Budget	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
	----- \$'s in thousands -----				
Beginning Amount Available for Appropriations	\$10,665	\$11,542	\$11,757	\$10,159	\$7,673
Revenues					
Tax Revenues	150,851	156,578	160,892	165,356	169,972
Other Revenues	<u>73,322</u>	<u>75,521</u>	<u>77,808</u>	<u>79,538</u>	<u>81,342</u>
Total Revenues	224,173	232,099	238,700	244,894	251,314
Expenses					
Personnel	135,919	144,446	151,370	157,425	163,722
Debt Service/Contributions to Other Funds	33,022	32,378	32,767	32,671	30,022
Other Expenses	<u>54,355</u>	<u>55,060</u>	<u>56,161</u>	<u>57,284</u>	<u>58,430</u>
Total Expenses	223,296	231,883	240,298	247,380	252,174
Net Income/(Loss)	876	215	(1,598)	(2,486)	(861)
Ending Amount Available for Appropriations	\$11,542	\$11,757	\$10,159	\$7,673	\$6,813

**FY 2016 CAPITAL IMPROVEMENT PROGRAM APPROPRIATIONS
 (As of June 30, 2015)**

Protecting, maintaining and replacing the City’s infrastructure such as roads, bridges, parks, public buildings, utility systems and parking facilities is one of the most important aspects of running an efficient, responsible City. Pasadena will continue with both major and minor infrastructure improvements through the City’s FY 2016 – FY 2020 CIP. The CIP is the fiscal blueprint for new construction and major maintenance projects designed to protect and preserve Pasadena’s outstanding quality of life.

The current five-year plan includes 238 identified projects with a total estimated cost of \$1.11 billion. Additionally, there are 80 identified projects totaling \$364 million in the Future Projects section that do not have funding. Identifying these projects as part of the program allows staff to pursue funding opportunities when, and if, they become available. For FY 2016, the CIP includes \$85.5 million in appropriations for 92 projects, including 20 new projects. The following graphic illustration shows FY 2015 appropriations by project category.

FY 2016 CIP Appropriations by PROJECT Category



In addition to the City Council's Strategic Plan goals previously noted, the following criteria is used for developing and prioritizing the CIP:

- The project is needed to address a particular safety concern;
- The project is necessary because existing maintenance efforts are no longer satisfactory and repair costs exceed the replacement cost;
- An existing facility or system is no longer adequate to meet current or future demand; and
- Availability of funding.

One of the most important categories of capital improvements are projects related to the City's water and power utilities. The City's Water and Power Department (PWP) continues to be proactive in making infrastructure investments as identified in the Electric Distribution System Plan, the Energy Integrated Resources Plan, the Water Distribution System Master Plan and the Water Integrated Resources Plan.

These investments not only protect the City's valuable investment in its utility infrastructure, but also help to improve water quality, supply, and reliability for customers in addition to well production capacity. The system improvements also reduce dependency on imported purchased water and meet California's conservation requirements. One example is the Recycled Water project which will supply non-potable water by utilizing local water sources and is in the planning and design stage.

In FY 2016, the City will spend \$35.7 million on a new gas turbine generation unit, \$23.2 million on its water and other electric systems, \$6.1 million on transportation projects, \$5.9 million on streets and streetscapes/street lighting and electrical undergrounding, and \$3.5 million on technology projects.

PWP's Repowering Project which began in FY 2015 with construction of a 71 MW combined cycle electric power generating unit to replace a nearly 50 year-old steam-powered boiler unit.

The complete FY 2016 – FY 2020 CIP document is posted on the City's website under the Public Works Department pages at:

http://www.cityofpasadena.net/PublicWorks/Capital_Improvement_Program/

Looking to the Future

Pasadena has a rich history and a bright future. Under the City Council's leadership, Pasadena has achieved remarkable success and has overcome many of the recent financial challenges that have stymied other cities and counties across the country.

Our policies and budget planning are now beginning to show a significant return on our efforts as Pasadena has been clearly identified and branded as a premier locale for private sector investment and development; a top travel and tourism destination and a perfect setting for cultural and artistic endeavors.

ACCOMPLISHMENTS

While it is critically important that the City maintain strong fiscal health, the City must also continue to address a wide variety of infrastructure-related issues and also take time to acknowledge the positive improvements that are continually being made. For example, some of the fiscal year 2015 accomplishments include:

- Adoption of balanced budget for a fourth consecutive year, consistent with the Council's goal to maintain fiscal responsibility and stability;
- Continued significant pension reform, requiring that employees pay the full employee contribution to offset a portion of increased pension costs;
- Launched the first module of the multi-year Enterprise Resource Planning system (Budget) in November 2014;
- Launched the core financial modules of the multi-year Enterprise Resource Planning system on July 1, 2015;
- Continued pursuit of both major and minor public works improvements to preserve and expand the City's infrastructure, began construction of the new 71 megawatt combined cycle power-generating unit at the Glenarm Power Plant facility, and construction of Water & Power infrastructure investments to improve water quality, supply, and reliability;
- Established an ad hoc Council Committee and a community Task Force in response to misappropriation of funds from underground utility fund by a former employee;
- Successfully secured a credit agreement with Bank of America for \$75 million Line of Credit to finance improvement to the City's electric system including the GT5 repowering project;
- Issued \$119.46 million 2015 Taxable Pension Obligation Bonds for the purpose of refinancing and refunding a portion of the City's outstanding pension obligation bonds;
- Achieved a Renewable Energy Portfolio Standard ("RPS") of 27.9 percent in calendar year 2014 and therefore reducing our dependence on fossil fuel power supply sources;
- Maintained the prestigious RP3 (Reliable Public Power Provider) designation from the American Public Power Association for providing the highest degree of reliable, safe, electric service. Designation elevated from platinum to diamond status in March 2015;
- Achieved a 75 percent solid waste diversion rate, consistent with City Council's sustainability goals;

Comprehensive Annual Financial Report (CAFR)
City of Pasadena, California (City)
Fiscal year ended June 30, 2015

- Continued the successful progress of Innovate Pasadena—the initiative to expand Pasadena’s Arts and Innovation economy, and hosted a multitude of events throughout the City to continue Pasadena’s role as a regional destination for arts and entertainment;
- Successfully held the Pasadena-CicLAvia Open Street event;
- The Fire Department took delivery of two new Fire Engines and two new Rescue Ambulances;
- Completed evaluation and selection processes for new Enterprise Content Management System and a Land Management and Permitting System;
- Completed installation of a new Voice Message system;
- Completed design review process for five major development projects;
- The Pasadena Police Department continues to promote the highly successful “See Something, Say Something” campaign;
- Refinement of renovation and new addition hotel plans are on-going for the historic Julia Morgan YWCA building conversion into a boutique hotel;
- Answered 70,000 calls to the Pasadena Citizen Service Center, 77 percent within 30 seconds, and received over 19,000 web and mobile application service order requests for all City departments;
- Provided paid summer jobs to 201 youth through the Summer Rose Program;
- Celebrated and provided City support of the 126th Tournament of Roses Parade and the 101st Rose Bowl Game. This 101st Rose Bowl Game was a semifinal for the College Football Playoff system, with the winner playing in the National Championship game;
- Expanded the City’s fiber optic ring to increase network capacity among City facilities; added 14 Wi-Fi access points to provide free Wi-Fi service in Old Pasadena;
- Adopted the Bicycle Transportation Action Plan, which provides specific goals, objectives, actions, and timelines for creating an environment where people circulate without a car, increases the number of people who commute by bike, increases bike use, and benefits the City;
- Received the 2014 Project of the Year Award from the Southern California Chapter of the American Public Works Association for the Arroyo Boulevard Bioswale/Rose Bowl Entry Plaza project;

Comprehensive Annual Financial Report (CAFR)
City of Pasadena, California (City)
Fiscal year ended June 30, 2015

- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pasadena for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the 16th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

- The City continues to hold a current General Obligation Bond rating of AAA from Standard & Poor which is the highest rating given by Standard and Poor's and an AA+ from Fitch Ratings.

Conclusion

This FY 2015 Comprehensive Annual Financial Report recognizes the accomplishments and values which make Pasadena unique and is a testament to the leadership of the City Council and the commitment of all City employees. Through continued partnership with the community that we serve, the City of Pasadena will continue to be a leader in effective municipal governance and maintain its high quality of life.

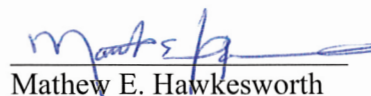
While acknowledging both our successes and our challenges is important, it is vital that the City remains true to the policies, goals and values that have allowed us to maintain strong fiscal health. There is no doubt that the City is already a stronger organization after the implementation of many of the numerous recommendations which have resulted from the in depth investigations, reviews, and audits performed post embezzlement. This process is well underway and will continue. The City must also continue to address a wide variety of infrastructure-related projects and funding issues to protect our valued quality of life.

Another positive outcome from the past financial challenges has been for the City to reinvigorate its emphasis on organizational efficiency and to recognize the value of our most important resource: the men and women who work for the City and make Pasadena the world-class city that it is.

Respectfully submitted,



Steve Mermell
Interim City Manager



Mathew E. Hawkesworth
Director of Finance

CITY OF PASADENA
City Officials

CITY COUNCIL

Mayor	Terry Tornek
Vice-Mayor	Gene Masuda (District 4)
Councilmember	Tyron A.L Hampton (District1)
Councilmember	Margaret McAustin (District 2)
Councilmember	John J. Kennedy (District 3)
Councilmember	Victor Gordo (District 5)
Councilmember	Steve Madison (District 6)
Councilmember	Andy Wilson (District 7)

APPOINTED OFFICIALS

City Manager	Michael Beck
City Attorney	Michele Beal Bagneris
City Clerk	Mark Jomsky

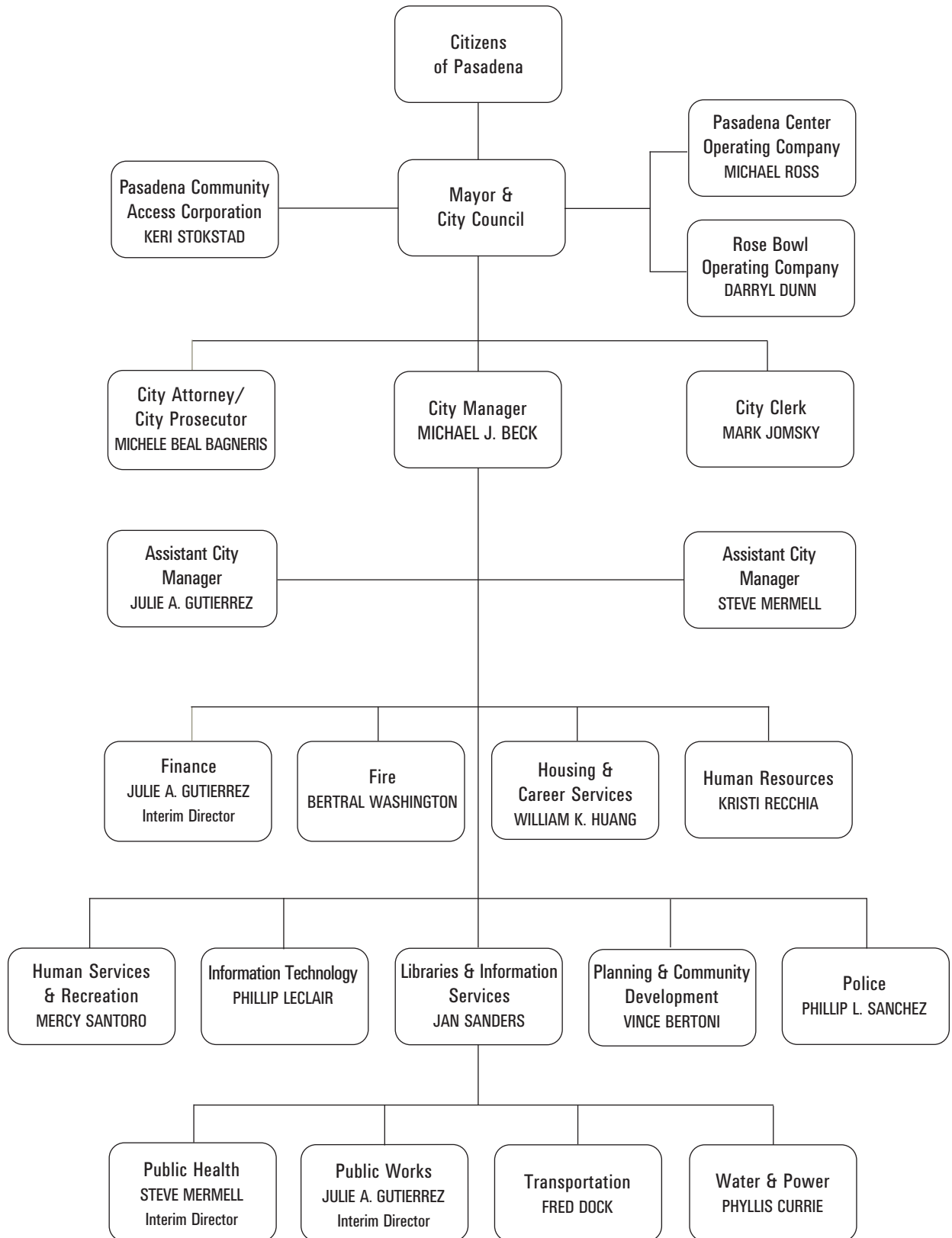
EXECUTIVE LEADERSHIP TEAM

Assistant City Manager	Julie Gutierrez
Assistant City Manager	Steve Mermell
Interim Director of Finance	Julie Gutierrez
Fire Chief	Bertral Washington
Director of Housing	William Huang
Director of Human Resources	Kristi Recchia
Director of Human Services and Recreation	Mercy Santoro
Director of Information Services	Jan Sanders
Chief Information Officer	Phillip Leclair
Director of Planning and Community Development	Vincent Bertoni
Chief of Police	Phillip Sanchez
Interim Director of Public Health	Steve Mermell
Interim Director of Public Works	Julie Gutierrez
Director of Transportation	Fred Dock
General Manager of Water and Power	Phyllis Currie
Public Information Officer	William Boyer

OPERATING COMPANY EXECUTIVES

Chief Executive Officer, Pasadena Center Operating Company	Michael Ross
General Manager, Rose Bowl Operating Company	Darryl Dunn
Executive Director, Pasadena Community Access Corporation	Keri Stokstad

CITY OF PASADENA
Organization Chart
June 30, 2015



CITY OF PASADENA
Comprehensive Annual Financial Report
Year Ended June 30, 2015



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Pasadena
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pasadena for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.

In order to be awarded a certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Pasadena, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Pasadena, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council
City of Pasadena, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pasadena, California, as of June 30, 2015, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Honorable Mayor and Members of the City Council
City of Pasadena, California

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Brea California
February 24, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pasadena, we offer this narrative overview and analysis of the financial activities of the City of Pasadena for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, which can be found on pages ix-xxi of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Pasadena's basic financial statements. The City of Pasadena's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other required supplementary information.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Pasadena's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, 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 City of Pasadena is improving or deteriorating.

The *statement of activities* presents the most recent fiscal year changes in the City's net position. 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*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Pasadena include general government, public safety, transportation, sanitation, health, culture and leisure, and community development. The business-type activities of the City of Pasadena include electric, water, refuse, parking, and telecommunication operations.

The basic government-wide financial statements can be found on pages 18-21 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The City of Pasadena, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Pasadena maintains thirty five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Project Management Capital Project Fund, and the General Debt Service Fund, all three of which are considered to be major funds. Data from the other thirty two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Pasadena adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Budgetary comparison statements have been provided for the General Fund and Special Revenue Funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary Funds

The City of Pasadena maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, refuse, parking, and telecommunication operations. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Pasadena uses internal service funds to account for its computing and communication, building maintenance, fleet maintenance, benefits, leasing of equipment, machinery, vehicles and the acquisition and construction of real property from the Pasadena Civic Improvement Corporation, workers' compensation, general liability, printing services, and mail services. Because each of these services predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Light and Power, Water, and Off Street Parking Funds, each of which are considered to be major funds of the City of Pasadena. Conversely, each of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report. Data from the other two proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 26-33 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Pasadena's own programs. The activities of the Successor Agency to the Pasadena Community Development Commission are also reported with the City's fiduciary funds as a private purpose trust fund. Individual fund data for each of these fiduciary funds is provided in the form of *combining statements* elsewhere in this report. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 34-35 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 government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39-143 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary practices and budget to actual comparisons for the general fund and special revenue funds. Required supplementary information can be found on pages 145-152 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 154-197 of this report.

FINANCIAL HIGHLIGHTS

New Significant Accounting Standards Implemented

In fiscal year 2014-15, the City adopted two new statements of financial accounting standards issued by the Government Accounting Standards Board (GASB) that relates to pension activity:

- Statement No. 68, “*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,*” and
- Statement No.71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.*”

Statement No. 68 (Statement) establishes standards of accounting and financial reporting, but not funding or budgetary standards, for the City’s defined benefit pension plans. The Statement replaces the requirements of prior GASB statements impacting accounting and disclosure of pensions. The measurement date for the pension liabilities is as of June 30, 2014. This date reflects a one year lag and was used so that these financial statements could be issued in an expedient manner. Contributions made to the City’s pension plans subsequent to the measurement date are reported as deferred outflows of resources in accordance with Statement No.71.

The significant impact to the City of implementing Statement No. 68 is the reporting of the City’s pension liability on the City’s government wide financial statements. There are also new note disclosure requirements and required supplementary information schedules as a result of implementing this Statement. In order to implement the Statement, a prior period adjustment was made to the City’s governmental and business-type activities July 1, 2014 net position. The prior period adjustment decreased the City’s governmental type activities beginning net position by \$323,641,413 and the City’s business-type activities beginning net position by \$74,364,694 and reflects the reporting of: 1) net pension liabilities of \$296,425,756 and \$64,317,540 governmental and business-type activities, respectively, 2) deferred outflow of resources of \$26,293,399 and \$5,507,475, respectively and 3) deferred inflow of resources of \$63,713,161 and \$14,167,030, respectively. Refer to Note 18 for more information regarding the City’s pensions.

The adoption of Statement No. 68 has no impact on the City’s governmental fund financial statements, which continue to report expenditures equal to the amount of the City’s actuarially determined contribution (formerly referred to as the “annual required contribution”). The calculation of pension contributions is also unaffected by this Statement.

Restatement of Beginning Net Position and Fund Balances

As disclosed in Footnote 21 on pages 135-140, the beginning net positions and fund balances of certain funds were restated to reflect implementation of GASB Statements No. 68 and 71 as well as a number of corrections. The largest impact is from GASB Statements No. 68 and 71 as noted above. The second largest impact comes from the impact of a Court decision related to SB 481 as discussed in further detail in Footnote 22 on pages 140-142. In

summary, the net position at June 30, 2014 of governmental activities is restated from \$450,168,355 to \$74,565,743 and business type activities from \$716,349,258 to \$607,361,627.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Pasadena, assets and deferred outflows exceeded liabilities and deferred inflows by \$775.5 million at the close of the most recent fiscal year.

\$779.7 million of the City of Pasadena's net position reflect its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Pasadena uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Pasadena's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Pasadena's Net Position (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
Current and other assets	\$ 273.9	300.5	407.1	421.1	681.0	721.6
Capital assets	481.6	483.3	678.8	618.4	1,160.5	1,101.7
Total Assets	755.5	783.8	1,085.9	1,039.5	1,841.4	1,823.3
Deferred outflows	26.3	0.0	8.8	3.0	35.1	3.0
Long-term debt outstanding	250.8	304.2	310.6	321.0	561.4	625.2
Other liabilities	353.6	361.9	107.6	112.3	461.2	474.2
Total Liabilities	604.4	666.1	418.2	433.3	1,022.6	1,099.4
Deferred inflows	64.3	43.1	14.2	1.8	78.5	44.9
Net position:						
Net investment in capital assets	408.2	416.4	371.5	391.9	779.7	808.3
Restricted	44.3	60.6	176.2	133.8	220.5	194.4
Unrestricted	(339.3)	(402.4)	114.5	81.7	(224.8)	(320.7)
Total Net Position	\$ 113.2	74.6	662.3	607.4	775.5	682.0

* As restated

A portion of the City of Pasadena's net position, \$220.5 million or 28.4 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit in *unrestricted net position* of, (\$224.8) million, or (28.9) percent is for unrestricted uses in accordance with finance-related legal requirements. This deficit reflects liabilities which exceed assets on hand and is related to implementation of GASB 68 regarding Pension Plan reporting.

At the end of the 2015 fiscal year, the City of Pasadena is able to report positive balances in all categories of net position for the government as a whole except for unrestricted net position.

During the 2015 fiscal year, the primary government's net position increased by \$93.5 million. Approximately \$38.6 million of this is an increase in the City's Governmental Activities and \$54.9 million of this increase is in the City Business-Type Activities. The increase in the Governmental activities reflects reductions in spending and increases in revenues. The increase in Business-Type activities is the continuance of positive trends with increased revenues and reductions in expenses.

City of Pasadena's Changes in Net Position (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
Revenues:						
Program Revenues:						
Charges for services	\$ 74.6	70.3	287.4	275.5	362.0	345.8
Operating and capital grants and contributions	58.1	52.4	2.9	2.8	61.0	55.2
General revenues:						
Taxes:						
Property taxes, levied for general purpose	56.4	44.1	-	-	56.4	44.1
Sales taxes	33.7	33.2	-	-	33.7	33.2
Utility users' tax	29.3	28.9	-	-	29.3	28.9
Other taxes	33.9	30.8	4.3	3.9	38.2	34.7
Other revenues	26.3	25.8	21.2	15.0	47.5	40.8
Total revenues	312.3	285.5	315.8	297.2	628.1	582.7
Expenses:						
General government	38.9	428.8	-	-	38.9	428.8
Public safety	106.3	104.7	-	-	106.3	104.7
Transportation	49.5	59.6	-	-	49.5	59.6
Culture and leisure	30.1	31.3	-	-	30.1	31.3
Community development	35.3	31.7	-	-	35.3	31.7
Interest and other fiscal charges	10.3	11.0	-	-	10.3	11.0
Electric	-	-	171.3	229.9	171.3	229.9
Water	-	-	48.5	71.0	48.5	71.0
Other expenses	18.0	18.3	26.4	65.1	44.4	83.4
Total expenses	288.4	685.4	246.2	366.0	534.6	1,051.4
Increase (decrease) in net position before transfers	23.9	(399.9)	69.6	(68.8)	93.5	(468.7)
Transfers	14.7	16.3	(14.7)	(16.3)	-	-
Extraordinary gain	-	-	-	-	-	-
Increase (decrease) in net position	38.6	(383.6)	54.9	(85.1)	93.5	(468.7)
Net position at beginning of year, as restated	74.6	458.2	607.4	692.5	682.0	1,150.7
Net position at end of year	\$ 113.2	74.6	662.3	607.4	775.5	682.0

* As restated

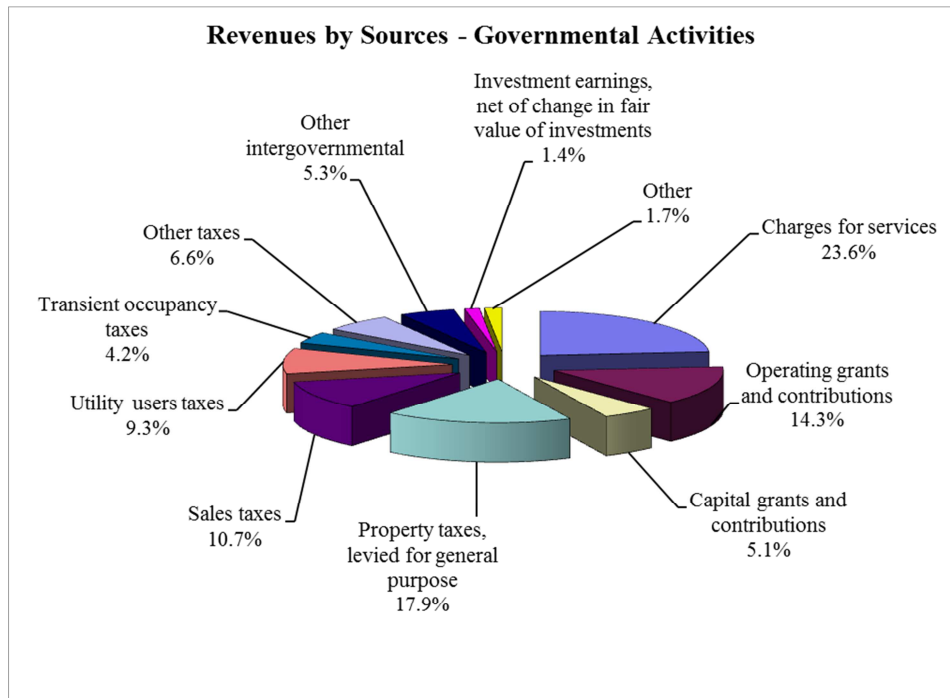
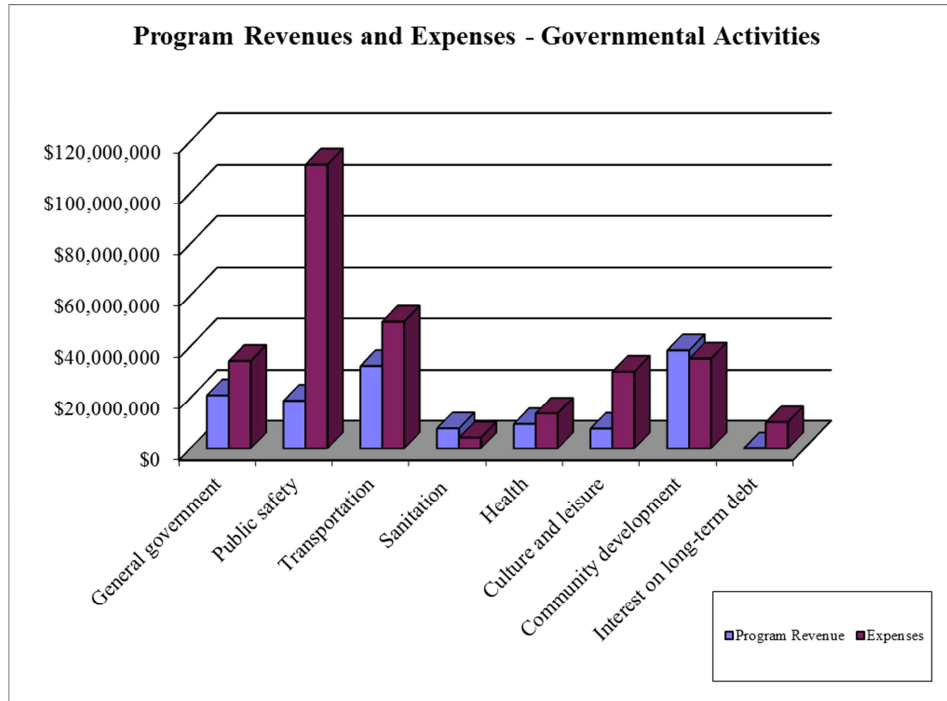
Governmental Activities

Governmental activities increased City of Pasadena's net position by \$38.6 million, a 51.7 percent increase in the primary government's net position. Key elements of this increase are a combination of factors as follows:

- The largest component of this increase is a \$14.4 million or 27.0 percent reduction in governmental expenses.
- The second largest component of the increase is a \$15.1 million or 8.4 percent increase in general revenues.
- Net transfers of decreased \$1.6 million from prior year.

- Charges for services increased \$4.3 million or 6.1 percent, largely attributable to an improved economy, construction activity, and utilization of services such as emergency medical services. The Transportation component increased \$1.8 million or 12.7 percent with \$1.1 million attributed to increased need for traffic impact studies performed for Developers. The Public Safety component increased \$1.6 million or 12.4 percent with Emergency Medical Services billings and collections being the primary driver.
- Operating Grants and Contributions increased \$6.0 million or 16.7 percent, and Capital Grants and Contributions decreased \$.3 million or 1.7 percent from the prior year. The City continues to seek out grant opportunities. Operating Grants and Contributions increased \$3.6 million in Community Development due to increases in HUD Home program and State CAL Home Grants. Health operating grants increased \$2.4 million due to \$1.6 million in GASB 33 accounting revenue recognition and \$.8 million Health and Human Services support. The largest increases of the Capital Grants and Contributions was \$1.5 million in Community Development and reflects new development impact fees and residential development impact fees Transportation had a \$2.1 million decrease due to reductions from prior year levels from Federal Highway Administration for \$1.6 million and Federal Surface Transportation for \$1.0 million.
- Tax revenue increased by \$16.4 million or 11.9 percent from fiscal year 2014 in the Governmental Activities reporting section. Property tax revenue of the City increased \$12.4 million or 28.1 percent reflecting sustained growth in assessed values and the additional distribution of tax increment from the City's dissolved redevelopment agency. The second two largest increases in tax revenue are \$1.1 million or 9.3 percent for transient occupancy tax and \$1.1 million or 29.5 percent in construction taxes. These reflect the continuing strength of the local economy. Sales tax showed a modest increase of \$.5 million or 1.5 percent.
- Investment earnings decreased \$.4 million or 7.7 percent, largely due reduced cash balances.
- Total expenses decreased \$21.5 million to \$288.4 million from \$309.9 million in fiscal year 2014 with increases in some categories offset by decreases in others. The largest decrease occurred in General Government which decreased 14.4 million or 27.0 percent. As GASB 67 replaced GASB 27 in fiscal year 2015, the FPRS Net Pension Obligation was calculated differently and resulted in a difference of \$11.5 million in the General Government expenses. Also, the long term debt unamortized premium/ discount balance changed \$2.2 million due to more GASB 65 adjustments in fiscal year 2015. In fiscal year 2015, the City implemented GASB 68, which resulted in \$1.0 million reduction to fiscal year 2015 expenses. Transportation related spending decreased \$10.1 million and was largely related to capital outlay associated with increased grant revenues for street and transportation related projects in the prior year. Public Safety increased \$1.6 million or 1.5 percent reflecting increased personnel costs. Community Development spending increased \$3.6 million or 11.3 percent reflecting \$1.4 million in affordable housing expenditures and \$1.7 million of capital outlay. Culture and leisure expenses decreased by \$1.2 million or 3.8 percent.

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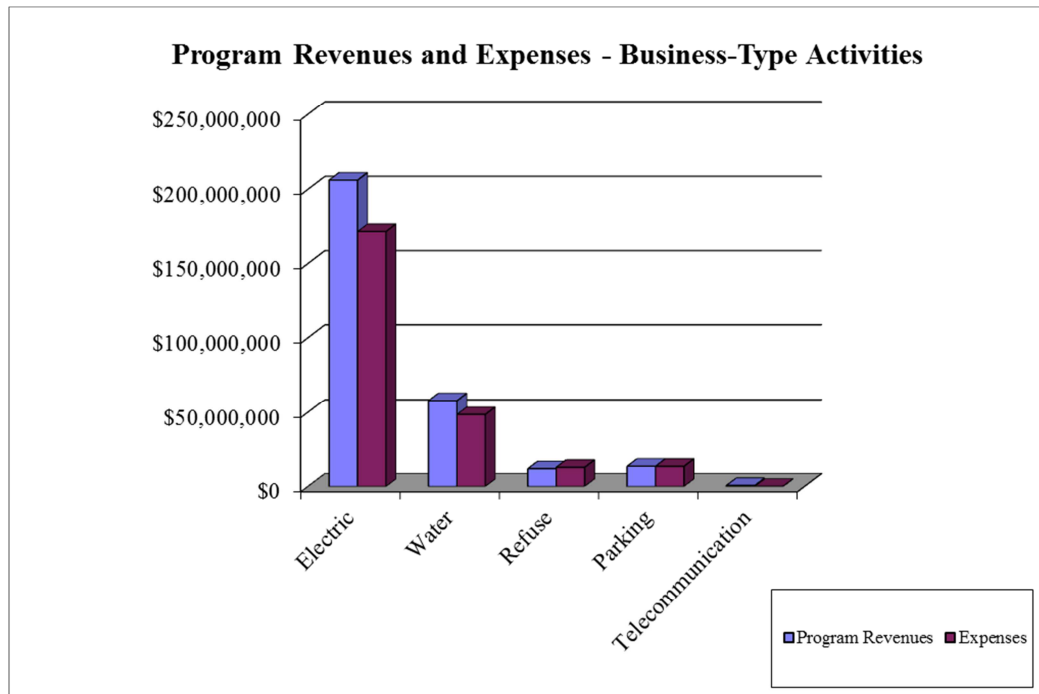


Business-Type Activities

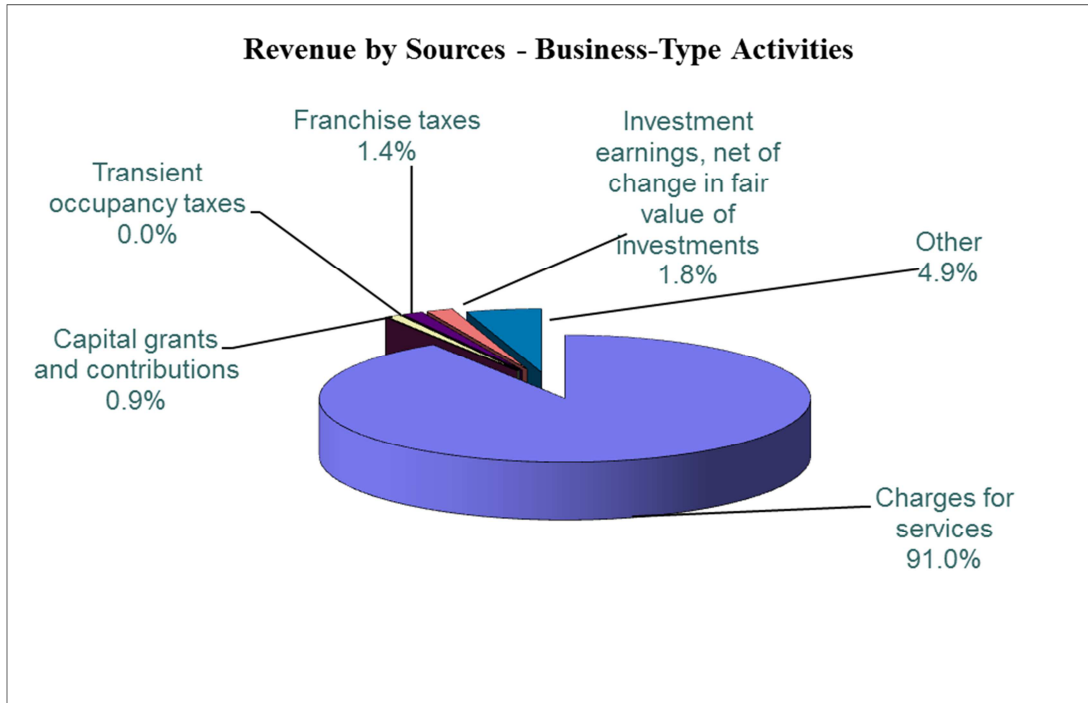
Business-type activities increased the City of Pasadena’s net position by \$54.9 million. Key elements of this year’s increase are as follows:

- Net income (loss) of the Light and Power, Water, Off Street Parking, and Non-Major Enterprise Funds were \$32.7 million, \$17.0 million, \$1.2 million, and \$4.0 million respectively.

- Electric charges for services increased \$15.6 million or 8.3 percent from the prior year primarily due to increased rates.
- Electric expenses (operating plus interest) decreased \$6.6 million or 3.7 percent from \$177.6 million to \$174.0 million due to lower operating costs.
- Water charges for services decreased \$3.8 million or 6.2 percent over the prior year mainly due to water conservation efforts during our drought.
- Water expenses (operating plus interest) decreased \$2.9 million or 5.6 percent from \$51.1 million to \$48.2 million mostly due to conservation efforts.
- Off Street Parking revenues increased \$0.3 million and expenses decreased \$0.7 million or 6.2 percent.



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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Pasadena uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Pasadena financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds report the difference between their assets and liabilities as *fund balance*, which is divided into *nonspendable*, *restricted*, *committed*, *assigned*, and *unassigned* portions. City Council may commit a portion of the *fund balance* by formal action as was done on June 22, 2015 when City Council *committed* an additional \$10,000,000 to the current policy of 10 percent of the General Fund annual appropriations per the adopted City Budget for fiscal years 2015. This increased the General Fund Emergency Contingency committed fund balance to \$30,951,483 at June 30, 2015.

At the end of the 2015 fiscal year, the City's governmental funds reported combined ending fund balances of \$226.4 million, an increase of \$19.8 million in comparison with the prior year, as restated. The non-spendable fund balance of \$39.6 million represents assets generated by prepayments, permanent trust fund balances and receivables in funds, net of allowances. The restricted fund balance of \$52.9 million represents resources that are subject to externally enforceable legal restrictions, such as the restrictions on the use of Special Revenue funding and Capital Improvement contracts. The committed fund balance of \$131.1 million represents resources whose use is constrained by limitations that the City imposes upon itself through decisions made by City Council. The assigned fund balance of \$6.6 million describes the portion of fund balance that reflects the City's intended use of resources. The unassigned fund balance of (\$3.8) million, a deficit, represents the excess of non-spendable, restricted, committed, and assigned in excess of total fund balance.

The General Fund is the chief operating fund of the City of Pasadena. At the end of the 2015 fiscal year, total fund balance equaled \$63.2 million in comparison to \$52.4 million, as restated, in the prior year. The fund balance of the City of Pasadena's General Fund increased by \$10.8 million or 20.7 percent, during 2015 fiscal year. Key factors in this increase are as follows:

- Total expenditures increased \$17.6 million or 9.7 percent. Four of five of the components increased as follows: \$9.3 million in General Government, \$6.7 million in Public Safety, \$1.1 million in Culture and leisure, \$.6 million in Transportation. Community development decreased \$81 thousand. General Government increase is due to \$5.1 million water settlement, \$2.2 million increase in billable Rose Bowl project expenses, \$1.0 million increase in outside legal service expense, and \$.6 million increase of sales tax rebate. Culture and leisure increase is partly due to increase in transfer of Transient Occupancy Tax by \$.7 million to PCOC. Transportation expenditures increased \$.6 million as 4.2 positions for parking enforcement was transferred from Finance Municipal Services to the Parking Division in Transportation in FY 2015. Public Safety personnel cost increased by approximately \$4.2 million due to police officers and firefighters receiving rate increases, police officer overtime and position coverage increases, higher workers compensation and general liability cost for both police and fire. Police officers received 2.5% increase and firefighters receiving 5% increase in July 2014. Fire Department has a one-time Services and Supplies expenses in the amount of \$.6 million. Also, Public Safety internal service charges increased \$1.1 million for IT, Building Maintenance, Fleet Repair and Replacement charges.
- Total revenues increased by \$20.1 million and are explained by increases in five categories of revenue and decreases in three categories, as explained below.
- Taxes increased by a net \$15.8 million showing continued strengthening of economic recovery and one time disbursements of property tax related to the dissolution of Redevelopment. Property tax revenue led the increase, up \$12.4 million, followed by an increase in transient occupancy tax of \$1.1 million, \$1.1 million in construction tax, \$.5 million in sales tax, and \$.4 million in utility users tax.
- Charges for services increased \$3.1 million, with \$1.1 million increase in emergency medical services, \$.4 million increase recreation fees and program revenue, \$1.5 million increase in police billings related to filming and security services, \$.4 million increase in services to the Rose Bowl, and \$.3 decreases across numerous categories.
- Intergovernmental revenues increased by \$1.4 million primarily due to an increase in State reimbursement or prior years mandated costs of \$.8 million and a \$.7 million increase in motor vehicle in lieu of tax.
- Licenses and permits decreased \$.2 million from the very high level of construction activity in the prior year which remains at an elevated level.
- Fines and forfeitures increased \$.6 million due to \$.5 million increase in parking citation collections and \$.1 increase in code compliance citations.
- The remaining differences are smaller cover a number of categories in: miscellaneous revenues up \$.2 million, licenses and permits down \$.2 million, investment earnings down \$.6 million, and rental income down \$.2 million.
- General Fund Transfers out decreased \$1.7 million and Transfers in decreased \$8.7 million for a combined net reduction in other financing use of \$7.0 million. The three largest changes in transfers out of the General Fund were related to \$5.6 million less debt service obligations, \$1.3 million more support of Housing and Community Development and Transportation, and \$4.8 million less transfers out to Internal Service Funds. The \$1.7 million reduction of transfers in to the General are made up of \$1.1 million decrease from Non-Major Governmental Funds, \$1.4 million increase from Light and Power to cover debt service and other costs, and \$2.0 million decrease from the Water Fund reflecting the recent lawsuit and transfer to cover the costs of services provided by the City to the Water Fund activities..

The Project Management Capital Project Fund has a fund balance of \$0.7 million, which is an increase of \$1.5 million over the prior year. The key factors contributing to this increase are as follows:

- A net increase of \$1.0 million in total revenues reflects a \$1.3 million or 20 percent decrease in Intergovernmental revenues and \$2.3 million or 136 percent increase in Contributions. Intergovernmental revenues are primarily Federal transportation grants and Los Angeles County Metro funding. The increase in contribution of \$1.5 million is contribution from Light and Power Fund and Water Fund for the Enterprise Resource Project and the balance is mostly private contribution where the City is paid to install street lights, sewer, traffic signals, and other items upon request.
- Total expenditures decreased \$6.7 million primarily due to decreased expenditures incurred on Street Improvements projects by \$0.9 million, decreased Street Underground projects by \$1.4 million, decreased Transportation projects by \$2.4 million, decreased Arroyo projects by \$1.1 million and decreased Parks and Landscaping projects by \$0.3 million.
- Other financing sources decreased by \$3.9 million or 30.5 percent from \$12.9 million in 2014 to \$9.0 million in 2015. Other financing sources are transfers from various funds to fund the project-to-date capital project expenditures.

Proprietary Funds

The City of Pasadena's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Light and Power Fund at the end of the year amounted to \$79.9 million and those for the Water, Off Street Parking Fund, and Non-Major Enterprise Funds amounted to \$32.4 million, \$3.1 million, and \$2.4 million respectively. The total net income or (loss) for each fund was \$32.7 million, \$17.0 million, \$1.2 million, and \$4.0 million respectively.

Light and Power operating revenues increased \$15.6 million from prior year. Total retail electric energy sold was approximately 1.11 million megawatt hours, a .6 percent decrease compared to prior fiscal year. Total operating expenses decreased \$7.5 million or 4.3 percent to \$166.5 million and are attributable to decreased utility production costs.

Water Fund operating revenues decreased \$3.8 million due to significant conservation efforts during our drought. Operating expenses decreased \$3.6 million or 7.5 percent. Water Fund purchased water expenses decreased \$3.4 million.

In fiscal year 2014 several parking funds were combined into one fund named Off Street Parking Fund. These funds were the Old Pasadena, Del Mar, Paseo, Plaza Las Fuentes, Holly Street, Playhouse and Union/El Molino parking funds. The Off Street Parking Fund had net income of \$1.2 million in FY 2015. As disclosed in Footnote 21, Restatement of Beginning Net Position and Fund Balances, item 1 on page 136, the Off Street Parking Fund has a \$30.4 million restatement (reduction) of beginning fund balance.

Implementation of GASB 68 has resulted in showing a "GASB 68 Net Pension Liability" in the Proprietary Funds at June 30, 2015 as well as the restatement of beginning Net Position. The GASB 68 Net Pension Liability is \$43.5 million, \$14.5 million, \$8 million, and \$5.5 million for Light and Power, Water, Off Street Parking, and Refuse funds respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Pasadena's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$1,160.5 million, net of accumulated depreciation. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The

net increase in the City of Pasadena’s investment in capital assets for the current fiscal year was 2.6 percent (a 0.9 percent decrease for governmental activities and a 5.2 percent increase for business-type activities.)

Major capital asset related events during the 2015 fiscal year included the following:

- A variety of street maintenance and construction, electrical system undergrounding, traffic control and parks and landscape projects continue City-wide. Some of the major projects in these categories this fiscal year include: Preventative Maintenance-Asphalt Streets, Curbs and Gutters, rehabilitate La Loma Bridge design and implement Intelligent Transportation System (Phase II,) renovate and improve Muir High School sport field, replace or install security lights at various locations. Projects completed during the 2015 fiscal year reached \$13 million. Costs for projects that are not completed are shown as Construction in Progress. The amount of Construction in Progress for the governmental activities as of June 30, 2015 is \$30.6 million.
- In the area of technology upgrade project, the City spent \$2.5 million towards implementation of an integrated ERP (Enterprise Reporting Planning) system.
- Improvement of city-owned facilities continues. \$1.8 million were spent for preventive maintenance and technology upgrade for the City buildings and facilities during fiscal year 2015.
- As of June 30, 2015, the Water and Power utility plant amounted to \$657.6 million, net of accumulated depreciation, an increase of 11.0 percent or \$64.0 million.
- During the fiscal year, the City spent \$119.7 million on various water and power projects and moved \$33.8 million completed projects into services. Some of the major power projects are Power Distribution Capacity and reliability \$2.6 million, 4kvdistribution System conversion \$1.4 million, Services from Public Right-of-Way \$1.1 million and Services from Utility Underground System Private Property Vaults \$2.0 million.

The local generation repowering project also known as Glenarm Power Plant Repowering project is for the installation of a new gas-fired combined cycle plant. Total estimated costs for this project are \$132 million and expenditures during fiscal year 2015 totaled \$54.9 million. This project is expected to be completed in FY2016.

- Some of the major Water projects are Distribution Mains \$1.6 million, Fire Protection System Improvements \$1.4 million, Customer Driven Meters and Services \$0.96 million, Meter and Services \$0.63 million, and Arroyo Spreading Basins and Intake Structures \$.53 million.

City of Pasadena's Capital Assets
(Net of Depreciation, in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	67.7	66.6	6.3	6.3	74.0	72.9
Buildings and improvements	166.9	170.2	55.4	56.4	222.3	226.6
Machinery and equipment	29.6	29.7	393.4	360.5	423.0	390.2
Infrastructure	186.9	190.6	-	-	186.9	190.6
Construction in progress	30.5	26.2	223.7	195.2	254.3	221.4
Totals	481.6	483.3	678.8	618.4	1,160.5	1,101.7

Additional information on the City of Pasadena’s capital assets can be found in note 7 on pages 73-74 of this report.

Long-Term Debt

At year-end, the City has a number of debt issues outstanding. These include \$119.5 million of taxable pension bonds, \$297.2 million of revenue bonds, \$78.7 million of certificates of participation, \$1.3 million of notes payable and \$6.2 million of capitalized lease obligations. Long-term debt decreased by a net amount of \$27.8 million as a result of new debt issuance, normal scheduled principal maturities, decreased compensated absences, increased Other Post-Employment Benefits (OPEB), increased insurance claims payable, and increased net pension obligation. The City was assigned an AAA GO rating by Standard and Poor's and AA+ rating by Fitch Rating Agency.

The new issues are:

- 2015 Bank of America Electric Line of Credit, \$1,000,000
- 2015 Taxable Pension Obligation Refunding Bonds \$119,460,000

City of Pasadena's Outstanding Long-Term Liabilities (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Long-term debt:						
Notes payable	\$ 0.5	0.6	0.8	1.0	1.3	1.6
Bonds	119.5	129.9	291.5	317.0	411.0	446.9
Certificates of participation	72.3	77.4	6.3	8.1	78.6	85.5
Capitalized lease obligations	6.2	7.5	-	-	6.2	7.5
Total long-term debt	198.5	215.4	298.6	326.1	497.1	541.5
Operational Liabilities:						
Compensated absences	8.2	10.2	-	-	8.2	10.2
OPEB	19.1	17.0	-	-	19.1	17.0
Insurance Claims Payable	39.9	39.4	-	-	39.9	39.4
Total operational liabilities	67.2	66.6	-	-	67.2	66.6
Totals	\$ 265.7	282.0	298.6	326.1	564.3	608.1
Net pension obligation	296.4	N/A	64.3	N/A	360.7	N/A

Additional information on the City of Pasadena's long-term debt can be found in note 9 on pages 77 to 87 of this report. Information on Insurance Claims Payable can be found in note 16 on pages 108 to 110, Other Post-Employment Benefits can be found in note 20 on pages 129 to 134, and Net Pension Obligation in note 18 on pages 111 to 127. The Fiscal Year 2014 information is not presented for the Net Pension Obligation as GASB 68 was implemented in Fiscal Year 2015.

The City reports five items of significant economic importance in its subsequent event note 23 on pages 142 to 143. Also note 22 on pages 140 to 142 describes another item of significance related to the dissolution of Redevelopment in California and the legal appeal as relates to the City.

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, 100 North Garfield Avenue, Room S348, Pasadena, California, 91109.

CITY OF PASADENA
Statement of Net Position
June 30, 2015

	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
Assets			
Cash and investments (note 2)	\$ 213,090,492	170,642,069	383,732,561
Accounts receivable, net (note 3)	26,596,025	34,284,765	60,880,790
Notes receivable (note 4 and 6)	22,317,480	42,490,418	64,807,898
Internal balances (note 5)	(3,561,750)	3,561,750	-
Inventories	219,688	19,819,551	20,039,239
Prepays and other assets	209,723	23,171,441	23,381,164
Advances to other funds (note 6)	6,256,545	-	6,256,545
Advances to component units (note 6)	1,432,136	-	1,432,136
Due from City	-	-	-
Restricted assets - cash and investments (note 2)	25,000	113,096,068	113,121,068
Derivative instrument asset	6,279	-	6,279
Property held for resale	7,296,454	-	7,296,454
Capital assets (note 7):			
Land	67,701,716	6,315,288	74,017,004
Construction in progress	30,560,559	223,686,520	254,247,079
Other capital assets, net	383,374,782	448,818,956	832,193,738
Total assets	<u>755,525,129</u>	<u>1,085,886,826</u>	<u>1,841,411,955</u>
Deferred outflow of resources			
Accumulated decrease in fair value of hedging derivatives	-	-	-
Deferred charges - bond refunding	42,360	3,257,476	3,299,836
Deferred Outflows related to net pension liability (note 18)	26,293,399	5,507,475	31,800,874
Total deferred outflow of resources	<u>26,335,759</u>	<u>8,764,951</u>	<u>35,100,710</u>
Liabilities			
Accounts payable and accrued liabilities	28,015,385	30,740,983	58,756,368
Deposits	4,364,375	6,271,379	10,635,754
Interest payable	2,106,849	-	2,106,849
Due to primary government	-	-	-
Due to other governments	578,053	-	578,053
Advances from primary government (note 6)	-	3,310,681	3,310,681
Unearned revenues	3,068,555	2,006,492	5,075,047
Line of credit	-	1,000,000	1,000,000
Derivative instrument liability	-	-	-
Other post employment benefits liability (note 20)	19,080,000	-	19,080,000
Noncurrent liabilities:			
Net pension liability (note 18)	296,425,756	64,317,540	360,743,296
Due within one year (note 9)	24,050,125	15,355,981	39,406,106
Due in more than one year (note 9)	226,710,838	295,195,728	521,906,566
Total liabilities	<u>604,399,936</u>	<u>418,198,784</u>	<u>1,022,598,720</u>
Deferred inflow of resources			
Accumulated increase in fair value of interest rate swap	6,279	-	6,279
Derivative instruments (note 10)	555,766	-	555,766
Deferred refunding charge	-	-	-
Deferred inflows related to net pension liability (note 18)	63,713,161	14,167,030	77,880,191
Sale of future revenue	-	-	-
Service concession agreement	-	-	-
Total deferred inflow of resources	<u>64,275,206</u>	<u>14,167,030</u>	<u>78,442,236</u>
Net Position			
Net Investment in capital assets	408,194,603	371,526,531	779,721,134
Restricted:			
Expendable:			
Public safety	1,994,951	-	1,994,951
Culture and leisure	1,398,610	-	1,398,610
Capital projects	1,900,288	-	1,900,288
Community development	13,132,178	-	13,132,178
Contribution	-	18,729,057	18,729,057
Debt service	9,723,366	45,022,594	54,745,960
Stranded investments (notes 12 and 19)	-	110,563,892	110,563,892
Transportation	15,607,878	-	15,607,878
Other purposes	569,407	1,932,285	2,501,692
Unrestricted	(339,335,535)	114,511,604	(224,823,931)
Total net position	<u>113,185,746</u>	<u>662,285,963</u>	<u>775,471,709</u>

See accompanying notes to the basic financial statements.

Aggregate Component Units	Total
23,932,536	407,665,097
4,658,490	65,539,280
-	64,807,898
-	-
-	20,039,239
741,808	24,122,972
-	6,256,545
-	1,432,136
1,097,418	1,097,418
26,862,602	139,983,670
25,115	31,394
-	7,296,454
2,456,537	76,473,541
26,649,018	280,896,097
327,580,349	1,159,774,087
<u>414,003,873</u>	<u>2,255,415,828</u>
23,678,662	23,678,662
1,454,253	4,754,089
459,791	32,260,665
<u>25,592,706</u>	<u>60,693,416</u>
4,311,817	63,068,185
1,329,327	11,965,081
3,891,970	5,998,819
1,057,911	1,057,911
-	578,053
298,908	3,609,589
-	5,075,047
-	1,000,000
23,678,662	23,678,662
-	19,080,000
1,690,891	362,434,187
5,714,598	45,120,704
374,004,702	895,911,268
<u>415,978,786</u>	<u>1,438,577,506</u>
25,115	31,394
6,908,327	7,464,093
2,223,062	2,223,062
430,339	78,310,530
4,993,174	4,993,174
366,642	366,642
<u>14,946,659</u>	<u>93,388,895</u>
(18,724,751)	760,996,383
-	1,994,951
-	1,398,610
14,448,643	16,348,931
-	13,132,178
-	18,729,057
-	54,745,960
-	110,563,892
-	15,607,878
-	2,501,692
12,947,242	(211,876,689)
<u>8,671,134</u>	<u>784,142,843</u>

CITY OF PASADENA
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 38,902,021	18,749,718	379,738	705,833
Public safety	106,327,164	14,673,927	4,153,065	-
Transportation	49,526,421	16,059,102	7,669,196	8,502,924
Sanitation	4,232,380	7,874,561	-	-
Health	13,764,236	1,022,149	7,458,072	-
Culture and leisure	30,127,245	3,565,825	4,205,250	-
Community development	35,247,475	12,630,321	18,077,634	7,007,012
Interest and other fiscal charges	10,310,274	-	-	-
Total governmental activities	<u>288,437,216</u>	<u>74,575,603</u>	<u>41,942,955</u>	<u>16,215,769</u>
Business-type activities:				
Electric	171,281,649	203,748,224	-	2,353,582
Water	48,462,294	57,439,988	-	551,559
Refuse	12,843,220	11,958,902	-	-
Parking	13,532,184	13,603,249	-	-
Telecommunication	88,877	655,505	-	-
Total business-type activities	<u>246,208,224</u>	<u>287,405,868</u>	<u>-</u>	<u>2,905,141</u>
Total primary government	<u>\$ 534,645,440</u>	<u>361,981,471</u>	<u>41,942,955</u>	<u>19,120,910</u>
Aggregate Component Units	<u>\$ 63,279,094</u>	<u>40,574,644</u>	<u>-</u>	<u>99,994</u>

General revenues:

Taxes:

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

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated (note 21)

Net position - end of year

See accompanying notes to the basic financial statements.

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

Primary Government				
Governmental Activities	Business-type Activities	Total Primary Government	Aggregate Component Units	Total
(19,066,732)	-	(19,066,732)	-	(19,066,732)
(87,500,172)	-	(87,500,172)	-	(87,500,172)
(17,295,199)	-	(17,295,199)	-	(17,295,199)
3,642,181	-	3,642,181	-	3,642,181
(5,284,015)	-	(5,284,015)	-	(5,284,015)
(22,356,170)	-	(22,356,170)	-	(22,356,170)
2,467,492	-	2,467,492	-	2,467,492
(10,310,274)	-	(10,310,274)	-	(10,310,274)
(155,702,889)	-	(155,702,889)	-	(155,702,889)
-	34,820,157	34,820,157	-	34,820,157
-	9,529,253	9,529,253	-	9,529,253
-	(884,318)	(884,318)	-	(884,318)
-	71,065	71,065	-	71,065
-	566,628	566,628	-	566,628
-	44,102,785	44,102,785	-	44,102,785
(155,702,889)	44,102,785	(111,600,104)	-	(111,600,104)
-	-	-	(22,604,456)	(22,604,456)
56,445,944	-	56,445,944	-	56,445,944
33,706,149	-	33,706,149	-	33,706,149
29,315,685	-	29,315,685	-	29,315,685
13,165,497	-	13,165,497	8,737,647	21,903,144
4,770,133	-	4,770,133	-	4,770,133
5,835,908	-	5,835,908	-	5,835,908
2,903,136	4,318,728	7,221,864	-	7,221,864
7,180,966	-	7,180,966	3,119,688	10,300,654
16,647,668	-	16,647,668	118,430	16,766,098
4,461,924	5,528,983	9,990,907	1,169,993	11,160,900
369,948	-	369,948	-	369,948
4,862,848	15,630,926	20,493,774	7,964,083	28,457,857
14,657,086	(14,657,086)	-	-	-
194,322,892	10,821,551	205,144,443	21,109,841	226,254,284
38,620,003	54,924,336	93,544,339	(1,494,615)	92,049,724
74,565,743	607,361,627	681,927,370	10,165,749	692,093,119
\$ 113,185,746	662,285,963	775,471,709	8,671,134	784,142,843

CITY OF PASADENA
Balance Sheet
Governmental Funds
June 30, 2015

	<u>General</u>	<u>Project Management Capital Projects</u>	<u>General Debt Service</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Assets:					
Cash and investments (note 2)	\$ 50,988,932	3,440,912	3,434,885	138,399,974	196,264,703
Accounts receivable, net (note 3)	15,474,511	1,994,429	7,388	8,727,431	26,203,759
Notes receivable (note 4)	51,508	-	-	67,894,148	67,945,656
Due from other funds (note 5)	5,347,965	-	-	-	5,347,965
Prepays and other assets	-	-	-	1,036	1,036
Restricted cash and investments	25,000	-	-	-	25,000
Advances to other funds (note 6)	7,136,545	-	-	-	7,136,545
Advances to component units (note 6)	1,432,136	-	-	-	1,432,136
Allowance for uncollectible long-term receivables (note 3 and 6)	-	-	-	(45,628,176)	(45,628,176)
Property held for resale	-	-	-	7,296,454	7,296,454
Total assets	<u>80,456,597</u>	<u>5,435,341</u>	<u>3,442,273</u>	<u>176,690,867</u>	<u>266,025,078</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	12,423,192	3,505,178	-	5,271,998	21,200,368
Deposits	3,902,706	-	-	461,669	4,364,375
Due to other funds (note 5)	-	-	-	6,836,998	6,836,998
Due to other governments	3,969	-	-	574,084	578,053
Advances from other funds (note 6)	880,000	-	-	-	880,000
Total liabilities	<u>17,209,867</u>	<u>3,505,178</u>	<u>-</u>	<u>13,144,749</u>	<u>33,859,794</u>
Unavailable revenues (note 8)	<u>48,167</u>	<u>1,254,095</u>	<u>-</u>	<u>4,487,719</u>	<u>5,789,981</u>
Fund balances:					
Nonspendable	8,620,189	-	-	30,997,593	39,617,782
Restricted	400,000	4,747,367	3,442,273	44,326,678	52,916,318
Committed	30,951,483	1,013,541	-	86,131,035	118,096,059
Assigned	11,086,848	-	-	-	11,086,848
Unassigned	12,140,043	(5,084,840)	-	(2,396,907)	4,658,296
Total fund balances	<u>63,198,563</u>	<u>676,068</u>	<u>3,442,273</u>	<u>159,058,399</u>	<u>226,375,303</u>
Total liabilities and fund balances	<u>\$ 80,456,597</u>	<u>5,435,341</u>	<u>3,442,273</u>	<u>176,690,867</u>	<u>266,025,078</u>

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015

Fund balances of governmental funds	\$	226,375,303
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		462,447,557
Long-term debt has not been included in governmental fund activity.		
Notes payable	\$	(547,411)
Pension bonds		(119,460,000)
Revenue bonds		(5,640,000)
Certificates of participation		(72,349,023)
Capitalized lease obligations		(3,973,429)
Other post employment benefits liability		(19,080,000)
Unamortized premium (discount)		1,481,684
Net adjustment		(219,568,179)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(2,106,849)
Deferred revenue related to GASB 33 requirement, which consisted primarily of intergovernmental receivables not collected within the availability period.		
Revenues not available		
Non-Major Governmental Funds	\$	2,721,426
Total revenues not available		2,721,426
The City uses derivative instruments to hedge its exposure to changing interest rates through the use of interest rate swaps. The following related items have been reflected in the Statement of Net Position.		
Deferred amount related to the hedgeable portion of the derivative instrument		(555,766)
The City implemented GASB68. The following related items have been reflected in the Statement of Net Position.		
Net pension liability	\$	(223,616,198)
Net pension liability - deferred inflows		(47,675,620)
Net pension liability - deferred outflows		19,948,244
		(251,343,574)
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 Position and Liabilities of the Internal Service Funds must be added to the Statement of Net Position		
Internal service funds	\$	(123,864,172)
OPEB liability included in long term debt		19,080,000
		(104,784,172)
Net position of governmental activities	\$	113,185,746

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	Project Management Capital Projects	General Debt Service	Non-Major Governmental Funds	Total
Revenues:					
Taxes	\$ 144,340,761	-	-	8,982,657	153,323,418
Licenses and permits	3,893,689	-	-	7,341,355	11,235,044
Intergovernmental revenues	16,655,508	5,144,330	-	41,984,940	63,784,778
Charges for services	35,750,911	25,603	-	13,636,050	49,412,564
Fines and forfeits	7,328,696	-	-	-	7,328,696
Investment earnings	2,732,825	-	156,413	1,404,361	4,293,599
Rental income	1,164,906	-	-	2,657,488	3,822,394
Miscellaneous revenues	2,913,798	10,000	-	4,209,938	7,133,736
Contributions	-	4,082,855	-	7,675,672	11,758,527
Total revenues	<u>214,781,094</u>	<u>9,262,788</u>	<u>156,413</u>	<u>87,892,461</u>	<u>312,092,756</u>
Expenditures:					
Current:					
General government	43,849,726	-	394,122	39,270	44,283,118
Public safety	104,423,027	-	-	2,046,053	106,469,080
Transportation	25,354,951	-	-	11,662,973	37,017,924
Sanitation	-	-	-	4,273,525	4,273,525
Health	-	-	-	13,553,229	13,553,229
Culture and leisure	17,761,268	-	-	12,743,758	30,505,026
Community development	6,605,206	-	-	25,328,248	31,933,454
Capital outlay	-	16,740,626	-	114,262	16,854,888
Debt service:					
Principal retirement	-	-	124,687,671	4,780,913	129,468,584
Interest	-	-	4,890,878	3,839,185	8,730,063
Total expenditures	<u>197,994,178</u>	<u>16,740,626</u>	<u>129,972,671</u>	<u>78,381,416</u>	<u>423,088,891</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,786,916</u>	<u>(7,477,838)</u>	<u>(129,816,258)</u>	<u>9,511,045</u>	<u>(110,996,135)</u>
Other financing sources (uses):					
Issuance of refunding bonds	-	-	119,460,000	-	119,460,000
Other financing source (use)-bond premium (discount)	-	-	(2,282,574)	-	(2,282,574)
Transfers in (note 15)	18,452,797	9,321,525	898,522	22,932,826	51,605,670
Transfers out (note 15)	<u>(24,412,739)</u>	<u>(351,843)</u>	<u>-</u>	<u>(13,263,522)</u>	<u>(38,028,104)</u>
Total other financing sources (uses)	<u>(5,959,942)</u>	<u>8,969,682</u>	<u>118,075,948</u>	<u>9,669,304</u>	<u>130,754,992</u>
Change in fund balances	<u>10,826,974</u>	<u>1,491,844</u>	<u>(11,740,310)</u>	<u>19,180,349</u>	<u>19,758,857</u>
Fund balances at beginning of year, as restated (note 21)	<u>52,371,589</u>	<u>(815,776)</u>	<u>15,182,583</u>	<u>139,878,050</u>	<u>206,616,446</u>
Fund balances at end of year	<u>\$ 63,198,563</u>	<u>676,068</u>	<u>3,442,273</u>	<u>159,058,399</u>	<u>226,375,303</u>

See accompanying notes to the basic financial statements.

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, 2015

Net change in fund balances - total governmental funds		\$ 19,758,857
<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>		
Capital outlay		16,854,888
Depreciation		(14,318,714)
Capital Projects Completed		1,710,560
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
		(6,382,751)
<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 position, 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 Position.</p>		
Debt issued:		
Pension Bonds	\$ (119,460,000)	
Repayments:		
Changes in net pension obligations	6,107,000	
To bond, certificate, and note holders	<u>129,475,879</u>	
Net adjustment		16,122,879
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>		
		(574,192)
<p>Bond issuance costs, premiums, discounts, and similar items are recorded as expenditures in governmental funds when debt is first issued, whereas these payments are deferred and amortized in the Statement of Activities. This amount is the net offset of the differences.</p>		
		3,023,961
<p>Interest payable related to debt services or long-term liabilities. This is the net change in interest payable expense for the current period.</p>		
		12,301
<p>GASB68 Pension Expense</p>		
		3,244,572
<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, worker's compensation general liability printing services and mail services, to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.</p>		
		<u>(832,358)</u>
Change in net position of governmental activities		<u>\$ 38,620,003</u>

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Statement of Net Position
Proprietary Funds
June 30, 2015

	Light and Power	Water	Off Street Parking	Non-Major Enterprise Funds
Assets				
Current assets:				
Cash and investments (note 2)	\$ 111,040,373	38,888,026	9,201,194	11,512,476
Accounts receivable, net (note 3)	22,131,520	9,235,836	243,361	2,474,048
Notes receivable (note 4)	5,541,667	-	-	-
Due from other funds (note 5)	3,561,750	-	-	-
Inventories	10,877,802	8,941,749	-	-
Prepays and other assets	3,502,030	323,015	382,669	-
Total current assets	<u>156,655,142</u>	<u>57,388,626</u>	<u>9,827,224</u>	<u>13,986,524</u>
Noncurrent assets:				
Restricted assets - cash and investments:				
To finance stranded investments (note 12)	68,073,474	-	-	-
Other restricted cash and investments	34,286,216	6,289,476	4,446,902	-
Advances to other funds (note 6)	880,000	-	5,905,000	-
Deposit with Independent System Operator (ISO)	200,000	-	-	-
Notes receivable (note 4)	36,948,751	-	-	-
Prepaid long-term assets	18,956,945	-	6,782	-
Capital assets (note 7)	830,307,982	262,110,527	32,326,995	11,495,660
Less accumulated depreciation	(351,444,505)	(83,417,660)	(15,821,077)	(6,737,158)
Net property, plant and equipment	<u>478,863,477</u>	<u>178,692,867</u>	<u>16,505,918</u>	<u>4,758,502</u>
Total noncurrent assets	<u>638,208,863</u>	<u>184,982,343</u>	<u>26,864,602</u>	<u>4,758,502</u>
Total assets	<u>794,864,005</u>	<u>242,370,969</u>	<u>36,691,826</u>	<u>18,745,026</u>
Deferred outflow of resources				
Deferred charges - bond refunding	2,625,682	529,288	102,506	-
Deferred Outflows related to net pension liability	3,624,531	1,339,898	54,382	488,664
Total	<u>6,250,213</u>	<u>1,869,186</u>	<u>156,888</u>	<u>488,664</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	22,221,337	6,408,792	1,233,878	876,976
Deposits	1,098,376	195,627	463,772	4,513,604
Insurance claims payable - current (note 16)	-	-	-	-
Due to other funds (note 5)	-	-	-	-
Unearned revenues	1,049,567	956,925	-	-
Compensated absences	-	-	-	-
Line of credit	1,000,000	-	-	-
Notes payable - current (note 9)	-	-	168,028	-
Revenue bonds - current (note 9)	9,340,000	3,305,000	600,000	-
Certificates of participation - current (note 9)	-	-	1,942,953	-
Capitalized lease obligations - current (note 9)	-	-	-	-
Total current liabilities	<u>34,709,280</u>	<u>10,866,344</u>	<u>4,408,631</u>	<u>5,390,580</u>
Noncurrent liabilities:				
Insurance claims payable - long-term (note 16)	-	-	-	-
OPEB liability - long-term (notes 9 and 20)	-	-	-	-
Advances from other funds (note 6)	-	-	10,095,681	-
GASB68 Net pension liability	43,483,060	14,531,599	794,352	5,508,529
Notes payable - long-term (note 9)	-	-	658,777	-
Revenue bonds - long-term (note 9)	193,434,374	72,044,553	24,700,000	-
Certificates of participation - long-term (note 9)	-	-	4,358,024	-
Capitalized lease obligations - long-term (note 9)	-	-	-	-
Total long-term liabilities	<u>236,917,434</u>	<u>86,576,152</u>	<u>40,606,834</u>	<u>5,508,529</u>
Total liabilities	<u>271,626,714</u>	<u>97,442,496</u>	<u>45,015,465</u>	<u>10,899,109</u>
Deferred inflow of resources:				
Deferred inflows related to net pension liability	9,577,882	3,200,831	174,970	1,213,347
Total	<u>9,577,882</u>	<u>3,200,831</u>	<u>174,970</u>	<u>1,213,347</u>
Net Position				
Net investment in capital assets	278,714,785	103,872,602	(15,819,358)	4,758,502
Restricted:				
Debt Service	34,286,216	6,289,476	4,446,902	-
Contribution	17,184,919	1,544,138	-	-
Stranded investments (notes 12 and 19)	110,563,892	-	-	-
Other purposes	1,932,285	-	-	-
Unrestricted	<u>77,227,525</u>	<u>31,890,612</u>	<u>3,030,735</u>	<u>2,362,732</u>
Total net position	<u>\$ 519,909,622</u>	<u>143,596,828</u>	<u>(8,341,721)</u>	<u>7,121,234</u>

See accompanying notes to the basic financial statements.

Total Enterprise Funds	Governmental Activities- Internal Service Funds	Total
170,642,069	16,825,789	187,467,858
34,084,765	392,266	34,477,031
5,541,667	-	5,541,667
3,561,750	-	3,561,750
19,819,551	219,688	20,039,239
4,207,714	208,687	4,416,401
<u>237,857,516</u>	<u>17,646,430</u>	<u>255,503,946</u>
68,073,474	-	68,073,474
45,022,594	-	45,022,594
6,785,000	-	6,785,000
200,000	-	200,000
36,948,751	-	36,948,751
18,963,727	-	18,963,727
1,136,241,164	44,090,846	1,180,332,010
(457,420,400)	(24,901,346)	(482,321,746)
<u>678,820,764</u>	<u>19,189,500</u>	<u>698,010,264</u>
<u>854,814,310</u>	<u>19,189,500</u>	<u>874,003,810</u>
<u>1,092,671,826</u>	<u>36,835,930</u>	<u>1,129,507,756</u>
3,257,476	42,360	3,299,836
<u>5,507,475</u>	<u>6,345,155</u>	<u>11,852,630</u>
<u>8,764,951</u>	<u>6,387,515</u>	<u>15,152,466</u>
30,740,983	6,815,017	37,556,000
6,271,379	-	6,271,379
-	9,429,181	9,429,181
-	2,072,717	2,072,717
2,006,492	-	2,006,492
-	8,206,691	8,206,691
1,000,000	-	1,000,000
168,028	-	168,028
13,245,000	-	13,245,000
1,942,953	-	1,942,953
-	608,862	608,862
<u>55,374,835</u>	<u>27,132,468</u>	<u>82,507,303</u>
-	30,456,911	30,456,911
-	19,080,000	19,080,000
10,095,681	-	10,095,681
64,317,540	72,809,558	137,127,098
658,777	-	658,777
290,178,927	-	290,178,927
4,358,024	-	4,358,024
-	1,571,139	1,571,139
<u>369,608,949</u>	<u>123,917,608</u>	<u>493,526,557</u>
<u>424,983,784</u>	<u>151,050,076</u>	<u>576,033,860</u>
14,167,030	16,037,541	30,204,571
<u>14,167,030</u>	<u>16,037,541</u>	<u>30,204,571</u>
371,526,531	17,051,859	388,578,390
45,022,594	-	45,022,594
18,729,057	-	18,729,057
110,563,892	-	110,563,892
1,932,285	-	1,932,285
114,511,604	(140,916,031)	(26,404,427)
<u>662,285,963</u>	<u>(123,864,172)</u>	<u>538,421,791</u>

CITY OF PASADENA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Light and Power	Water	Off Street Parking	Non-Major Enterprise Funds
Operating revenues:				
Utilities	\$ 203,748,224	57,439,988	-	-
Offstreet parking	-	-	13,603,249	-
Refuse collection	-	-	-	11,958,902
Telecommunication	-	-	-	655,505
Computing and communication services	-	-	-	-
Building maintenance	-	-	-	-
Fleet maintenance	-	-	-	-
Employee benefits	-	-	-	-
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating revenues	<u>203,748,224</u>	<u>57,439,988</u>	<u>13,603,249</u>	<u>12,614,407</u>
Operating expenses:				
Utility production	106,930,571	26,579,252	-	-
Utility transmission and distribution	13,708,594	4,416,346	-	-
Utility commercial and general	27,171,162	7,814,837	-	-
Offstreet parking	-	-	9,882,631	-
Refuse collection	-	-	-	11,989,567
Telecommunications	-	-	-	40,940
Computing and communication services	-	-	-	-
Building maintenance	-	-	-	-
Fleet maintenance	-	-	-	-
Depreciation	18,656,346	5,486,236	906,891	918,606
Benefits	-	-	-	-
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
311 Call Center	-	-	-	-
Total operating expenses	<u>166,466,673</u>	<u>44,296,671</u>	<u>10,789,522</u>	<u>12,949,113</u>
Operating income (loss)	<u>37,281,551</u>	<u>13,143,317</u>	<u>2,813,727</u>	<u>(334,706)</u>
Non-operating revenues (expenses):				
Taxes	-	-	-	4,318,728
Intergovernmental revenues	-	570,871	-	83,780
Investment earnings	3,996,301	598,947	808,500	125,235
Miscellaneous	-	-	-	-
Interest expense	(4,555,714)	(3,904,118)	(2,742,662)	(29)
Gain (loss) on disposal of assets	(259,262)	(261,505)	-	17,045
Other	6,405,874	8,212,322	(64,596)	422,675
Total nonoperating revenues (expenses)	<u>5,587,199</u>	<u>5,216,517</u>	<u>(1,998,758)</u>	<u>4,967,434</u>
Income (loss) before transfers and contributions	<u>42,868,750</u>	<u>18,359,834</u>	<u>814,969</u>	<u>4,632,728</u>
Capital contributions	2,353,582	551,559	-	-
Transfers in (note 15)	3,588,337	-	760,015	223,271
Transfers out (note 15)	(16,122,029)	(1,922,263)	(323,876)	(860,541)
Net income (loss)	<u>32,688,640</u>	<u>16,989,130</u>	<u>1,251,108</u>	<u>3,995,458</u>
Net position (deficit) at beginning of year, as restated (note 21)	<u>487,220,982</u>	<u>126,607,698</u>	<u>(9,592,829)</u>	<u>3,125,776</u>
Net position (deficit) at end of year	<u>\$ 519,909,622</u>	<u>143,596,828</u>	<u>(8,341,721)</u>	<u>7,121,234</u>

See accompanying notes to the basic financial statements.

Total Enterprise Funds	Governmental Activities- Internal Service Funds	Total
261,188,212	-	261,188,212
13,603,249	-	13,603,249
11,958,902	-	11,958,902
655,505	-	655,505
-	13,306,213	13,306,213
-	11,459,205	11,459,205
-	9,683,777	9,683,777
-	30,488,161	30,488,161
-	11,366,908	11,366,908
-	1,132,775	1,132,775
-	445,391	445,391
<u>287,405,868</u>	<u>77,882,430</u>	<u>365,288,298</u>
133,509,823	-	133,509,823
18,124,940	-	18,124,940
34,985,999	-	34,985,999
9,882,631	-	9,882,631
11,989,567	-	11,989,567
40,940	-	40,940
-	11,925,632	11,925,632
-	9,256,438	9,256,438
-	6,829,270	6,829,270
25,968,079	2,463,988	28,432,067
-	32,482,406	32,482,406
-	14,852,355	14,852,355
-	1,419,280	1,419,280
-	583,942	583,942
-	484,904	484,904
<u>234,501,979</u>	<u>80,298,215</u>	<u>314,800,194</u>
<u>52,903,889</u>	<u>(2,415,785)</u>	<u>50,488,104</u>
4,318,728	-	4,318,728
654,651	-	654,651
5,528,983	168,325	5,697,308
-	343,296	343,296
(11,202,523)	(64,642)	(11,267,165)
(503,722)	56,928	(446,794)
14,976,275	-	14,976,275
<u>13,772,392</u>	<u>503,907</u>	<u>14,276,299</u>
<u>66,676,281</u>	<u>(1,911,878)</u>	<u>64,764,403</u>
2,905,141	-	2,905,141
4,571,623	2,275,866	6,847,489
(19,228,709)	(1,196,346)	(20,425,055)
<u>54,924,336</u>	<u>(832,358)</u>	<u>54,091,978</u>
<u>607,361,627</u>	<u>(123,031,814)</u>	<u>484,329,813</u>
<u>662,285,963</u>	<u>(123,864,172)</u>	<u>538,421,791</u>

CITY OF PASADENA
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015

	Light and Power	Water	Off Street Parking	Non-Major Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	\$ 201,070,930	58,880,200	14,268,835	12,360,654
Cash payments to suppliers for goods and services	(106,291,820)	(26,478,511)	(8,514,852)	(2,972,929)
Cash payments to employees for services	(32,980,694)	(12,307,150)	(485,424)	(4,921,835)
Cash payments to other funds for services	(6,352,247)	(2,899,757)	(362,502)	(2,703,979)
Cash payments from other funds for services	191,244	91,641	-	-
Net cash provided by (used for) operating activities	<u>55,637,413</u>	<u>17,286,423</u>	<u>4,906,057</u>	<u>1,761,911</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	3,588,337	-	760,015	223,271
Transfers to other funds	(16,122,026)	(1,922,263)	(323,876)	(860,541)
Advances to other funds	-	-	1,735,000	-
Cash received (paid) on loans from other funds	-	-	(159,999)	-
Cash received (paid) on loans to other funds	(3,451,750)	-	-	-
Taxes received	-	-	-	4,318,728
Miscellaneous revenues (expenses)	6,214,630	8,120,681	-	422,675
Intergovernmental revenues	-	570,871	-	83,780
Net cash provided by (used for) noncapital financing activities	<u>(9,770,809)</u>	<u>6,769,289</u>	<u>2,011,140</u>	<u>4,187,913</u>
Cash flows from capital and related financing activities:				
Proceeds from long-term debt	1,000,000	-	-	-
Acquisition and construction of capital assets	(78,873,066)	(7,674,673)	-	(503,737)
Proceeds from sale of capital assets	5,995	5,084	-	18,095
Capital Contributions	2,353,582	551,559	-	-
Principal paid on debt	(8,950,000)	(3,185,000)	(2,424,087)	(9,096)
Interest paid on debt	(5,899,426)	(3,915,246)	(2,845,168)	(29)
Net cash used for capital and related financing activities	<u>(90,362,915)</u>	<u>(14,218,276)</u>	<u>(5,269,255)</u>	<u>(494,767)</u>
Cash flows from investing activities:				
Purchase of investments	(3,990,671)	(25,183)	-	-
Proceeds from sale of investments	18,411,078	-	-	-
Investment earnings	3,196,797	598,942	764,069	152,740
Payments received from loans made to suppliers	5,262,082	-	-	-
Net cash provided by (used for) investing activities	<u>22,879,286</u>	<u>573,759</u>	<u>764,069</u>	<u>152,740</u>
Net increase (decrease) in cash and cash equivalents	(21,617,025)	10,411,195	2,412,011	5,607,797
Cash and cash equivalents at beginning of year	<u>168,687,992</u>	<u>28,608,599</u>	<u>11,236,085</u>	<u>5,904,679</u>
Cash and cash equivalents at end of year	<u>\$ 147,070,967</u>	<u>39,019,794</u>	<u>13,648,096</u>	<u>11,512,476</u>

Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:

Cash and investments	\$ 111,040,373	38,888,026	9,201,194	11,512,476
Stranded investments	68,073,474	-	-	-
Other restricted cash and investments	34,286,216	6,289,476	4,446,902	-
Less non-cash equivalents	<u>(66,329,096)</u>	<u>(6,157,708)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 147,070,967</u>	<u>39,019,794</u>	<u>13,648,096</u>	<u>11,512,476</u>

Total Enterprise Funds	Governmental Activities- Internal Service Funds	Total
286,580,619	-	286,580,619
(144,258,112)	(22,514,015)	(166,772,127)
(50,695,103)	(51,767,755)	(102,462,858)
(12,318,485)	(3,374,945)	(15,693,430)
282,885	77,881,347	78,164,232
<u>79,591,804</u>	<u>224,632</u>	<u>79,816,436</u>
4,571,623	2,275,866	6,847,489
(19,228,706)	(1,196,346)	(20,425,052)
1,735,000	-	1,735,000
(159,999)	-	(159,999)
(3,451,750)	-	(3,451,750)
4,318,728	-	4,318,728
14,757,986	343,296	15,101,282
654,651	-	654,651
<u>3,197,533</u>	<u>1,422,816</u>	<u>4,620,349</u>
1,000,000	-	1,000,000
(87,051,476)	(2,970,958)	(90,022,434)
29,174	61,288	90,462
2,905,141	-	2,905,141
(14,568,183)	(597,967)	(15,166,150)
(12,659,869)	(64,642)	(12,724,511)
<u>(110,345,213)</u>	<u>(3,572,279)</u>	<u>(113,917,492)</u>
(4,015,854)	-	(4,015,854)
18,411,078	-	18,411,078
4,712,548	170,661	4,883,209
5,262,082	-	5,262,082
<u>24,369,854</u>	<u>170,661</u>	<u>24,540,515</u>
(3,186,022)	(1,754,170)	(4,940,192)
<u>214,437,355</u>	<u>18,579,959</u>	<u>233,017,314</u>
<u>211,251,333</u>	<u>16,825,789</u>	<u>228,077,122</u>
170,642,069	16,825,789	187,467,858
68,073,474	-	68,073,474
45,022,594	-	45,022,594
(72,486,804)	-	(72,486,804)
<u>211,251,333</u>	<u>16,825,789</u>	<u>228,077,122</u>

CITY OF PASADENA
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2015

	Light and Power	Water	Off Street Parking	Non-Major Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 37,281,551	13,143,317	2,813,727	(334,706)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	14,957,959	5,486,236	906,891	918,606
Miscellaneous revenue	191,244	91,641	-	-
(Increase) decrease in accounts receivable	(1,995,192)	669,811	665,586	(253,753)
Increase (decrease) in allowance for uncollectible accounts	101,088	(172,451)	-	-
(Increase) decrease in due from other funds	-	-	-	-
(Increase) decrease in inventories	(29,700)	518,863	-	-
(Increase) decrease in prepaids and other assets	6,237,338	46,232	96,562	-
(Increase) decrease in prepaid long term assets	-	-	269,295	-
(Increase) decrease in deferred inflow	9,577,882	3,200,831	174,970	1,213,347
Increase (decrease) in accounts payable and accrued liabilities	336,680	(3,059,993)	153,809	234,190
Increase (decrease) in insurance claims payable	-	-	-	-
Increase (decrease) in deferred charges	(783,190)	942,852	-	-
Increase (decrease) in OPEB liability	-	-	-	-
Increase (decrease) in compensated absences	-	-	-	-
Increase (decrease) in deposits payable	178,849	28,988	3,685	1,333,388
Increase (decrease) in deferred outflow	(3,624,531)	(1,339,898)	(54,382)	(488,664)
Increase (decrease) in Net Pension Obligations	(6,792,565)	(2,270,006)	(124,086)	(860,497)
Total adjustments	<u>18,355,862</u>	<u>4,143,106</u>	<u>2,092,330</u>	<u>2,096,617</u>
Net cash provided by (used for) operating activities	<u>\$ 55,637,413</u>	<u>17,286,423</u>	<u>4,906,057</u>	<u>1,761,911</u>
Non-cash changes in fair value of investments	<u>\$ 224,384</u>	<u>(90,407)</u>	<u>(6,436)</u>	<u>10,947</u>

See accompanying notes to the basic financial statements

Total Enterprise Funds	Governmental Activities- Internal Service Funds	Total
52,903,889	(2,415,785)	50,488,104
22,269,692	2,463,988	24,733,680
282,885	-	282,885
(913,548)	(1,083)	(914,631)
(71,363)	-	(71,363)
-	306,841	306,841
489,163	(1,936)	487,227
6,380,132	208,416	6,588,548
269,295	-	269,295
14,167,030	15,881,173	30,048,203
(2,335,314)	838,731	(1,496,583)
-	438,700	438,700
159,662	-	159,662
-	2,110,000	2,110,000
-	(2,041,914)	(2,041,914)
1,544,910	-	1,544,910
(5,507,475)	(343,067)	(5,850,542)
(10,047,154)	(17,219,432)	(27,266,586)
26,687,915	2,640,417	29,328,332
79,591,804	224,632	79,816,436
138,488	977,539	1,116,027

CITY OF PASADENA
Statement of Net Position
Fiduciary Funds
June 30, 2015

	Pension Trust Funds	Agency Funds	Private Purpose Trust Funds
Assets:			
Cash and cash equivalents (note 2)	\$ 247,196,556	1,443,218	5,820,499
Receivables:			
Accounts receivable	-	855,869	131,184
Contribution	426,624	-	-
Interest	193,141	-	-
Notes receivable	-	-	1,858,000
Advances to City	-	-	2,959,136
Allowance for uncollectible long-term receivables	-	-	(1,858,000)
Total receivables	619,765	855,869	3,090,320
Due from City	-	-	443,454
Other assets	-	943,975	3,111
Investments, at fair value (note 2)			
Government and agencies	30,523,507	-	-
Corporate obligations	32,911,147	-	-
Real estate	19,145,181	-	-
Real estate investment trust (REIT)	207,577	-	-
Corporate stocks	55,418,516	-	-
Total investments	138,205,928	-	-
Capital assets			54,778,920
Less accumulated depreciation			(16,754,420)
Capital assets, net	-	-	38,024,500
Total assets	386,022,249	\$ 3,243,062	47,381,884
Liabilities:			
Accounts payable and accrued liabilities	92,597	871,004	291,621
Due to City	-	-	443,454
Due to other governments	-	1,273,373	-
Due to bondholders	-	1,098,685	-
Advances from City	-	-	5,905,000
Bonds payable - due within one year	-	-	250,000
Bonds payable - due in more than one year	-	-	1,370,000
Pending purchases	5,233,525	-	-
Total liabilities	5,326,122	\$ 3,243,062	8,260,075
Net Position:			
Net Position restricted for pensions	\$ 380,696,127		
Net Position held in trust			39,121,809

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	Pension Trust Funds	Private Purpose Trust Funds
Additions:		
Contributions:		
Plan members	\$ 17,346,597	-
Property taxes	-	1,924,885
Total contributions	17,346,597	1,924,885
Net investment income:		
Investment earnings	11,283,571	11,001
Interest	2,059,075	-
Dividends	1,101,967	-
Gross investment income	14,444,613	11,001
Less investment expenses	(563,740)	-
Net investment income	13,880,873	11,001
Miscellaneous revenues	-	58,434
Total additions	31,227,470	1,994,320
Deductions:		
Benefits paid to participants	27,359,443	-
Fiscal agency expenses	-	10,161
Interest expense	-	397,654
Lease expense	-	39,603
Contractual services	-	250,000
Depreciation	-	901,027
Other Operating Expense	-	377,482
Fire and Police Retirement System Pension Trust	422,536	-
Successor agency administrative cost allowance	-	244,339
Total deductions	27,781,979	2,220,266
Transfers:		
Transfers in	-	3,178,000
Transfers out	-	(3,178,000)
Change in net position	3,445,491	(225,946)
Net Position held in trust - beginning	377,250,636	39,347,755
Net Position held in trust - ending	\$ 380,696,127	39,121,809

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Discretely Presented Component Units
Combining Statement of Net Position
June 30, 2015

	Rose Bowl Operating Company	Pasadena Center Operating Company	Pasadena Community Access Corp.	Total
Assets				
Current assets:				
Cash and investments (note 2)	\$ 16,806,090	6,750,022	376,424	23,932,536
Cash and investments restricted (note 2)	15,933,752	10,928,850	-	26,862,602
Accounts receivable, net	3,718,767	820,681	119,042	4,658,490
Due from primary government	-	1,097,418	-	1,097,418
Prepays and other assets	98,413	116,470	3,397	218,280
Total current assets	<u>36,557,022</u>	<u>19,713,441</u>	<u>498,863</u>	<u>56,769,326</u>
Noncurrent assets:				
Other receivable	523,528	-	-	523,528
Derivative instrument asset	25,115	-	-	25,115
Capital assets (note 7):				
Land	-	2,456,537	-	2,456,537
Construction in progress	26,649,018	-	-	26,649,018
Other capital assets, net	183,971,378	143,430,867	178,104	327,580,349
Total noncurrent assets	<u>211,169,039</u>	<u>145,887,404</u>	<u>178,104</u>	<u>357,234,547</u>
Total assets	<u>247,726,061</u>	<u>165,600,845</u>	<u>676,967</u>	<u>414,003,873</u>
Deferred outflow of resources:				
Accumulated decrease in fair value of hedging derivatives (note 10)	-	23,678,662	-	23,678,662
Amortization of discounts and deferred refunding charges	-	1,454,253	-	1,454,253
Outflows related to pension liability	459,791	-	-	459,791
Total deferred inflow of resources	<u>459,791</u>	<u>25,132,915</u>	<u>-</u>	<u>25,592,706</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	3,359,391	905,976	46,450	4,311,817
Deposits	279,597	1,049,730	-	1,329,327
Interest payable	3,327,109	564,861	-	3,891,970
Due to primary government	942,340	115,571	-	1,057,911
Advances from primary government-current (note 6)	-	-	298,908	298,908
Current portion of compensated absences	59,938	-	-	59,938
Current portion of long-term debt (note 9)	1,715,000	3,939,660	-	5,654,660
Total current liabilities	<u>9,683,375</u>	<u>6,575,798</u>	<u>345,358</u>	<u>16,604,531</u>
Noncurrent liabilities:				
Derivative instrument liability (note 10)	-	23,678,662	-	23,678,662
Net pension liability	1,690,891	-	-	1,690,891
Compensated absences	147,530	-	-	147,530
Long-term debt (note 9)	209,864,976	163,992,196	-	373,857,172
Total noncurrent liabilities	<u>211,703,397</u>	<u>187,670,858</u>	<u>-</u>	<u>399,374,255</u>
Total liabilities	<u>221,386,772</u>	<u>194,246,656</u>	<u>345,358</u>	<u>415,978,786</u>
Deferred outflow of resources:				
Deferred refunding charge (note 10)	-	6,908,327	-	6,908,327
Accumulated increase in fair value of interest rate swap	25,115	-	-	25,115
Deferred inflow of resources (note 8)	2,223,062	-	-	2,223,062
Sale of future revenue	4,993,174	-	-	4,993,174
Service concession agreement (note 10)	-	366,642	-	366,642
Inflows related to net pension liability	430,339	-	-	430,339
Total deferred inflow of resources	<u>7,671,690</u>	<u>7,274,969</u>	<u>-</u>	<u>14,946,659</u>
Net Position:				
Net Investment in capital assets	3,141,597	(22,044,452)	178,104	(18,724,751)
Restricted	174,178	14,274,465	-	14,448,643
Unrestricted	15,811,615	(3,017,878)	153,505	12,947,242
Total net position	<u>\$ 19,127,390</u>	<u>(10,787,865)</u>	<u>331,609</u>	<u>8,671,134</u>

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Discretely Presented Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2015

	Rose Bowl Operating Company	Pasadena Center Operating Company	Pasadena Community Access Corp.	Total
Operating revenues:				
Charges for services:				
Rose Bowl	\$ 29,426,219	-	-	29,426,219
Golf course	2,023,191	-	-	2,023,191
Pasadena Center Operating Company	-	8,189,640	-	8,189,640
Pasadena Community Access Corporation	-	-	935,594	935,594
Total operating revenues	<u>31,449,410</u>	<u>8,189,640</u>	<u>935,594</u>	<u>40,574,644</u>
Operating expenses:				
Rose Bowl	19,874,521	-	-	19,874,521
Golf course	480,262	-	-	480,262
Pasadena Center Operating Company	-	9,924,793	-	9,924,793
Pasadena Community Access Corporation	-	-	944,940	944,940
Depreciation	9,567,600	4,581,187	48,817	14,197,604
Total operating expenses	<u>29,922,383</u>	<u>14,505,980</u>	<u>993,757</u>	<u>45,422,120</u>
Operating income	<u>1,527,027</u>	<u>(6,316,340)</u>	<u>(58,163)</u>	<u>(4,847,476)</u>
Nonoperating revenues (expenses):				
Transient occupancy taxes, net	-	8,737,647	-	8,737,647
Tourism business improvement district tax	-	3,119,688	-	3,119,688
Facility restoration fee	-	118,430	-	118,430
Investment earnings	975,115	194,856	22	1,169,993
Interest expense	(10,908,416)	(6,488,070)	-	(17,396,486)
Public, education, and government(PEG) revenue	-	-	187,793	187,793
PEG expense	-	-	(119,083)	(119,083)
Other nonoperating revenues	7,964,083	-	-	7,964,083
Total nonoperating revenues	<u>(1,969,218)</u>	<u>5,682,551</u>	<u>68,732</u>	<u>3,782,065</u>
Income (loss) before transfers	<u>(442,191)</u>	<u>(633,789)</u>	<u>10,569</u>	<u>(1,065,411)</u>
Contribution to City	-	(529,198)	-	(529,198)
Capital contributions	-	99,994	-	99,994
Total transfers from (to) other funds	<u>-</u>	<u>(429,204)</u>	<u>-</u>	<u>(429,204)</u>
Change in net position	(442,191)	(1,062,993)	10,569	(1,494,615)
Net position at beginning of year, as restated (note 21)	<u>19,569,581</u>	<u>(9,724,872)</u>	<u>321,040</u>	<u>10,165,749</u>
Net position at end of year	<u>\$ 19,127,390</u>	<u>(10,787,865)</u>	<u>331,609</u>	<u>8,671,134</u>

See accompanying notes to the basic financial statements.

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CITY OF PASADENA
Notes to the Basic Financial Statements
Year Ended June 30, 2015

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CITY OF PASADENA

Notes to the Basic Financial Statements

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies

The basic financial statements of the City of Pasadena, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

(a) Reporting Entity

The City was incorporated on June 19, 1886 as a Charter City, which operates under a Council-City Manager form of government. The City is a municipal corporation governed by an elected mayor and seven council members.

As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City is such that their exclusion would cause the City's financial statements to be misleading or incomplete.

The two methods of reporting component unit data in the basic financial statements are blended and discrete presentation. Blending is limited exclusively to when the board of the component unit is substantively the same as that of the City or if the component unit serves the City exclusively, or almost exclusively.

Blended component units, although legally separate entities, are in substance part of the City's operations; data from these units are combined with data of the City. Component units that do not meet the criteria for blending are included within financial statements as discrete presentations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government. Similar to the City, each blended and discretely presented component unit has a June 30th year-end.

Jointly governed organizations provide goods or services to the citizenry of two or more governments, but do not have an ongoing financial interest or responsibility by the participating governments.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(a) Reporting Entity, (Continued)

Blended Component Units

Pasadena Parking Authority (The Authority)

The Authority was created by Resolution No. 1399, dated June 6, 1972 pursuant to the provisions of the Parking Law of 1949 (California Streets and Highways Code, Sections §32651 and §32661.1). The City Council constitutes the governing board of the Authority pursuant to the aforementioned Resolution. The primary purpose of the Authority is to establish parking facilities for motor vehicles within the City, to furnish motor vehicle parking spaces, and to care for such vehicles within any parking facility or space owned, controlled or operated by the Authority. The City has operational responsibility for the Authority. The Authority is reported as an Enterprise Fund and does not release a separate financial report.

Pasadena Civic Improvement Corporation (PCIC)

PCIC was created on August 9, 1985 pursuant to the Nonprofit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code). At the request of the City, PCIC was organized for the specific and primary purpose of providing financial assistance to the City by acquiring or constructing property and appurtenances for and on behalf of the City. This is accomplished through the issuance of such financing instruments as certificates of participation. The PCIC is a non-profit organization with three directors: Chief Executive Officer, Secretary/Financial Officer, and Assistant Executive Officer/Assistant Secretary. PCIC's financial data and transactions are blended with the Debt Service and Capital Projects fund types. The PCIC does not release a separate financial report.

Pasadena Housing Authority (Housing Authority)

Formerly known as the Local Housing Authority, the Pasadena Housing Authority administers the City's federally funded housing programs under contract with the United States Department of Housing and Urban Development (HUD). The Housing Authority's purpose is to help provide safe and sanitary housing accommodations for citizens with low income. It is governed by the City Council and the City has operational responsibility for the Authority. The Housing Authority's financial data and transactions are blended as a Special Revenue Fund. The Housing Authority does not release a separate financial report.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(a) Reporting Entity, (Continued)

Blended Component Units, (Continued)

Pasadena Public Financing Authority (PPFA)

The Pasadena Public Financing Authority was created through the joint exercise of powers agreement between the City and the Pasadena Community Development Commission (PCDC) dated April 24, 2000. The purpose of creating the PPFA is to accomplish the purposes of the law and the Bond Pooling Act, including the financing of public capital improvements and the purchase of certain local obligations issued or incurred by the City, PCDC, or other public agencies or the sale of such local obligations or the issuance of bonds of the PPFA secured in whole or in part by such local obligations, or by any other designated source of revenues, all permitted by the law or the Bond Pooling Act. The Bond Pooling Act authorizes and empowers the PPFA to, among other things, (i) issue bonds and to expend or loan the proceeds thereof to the City or PCDC, (ii) finance the acquisition and/or construction of public capital improvements and to sell or lease such improvements to the City or PCDC and (iii) purchase bonds issued by the City or PCDC, all for the purpose of financing public capital improvements, working capital, liability and other insurance needs, or certain other projects whenever there are significant public benefits, as determined by the City or PCDC. PCDC ceased operations as an entity on January 31, 2012, and the City became the successor agency to the PCDC to perform all of PCDC's continuing obligations. Please see Note 23 for additional information. PPFA's financial data and transactions are blended with the Debt Service and Capital Projects fund types. The PPFA does not release a separate financial report.

Pasadena Fire and Police Retirement System (FPRS)

FPRS was originally established by the City Charter in 1919. The system was closed on June 30, 1977, but continues to pay out benefits to retirees and their beneficiaries. FPRS covers all sworn fire and police personnel who were employed by the City prior to July 1, 1977, except those who elected to transfer to the California Public Employees' Retirement System (CalPERS) when the system closed. FPRS is managed by a five-member Retirement Board. Three of the members are appointed by the City Council. The other two members represent firefighter and police officials, and are each appointed by their respective members. Additional information related to FPRS is included in Note 18. The FPRS's Annual Report and Audited Financial Statements can be obtained by contacting the Pasadena Fire and Police Retirement System, 100 North Garfield Avenue, N206, Pasadena, CA 91109.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(a) Reporting Entity, (Continued)

Blended Component Units, (Continued)

Successor Agency to PCDC (Successor Agency)

The Successor Agency to PCDC was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Pasadena Community Development Commission (PCDC). The Successor Agency operates under the auspices of a legislatively formed oversight board who has authority over its financial affairs and supervises its operations and timely dissolution. Its assets are held in trust for the benefit of the taxing entities within the former PCDC boundaries and as such are not available for City use. The accompanying financial statements include the Successor Agency under the statutorily required Private-Purpose Trust Fund.

Discretely Presented Component Units

The following organizations are considered to be discretely presented component units of the City:

Rose Bowl Operating Company (RBOC)

RBOC was incorporated on January 18, 1994, as a legally separate entity with the primary purpose of returning economic and civic value to the City by managing a world class stadium and a professional quality golf course complex in a residential open-space environment. RBOC is governed by a thirteen-member board. Eleven members are appointed by the City Council, while the University of California, Los Angeles (UCLA) and the Tournament of Roses appoint one each. RBOC operations are discretely presented in the accompanying financial statements since neither of the two criteria for blended component units, as described above, have been met. RBOC's budget is reviewed and approved by the City Council. RBOC is presented as an Enterprise Fund Type. Separate component unit financial statements of RBOC are issued and available upon request from the RBOC Administration Office at 1001 Rose Bowl Drive, Pasadena, California 91103. RBOC was audited in accordance with Generally Accepted Governmental Auditing Standards. Additional information is available at www.rosebowlstadium.com.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(a) Reporting Entity, (Continued)

Discretely Presented Component Units, (Continued)

Pasadena Center Operating Company (PCOC)

PCOC was established on September 19, 1973, as a legally separate entity with the primary purpose of managing and operating the Pasadena Center, a civic facility designed for conferences, exhibitions, trade shows, assemblies, cultural, educational and recreational programs, and for the use, benefit and enjoyment of the public. PCOC was also established to supervise the activities of the Pasadena Convention and Visitors Bureau. PCOC is governed by a fourteen-member board who are appointed by the City Council. The City provides a significant portion of the operating support of PCOC through allocation of the Transient Occupancy Tax collected by the City. PCOC is presented as an Enterprise Fund. Separate component unit financial statements of PCOC are issued and available upon request from Pasadena Center Operating Company, 300 E. Green Street, Pasadena, CA 91101. PCOC was audited in accordance with Generally Accepted Governmental Auditing Standards. Additional information is available at www.pasadenacenter.com.

Pasadena Community Access Corporation Board (PCAC)

PCAC was created by the City Council in July 1983 and established on December 9, 1983 by Articles of Incorporation. The PCAC's primary purpose is to provide a means for individuals or groups to use cable telecommunications in order to communicate and share information. The PCAC board consists of eleven members including one representing Pasadena City College (PCC) and another one representing Pasadena Unified School District (PUSD) with residency required except for the PCC and PUSD representative. Separate component unit financial statements of PCAC are issued and available upon request from Pasadena Community Access Corporation, 2061 North Los Robles Avenue, Pasadena, CA 91104. PCAC was audited in accordance with Generally Accepted Governmental Auditing Standards. Additional information is available at www.pasadenamedia.webs.com.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(a) Reporting Entity, (Continued)

Jointly Governed Organizations

The following organizations are considered to be jointly governed organizations of the City:

Bob Hope Airport

The Bob Hope Airport is under the governance of the Burbank-Glendale-Pasadena Airport Authority (Airport Authority). The Airport Authority is a separate agency created in 1977 under a joint powers agreement between the three cities for the sole purpose of owning and operating the Bob Hope Airport. Three commissioners from each city, appointed by each city's respective city council, make up the nine members of the Airport Authority. There is no ongoing financial interest or responsibility by the participating governments. Additional information is available at www.burbankairport.com.

County of Los Angeles (County)

Under a Joint Powers Agreement dated November 22, 1966, both the City and the County participated in the construction of a parking structure at 199 North Garfield Avenue, Pasadena, California. In 1985, the County exercised an option to purchase the structure from the Retirement Board of the Los Angeles County Employees' Retirement Association, at which time the City became tenant in common, holding a 30% share of the facility.

Foothill Air Support Team (FAST)

On July 31, 2000, the cities of Monrovia, Arcadia, Azusa, Covina, West Covina, and Pasadena formed a Joint Powers Agreement (JPA) for police helicopter services known as the FAST. Currently, the cities of Alhambra, Arcadia, Covina, Glendora, Monrovia, Pasadena, Pomona, San Marino, Sierra Madre, and South Pasadena are parties to the JPA. This arrangement provides police helicopter support to a number of neighboring cities on an hourly cost reimbursement basis. The City of Pasadena operates a fleet of police helicopters which it has made available for a limited set number of weekend hours and then on an on call basis. Cities are billed for their actual utilization. FAST does not own or operate helicopters, has not issued debt, and cannot levy taxes. The City bears the burden of purchasing, operating, maintaining, and providing helicopter support. It does so under the City's General Fund.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(a) Reporting Entity, (Continued)

Jointly Governed Organizations (Continued)

Rose Bowl Aquatics Center (RBAC)

On December 11, 1987, the City and the RBAC entered into an Operating and License Agreement for RBAC to build and operate swimming facilities owned by the City in the designated area of Brookside Park. The most recent Operating and License Agreement has a 15-year term with 3 five-year extensions and was executed on June 3, 2008. The City leases the property to the RBAC for \$1 per year and provides various financial and operational supports to the community aquatics facility. In return RBAC operates as a year-round community aquatics facility, is responsible for capital improvements and repairs, and provides scholarship assistance and community services. The City Council and Mayor appoint 5 of the 21 member of the RBAC Board of Directors.

(b) Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Financial reporting is based upon all GASB pronouncements, as well as the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB Pronouncements issued after November 1989 are not followed in the preparation of the accompanying financial statements.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by function to which they were allocated). However, general governmental expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all economic resources and obligations of the reporting government (both current and long-term) are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities are recognized in accordance with various GASB Statements.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the City are reported as a reduction of the related liability, rather than as expenditures.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the City are governmental, proprietary, and fiduciary funds and they are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses a sixty-day availability period. The City accrues the following revenue types: taxes, licenses, fines and forfeits, and miscellaneous revenues.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction on which they are based takes place. *Imposed non-exchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Governmental Funds, (Continued)

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered “available spendable resources,” since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of other long-term receivables are reflected in non-spendable fund balance.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing source* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Proprietary Funds

The City's Enterprise and Internal Service Funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Light and Power Fund, Water Fund, Off Street Parking Facilities Fund and of the City's Internal Service Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as expense. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements. Amounts paid to reduce long-term liability of the proprietary funds are reported as a reduction of the related liability.

Fiduciary Funds

The City's fiduciary funds include Pension Trust Funds, Agency Funds, and Private-Purpose Trust Funds. Agency Funds are custodial in nature. Assets equal liabilities. Agency Funds use the accrual basis of accounting. Pension Trust Funds are used to account for resources that are required to be held in trust for the members and beneficiaries of benefit and contribution plans. Private-Purpose Trust Funds are to account for receipt of incremental property tax and payment of enforceable obligations (debts) of the former redevelopment agency.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting and Measurement Focus, (Continued)

Permanent Funds

The City's permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

(c) Major Funds, Internal Service Funds and Fiduciary Fund Types

General Fund – The primary fund of the City is used to account for all general revenues of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City.

Project Management Capital Projects Fund – Used to account for all capital improvement projects, except for those involving the utilities, and special assessment districts, where revenues are received from grants by other governments, private parties, and through transfer from other City funds.

General Debt Service Fund - to account for the payment of interest and principal of the 2015 pension bonds and other city-wide obligations.

The City reports the following major proprietary funds:

Light and Power Fund – Used to account for the operations of the City's electric utility; a self-supporting activity that renders services on a user-charge basis to residents and businesses as prescribed by the City Charter.

Water Fund – Used to account for the operations of the City's water utility; a self-supporting activity that renders services on a user-charge basis to residents and businesses as prescribed by the City Charter.

Off Street Parking Facilities Fund – In FY 2014, the City combined all of the parking funds into the Off Street Parking Facilities Fund. This fund is used to account for the operation of the parking facilities throughout the City.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(c) Major Funds, Internal Service Funds and Fiduciary Fund Types (Continued)

Additionally, the City reports the following fund types:

Special Revenue Funds - Used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Internal Service Funds – Used to account for computing and communication services, building maintenance, fleet maintenance, employee benefits, workers’ compensation and general liability, equipment leasing, printing and mail services to other departments or agencies of the City.

Pension Trust Funds – Used to account for transactions of the FPRS and the City’s Deferred Compensation Plan.

Agency Funds – These funds account for assets held by the City on behalf of assessment district bondholders, the Foothill Employment and Training Consortium, and assets held for certain joint powers organizations.

Private-Purpose Trust Funds – To account for the receipt of incremental property tax and payment of enforceable obligations (debts) of the former redevelopment agency that were approved on the Recognized Obligation Payment Schedule by the California Department of Finance until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

(d) Cash Equivalents

For purposes of the statement of cash flows, cash equivalents 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. Cash equivalents also represent the Proprietary Funds’ share in the City’s cash and investment pool. Cash equivalents have an original maturity date of three months or less from the date of purchase.

(e) Cash and Investments

Investments are reported in the accompanying financial statements at fair value based on quoted market prices, except for certain certificates of deposit, money market investments that mature within one year of acquisition and investment contracts that are reported at cost because they are not transferable, they have terms that are not affected by changes in market interest rates, and provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(e) Cash and Investments, (Continued)

Both realized and unrealized changes in fair value that occur during a fiscal year are recognized and recorded as *net changes in fair value of investments*. *Investment earnings* include interest earnings and all other investment income.

The City pools cash and investments of all funds, except for certain fund specific City held portfolios, deferred compensation assets, and assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment earnings associated with the following funds not legally required to receive pooled investment earnings that have been assigned to and recorded as revenue in the General Fund, as provided by the legal provisions of the California Government Code Section §53647: Health, Housing and Community Development, Project Management, Workers' Compensation, General Liability, Employment and Training, South Lake Business Improvement District and Old Pasadena Business Improvement District.

The City enters into interest rate swap agreements to modify rates on outstanding debts. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

(f) Due from Other Governments

The amounts recorded as a receivable, *due from other governments*, include grant revenues and other state subventions, collected or provided by Federal, State, County and City Governments and unremitted to the City as of June 30, 2015.

(g) Inventories

Inventories held for consumption by the Light and Power and Water Funds (Enterprise Funds) are carried at the lower of weighted average cost or market computed on a first-in /first-out basis. Inventories held by the Fleet Maintenance Fund (Internal Service Fund) are carried at average cost. Inventories held in the PCOC discretely presented component unit are stated at the lower of cost (first-in / first-out method) or market. In all cases, inventory items are accounted for as an expenditure or expense when consumed.

(h) Advances to Other Funds

Long-term interfund advances are recorded as a receivable and as nonspendable fund balance by the advancing governmental fund.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(i) Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets. The City utilizes the consumption method to record its prepaids. The prepaid assets recorded in the Governmental Funds do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is unspendable.

(j) Restricted Cash and Investments

The City considers all cash and investments from bond proceeds in Proprietary Funds as restricted. The City is legally mandated under bond indentures to use these resources only for the purposes specified. Also included as restricted cash and investments are amounts accumulated in the Light and Power Fund for the purpose of meeting future contractual commitments including the Stranded Investment Reserve (SIR) Utilization Plan which is discussed under Note 12 – Restricted Net Position, deferred compensation and all cash and investments belonging to Pension Trust and Agency Funds which are held by trustees.

(k) Property Held for Resale

Property held for resale represents land, structures, and their related improvements that were acquired for resale. This includes the properties acquired in accordance with the objective of the former Pasadena Community Development Commission (PCDC) project area.

On December 29, 2011 the California Supreme Court upheld Assembly Bill 1X 26 that provides for the dissolution of all redevelopment agencies in California. The bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. The City Council elected to become the Successor Agency on January 30, 2012.

(l) Capital Assets

Capital assets (including infrastructure) greater than \$10,000 are capitalized and recorded at cost or at the estimated fair value of the assets at the time of acquisition where complete historical records have not been maintained. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(l) Capital Assets, (Continued)

Capital assets include public domain (infrastructure) general assets consisting of certain improvements including roads, streets, sidewalks, medians, sewer systems and storm drains.

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

A summary of the estimated useful lives of capital assets is as follows:

Light and Power Fund		Water Fund	
Production Plant	20 to 40 years	Source of Supply	20 to 50 years
Transmission Plant	25 to 40 years	Pumping Plant	10 to 50 years
Distribution Plant	20 to 40 years	Treatment Plant	10 to 20 years
General Plant	10 to 40 years	Transmission and	
Equipment	4 to 10 years	Distribution Plant	10 to 80 years
		General Plant	6 to 50 years
		Equipment	4 to 10 years
Governmental Activities		All Other Business-Type Activities	
Building and		Building and	
Improvements	20 to 50 years	Improvements	20 to 50 years
Machinery and		Machinery and	
Equipment	2 to 20 years	Equipment	2 to 20 years
Infrastructure	8 to 200 years		
Fiduciary Funds		Fiduciary Funds	
Building and		Machinery and	
Improvements	20 to 50 years	Equipment	2 to 20 years

(m) Insurance Claims Payable

The City records a liability for material litigation, judgments, and claims (including incurred but not reported losses) when it is probable that an asset has been significantly impaired or a material liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. These claims are only recorded on a case-by-case basis. These liabilities are recorded and liquidated from the City's Workers' Compensation and General Liability Internal Service Funds. As mentioned in more detail in Note 16, excess liability insurance covers claims greater than the self-insurance thresholds.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(n) Compensated Absences

The City accounts for compensated absences including accumulated vacation, floating holidays, and compensatory time-off, and certain sick leave in the Benefits Internal Service Fund. Management time off is recorded under departmental expense as incurred. Upon separation, employees are paid for all of their unused vacation leave, floating holidays, management time off, and compensatory time-off subject to maximums described below.

Eligible employees accumulate 3 to 22 days of vacation each year, depending on the employee's bargaining unit and length of service, but may not carry over from one year to the next more than the equivalent of one to three (depends on Memorandum of Understanding or Salary Resolution) year's vacation without prior approval of the respective department head and/or City Manager.

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time-off or payments upon termination or retirement. The City does not accrue for unused holiday and management time off.

Compensated absences are primarily liquidated by the General Fund, Light and Power Fund and Water Fund.

Sick pay benefits only accumulate; they can be converted at retirement from the City for PERS Service Credit. Consistent with this policy, the City does not accrue sick pay benefits.

The total outstanding vacation, compensatory time-off obligations are accrued at fiscal year-end and included under "Compensated Absences" in the Benefits Internal Service Fund as a current liability. See Note 9. The total actual payments in FY2015 and FY2014 were 105% and 87% of prior year accruals, respectively. The FY 2015 figures were significantly higher due to vacation cash-out that took place during the year.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(o) Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office, and are in accordance with the implementation of GASB Statement No. 68. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

(p) Post-employment Benefits Other Than Pension Obligation

The City provides other post-employment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. In accordance with the requirements of GASB Statement No. 45, the City requires accrual accounting for the expensing of OPEB. The expense is generally accrued over the working career of employees and are liquidated by the Benefits Internal Service Fund.

(q) Bond Premiums / Discounts / Issuance Costs

For Governmental-Wide Financial Statements and Proprietary Funds financial statements, issuance costs are recognized during the current period. Any bond premiums and discounts are capitalized and amortized over the life of the bonds. Bond proceeds are reported as other financing sources net of any applicable discount or premium. The City implemented GASB Statement No. 65 beginning with fiscal year 2014.

(r) Fund Balance

In the fund financial statements, governmental fund balance is made up of the following components:

- Non-spendable fund balance is the portion of fund balance that cannot be spent due to form. Examples include inventories, prepaid amounts, long-term loans, notes receivable, and property held for resale, unless the proceeds are restricted, committed or assigned. Also, amounts that must be maintained intact legally or contractually, such as the principal of a permanent fund are reported within the non-spendable category.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(r) Fund Balance. (Continued)

- Restricted fund balance is the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors.
- Committed fund balance is the portion of fund balance that is subject to self-imposed constraints due to City Council resolutions, as they have the highest level of decision-making authority.
- Assigned fund balance is the portion of fund balance that is constrained by the City's intent to utilize fund balance for a specific purpose. The authority to assign fund balance has been delegated by the City Council to the Finance Director through the Fund Balance Policy.
- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In a governmental fund other than the general fund, expenditures incurred for a specific purpose might exceed the amounts in the fund that are restricted, committed, and assigned to that purpose and a negative residual balance for that purpose may result

The accounting policies of the City consider restricted fund balance to have been spent first when expenditures are incurred for purposes for which both the restricted and unrestricted fund balance is available. Similarly, when expenditures are incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned and then unassigned amounts.

In August 2011 City Council approved increasing the General Fund Emergency Contingency commitment of fund balance from 10 percent to 20 percent for fiscal years after 2014. If 20 percent is not immediately achievable, 2 percent increments will be made each year. As the General Fund received additional one time revenues in fiscal year 2015, \$10,000,000 was added to the General Fund Emergency Contingency committed fund balance. This increased it to approximately 14.8 percent, ahead of the 12 percent minimum target.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(s) Property Taxes

The assessment, levy and collection of property taxes are the responsibility of the County of Los Angeles. The City records property taxes as revenue when received from the County, except at year-end, when property taxes received within 60 days are accrued as revenue. Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien	January 1
Levy	July 1 to June 30
Due	November 1 - 1st installment March 1 - 2nd installment
Collection	December 10 - 1st installment April 10 - 2nd installment

Property taxes on the secured roll are due in two installments; on November 1 and March 1 of the fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Such delinquent property may thereafter be redeemed by payment of the delinquent taxes and the delinquent penalty, plus a redemption penalty of 1% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is then subject to sale by the County Tax Collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property of the unsecured roll, and an additional penalty of 1% per month begins to accrue. Collection of delinquent unsecured taxes is the responsibility of the County of Los Angeles using the several means legally available.

(t) 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 revenue and expenditures. The City has made certain estimates and assumptions relating to the revenues due and expenditures incurred through fiscal year-end, collectability of its receivables, the valuation of property held for resale, the useful lives of the capital assets, and the ultimate outcome of claims and judgments. Actual results may differ from those estimates and assumptions.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(u) Interfund Activities

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column. In the statement of activities, internal services funds transactions have been eliminated. However, transactions between governmental and business-type activities have not been eliminated.

(v) Endowments

The City has been the recipient of endowments that are recorded in Permanent Funds. The endowments are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs or specific restrictions that were placed on the endowment when the donation to the City was made. Please refer to the Permanent Funds section for additional details.

(w) Future GASB Statements

Below is a summary of the GASB Statements that will be implemented in future financial statements (note all effective dates reflect that the provisions of these statements are effective for financial statements periods beginning after the date stated):

Statement No.	Title	Effective for Fiscal Year Beginning On or After
72	<i>Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68</i>	June 15, 2015
73	<i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i>	June 15, 2015
74	<i>Fair Value Measurement and Application</i>	June 15, 2016

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(1) Summary of Significant Accounting Policies, (Continued)

(w) Future GASB Statements, (Continued)

Statement No.	Title	Effective for Fiscal Year Beginning On or After
75	<i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i>	June 15, 2017
76	<i>The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments</i>	June 15, 2015
77	<i>Tax Abatement Disclosures</i>	December 15, 2015
78	<i>Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans</i>	December 15, 2015
79	<i>Certain External Investment Pools and Pool Participants</i>	June 15, 2015

Management is in the process of evaluating the impact of the statements to be implemented for the fiscal year ended June 30, 2016 and beyond. For the fiscal year ended June 30, 2016, management does not anticipate any significant impact from the new statements on the financial statements.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(2) Cash and Investments

Primary Government (excluding FPRS Cash and Investments)

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 383,732,561
Restricted cash and investments	113,121,068
Fiduciary funds:	
Cash and cash equivalents	<u>247,990,804</u>
Total cash and investments	<u>\$ 744,844,433</u>

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 107,312
Deposits with financial institutions	13,604,291
Investments	<u>731,132,830</u>
Total cash and investments	<u>\$ 744,844,433</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(2) Cash and Investments, (Continued)

Primary Government (excluding FPRS Cash and Investments), (Continued)

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City'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
US Treasury Obligations +	Yes	5 years	None	None
US Agency Securities +	Yes	5 years	None	None
Banker's Acceptance	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	5 years	25%	None
Repurchase Agreement	Yes	1 year	None	None
Reverse Repurchase Agreements	Yes	92 days	20% of base value	None
Medium Term Notes	Yes	5 years	30%	5%
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
Corporate Bonds	Yes	5 years	20%	10%
County Pooled Investment Fund	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	Yes	N/A	None	None
Registered State Warrants	Yes	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive

+With the exception of the Power Reserve and Bond reserve Funds with consent of the bond insurers, these type of investment can be held for more than five years

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(2) Cash and Investments, (Continued)

Primary Government, (Continued)

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 City'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, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
US Treasury Obligations	None
US Agency Securities	None
Banker's Acceptance	360 days
Commercial Paper	270 days
Money Market Mutual Funds	N/A
Investment Contracts	20-30 years
Pre-refunded Municipal Bonds	None
Repurchase Agreements	1 year
Local Agency Investment Fund (LAIF)	N/A
General Obligation Bonds	None

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 fair value of the investment is more susceptible to changes in market interest rates. One of the ways that the City 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.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(2) Cash and Investments, (Continued)

Primary Government, (Continued)

Disclosures Relating to Interest Rate Risk, (Continued)

Information about the sensitivity of the fair values of the City'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 City's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Corporate Bonds	\$ 88,195,442	19,883,844	26,168,301	42,143,297	-
Federal Agency Securities	212,545,471	-	13,405,403	196,056,445	3,083,623
Municipal Bond	26,840,018	15,517,872	5,574,988	4,798,261	948,897
Money Market Funds	59,634,477	59,634,477	-	-	-
State Investment Pool	67,349,882	67,349,882	-	-	-
US Treasury	14,673,234	-	9,831,540	4,841,694	-
Held by Bond Trustee:					
Federal Agency Securities	16,748,600	-	10,192,326	6,556,274	-
Corporate Bonds	-	-	-	-	-
Money Market Funds	839,038	839,038	-	-	-
Investment Contracts	3,579,581	-	-	2,290,031	1,289,550
Deferred Compensation Plan:					
Mutual Fund	240,727,087	240,727,087	-	-	-
Total	\$ 731,132,830	403,952,200	65,172,558	256,686,002	5,322,070

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(2) Cash and Investments, (Continued)

Primary Government, (Continued)

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 notional recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type		Minimum Legal Rating	Rating as of Year-End			Not Rated
			AAA	Aa	A	
Corporate Bonds	\$ 88,195,442	A	10,687,232	16,852,640	60,655,570	-
Federal Agency Securities	212,545,471	N/A	212,545,471	-	-	-
Municipal Bond	26,840,018	N/A	948,897	11,574,881	9,475,328	4,840,912
Money Market Funds	59,634,477	N/A	-	-	-	59,634,477
State Investment Pool	67,349,882	N/A	-	-	-	67,349,882
US Treasury	14,673,234	N/A	14,673,234	-	-	-
Held by Bond Trustee:						
Federal Agency Securities	16,748,600	N/A	16,748,600	-	-	-
Money Market Funds	839,038	A	839,038	-	-	-
Investment Contracts	3,579,581	N/A	3,579,581	-	-	-
Deferred Compensation Plan:						
Mutual Fund	240,727,087	N/A	-	240,727,087	-	-
Total	<u>\$ 731,132,830</u>		<u>260,022,053</u>	<u>269,154,608</u>	<u>70,130,898</u>	<u>131,825,271</u>

N/A Not Applicable

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(2) Cash and Investments, (Continued)

Concentration of Credit Risk, (Continued)

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Farm Credit Bank	Federal Agency Securities	\$ 76,333,794
Local Agency Investment Fund	State Investment Pool	68,853,334
Federal Home Loan Bank	Federal Agency Securities	66,075,825
East West Bank	Money Market Funds	50,965,698
Federal Home Loan Mortgage Corp.	Federal Agency Securities	45,064,887
Federal National Mortgage Assoc.	Federal Agency Securities	41,612,075

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 City'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 City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2015, \$0 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in uncollateralized accounts.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(2) Cash and Investments, (Continued)

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

(3) Accounts Receivable

As of June 30, 2015, the accounts receivable are categorized as follows:

	General	Project Management Capital Project	General Debt Service	Non-Major Governmental Funds	Internal Service
Governmental activities:					
Accounts receivable	\$ 1,463,567	737,487	-	3,763,848	315,560
Accrued revenue					
receivable	10,698,106	1,256,942	-	4,201,979	41,146
Interest receivable	174,325	-	7,388	283,545	35,560
Paramedics receivable	3,297,537	-	-	-	-
Utility receivable	1,622,083	-	-	508,609	-
	<u>17,255,618</u>	<u>1,994,429</u>	<u>7,388</u>	<u>8,757,981</u>	<u>392,266</u>
Less: allowance for un- collectible amounts	<u>(1,781,107)</u>	<u>-</u>	<u>-</u>	<u>(30,550)</u>	<u>-</u>
Total	<u>\$ 15,474,511</u>	<u>1,994,429</u>	<u>7,388</u>	<u>8,727,431</u>	<u>392,266</u>

	Light and Power	Water	Off-Street Parking	Non-Major Proprietary
Business-type activities:				
Accounts receivable	\$ 36,749	475,353	223,196	250,660
Accrued revenue				
receivable	13,384,085	6,077,702	-	1,383,910
Interest receivable	269,165	102,630	20,165	27,805
Utility receivable	9,054,136	2,800,174	-	863,247
	<u>22,744,135</u>	<u>9,455,859</u>	<u>243,361</u>	<u>2,525,622</u>
Less: allowance for un- collectible amounts	<u>(612,615)</u>	<u>(220,023)</u>	<u>-</u>	<u>(51,574)</u>
Total	<u>\$ 22,131,520</u>	<u>9,235,836</u>	<u>243,361</u>	<u>2,474,048</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(4) Notes Receivable – Primary Government

The notes receivable in the Governmental Funds amounted to \$67,945,656 at June 30, 2015. \$45,299,436 consisted of primarily Housing and Community Development loans, which arose from the sale of land to project developers and other agencies, and the provision of loan assistance under the City’s affordable housing programs, subject to approved redevelopment plans. \$22,594,712 consisted of loans that the former redevelopment agency made to assist the development of affordable rental housing projects and the purchase of homes by homebuyers. These loans are secured by trust deeds and were funded with redevelopment low-moderate income housing set-aside funds. These notes have various terms, including maturities ranging from 5 to 45 years and interest rates ranging from 1.5% to 11%. Due to the uncertainty of their collectability at June 30, 2015, the City has recorded an allowance for uncollectible long-term receivables of \$45,628,176.

In January 2009, Light and Power utilized \$80.0 million of Reserves for Stranded Investment and in return received Subordinated Notes totaled \$70.0 million from Intermountain Power Agency (IPA) to defease some of IPA’s outstanding debt service requirement for Intermountain Power Project (IPP) bonds. These notes have various maturity dates, and the proceeds, when mature, will be used to stabilize future energy costs. The balance of the notes as of June 30, 2015 is \$42,490,418.

(5) Due From and To Other Funds

Current interfund receivable and payable balances at June 30, 2015 are as follows:

Due to other funds	Due from other funds			Total
	General Fund	Light and Power Fund	Private Purpose Trust Funds	
Non-Major Governmental Funds	\$ 3,275,248	3,561,750	-	6,836,998
Internal Service Funds	2,072,717	-	-	2,072,717
Private Purpose Trust Funds	-	-	443,454	443,454
Total	\$ 5,347,965	3,561,750	443,454	9,353,169

The above balances are due to short term payable between funds and negative cash balances at the end of the fiscal year.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(6) Advances To and From Other Funds

Primary Government

Long-term interfund receivable and payable balances at June 30, 2015 are as follows:

Advances from other funds	Advances to other funds				Total
	General Fund	Light and Power Fund	Offstreet Parking Fund	Private Purpose Trust Funds	
General Fund	\$ -	880,000	-	-	880,000
Offstreet Parking Fund	7,136,545	-	-	2,959,136	10,095,681
Private Purpose Trust Funds	-	-	5,905,000	-	5,905,000
Total	<u>\$ 7,136,545</u>	<u>880,000</u>	<u>5,905,000</u>	<u>2,959,136</u>	<u>16,880,681</u>

**Outstanding at
June 30, 2015**

General Fund

The General Fund has an agreement with Old Pasadena Parking providing for advance of funds to finance parking activities. The annual reimbursements, including interest, to the General Fund are \$1,979,903 from FY 2014-2019 and \$1,753,022 for FY 2020. The advance increase was due to the corrected and revised application of how the principal and interest were calculated to this advance retroactive from 1996.

\$7,136,545

Light and Power

On May 14, 2012, City Council authorized a loan from Power Fund of Pasadena Water and Power (PWP) to Public Works Department (Public Works) and appropriated it to the Fiscal Year 2013 Capital Improvement Program Budget for the repair and/or replacement of existing street lighting systems CIP Project. Public Works agreed to repay the loan to PWP in ten equal annual installments of \$110,000 each on January 31 of each year starting on January 31, 2014 and ending on January 31, 2023.

880,000

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(6) Advances To and From Other Funds, (Continued)

Primary Government (Continued)

Offstreet Parking Facilities Fund

In 1986 the City issued Refunding Certificates of Participation (COP) to finance the acquisition and construction of parking facilities in the Old Pasadena Redevelopment Project Area. Concurrently, the City and the former PCDC entered into a Reimbursement and Repayment Agreement pursuant to which the former PCDC obligated itself to make periodic payments to the City from former tax increment generated by the Project Area to repay the City for its cost of developing the facilities. The former PCDC's repayment obligations enabled the City to undertake its obligations under the Refunding COPs and were a material inducement to the City to issue the COPs. In 2011 the former PCDC issued a promissory note to the City to further evidence its obligation to make such payments.

5,905,000

Successor Agency PCDC

The City and former PCDC have an agreement to advance funds from Downtown and Old Pasadena Capital Project Funds to Del Mar Parking Garage to finance the purchase of 600 parking spaces at the Del Mar Gold Line Station. The agreement provides for reimbursement from net receipts when funds are available.

2,959,136

Total advances between City funds

\$16,880,681

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(6) Advances To and From Other Funds, (Continued)

Discretely Presented Component Units

Long-term interfund advance balances between the City and discretely presented component units as of June 30, 2015 are as follows:

Advances To Component Units	Advances From the City	Amount
General Fund	Pasadena Center Operating Company	\$ 1,432,136

**Outstanding at
June 30, 2015**

General Fund

On September 17, 1999, PCOC borrowed \$1,400,000 from the City to fund necessary maintenance of the Conference Center. The loan carries an interest rate of 5%. PCOC anticipates that the loan repayment will be from the share of Transient Occupancy Tax (TOT). The agreement provides for a schedule of repayment payable within a 40-year period.

\$488,109

On September 11 and October 25, 2011, PCOC borrowed a total of \$1,500,000 from the City to fund a new ice rink. The loan carries an interest rate of 2.5%. PCOC anticipates that the loan repayment will be from ice skating net income by the 5th year of operation of the new rink over a 10-year period.

944,027

Total advances between City and discretely presented component units

\$1,432,136

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(7) Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2015 is as follows:

Governmental activities	Balance at June 30, 2014	Additions	Deletions	Prior Year Adjustment	Balance at June 30, 2015
Depreciable assets:					
Buildings and improvements	\$ 276,692,543	2,912,009	(343,574)	5,146,000	284,406,978
Machinery and equipment	64,253,137	4,381,663	(2,179,593)	-	66,455,207
Infrastructure	322,207,492	2,688,230	(396,076)	(6,849,877)	317,649,769
Total cost of depreciable assets	663,153,172	9,981,902	(2,919,243)	(1,703,877)	668,511,954
Less accumulated depreciation:					
Buildings and improvements	(111,257,499)	(6,208,364)	343,574	(411,680)	(117,533,969)
Machinery and equipment	(34,514,387)	(4,314,599)	1,980,039	-	(36,848,947)
Infrastructure	(125,503,579)	(6,259,739)	278,271	730,791	(130,754,256)
Total accumulated depreciation	(271,275,465)	(16,782,702)	2,601,884	319,111	(285,137,172)
Net depreciable assets	391,877,707	(6,800,800)	(317,359)	(1,384,766)	383,374,782
Capital assets not depreciated:					
Land	62,242,677	1,151,300	-	4,307,739	67,701,716
Construction in progress	32,124,650	10,403,186	(6,069,731)	(5,897,546)	30,560,559
Total cost of non-depreciable assets	94,367,327	11,554,486	(6,069,731)	(1,589,807)	98,262,275
Capital assets, net	\$ 486,245,034	4,753,686	(6,387,090)	(2,974,573)	481,637,057

Depreciation expense was charged in the following functions and activities in the statement of activities:

General government	\$ 3,253,090
Public safety	1,445,956
Transportation	7,249,259
Health	351,237
Culture and leisure	274,086
Community development	1,745,086
Computing and Communication	1,191,337
Building Maintenance	3,109
Fleet Maintenance	1,197,057
Printing Services	70,707
Mail Services	1,778
	<u>\$ 16,782,702</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(7) Capital Assets, (Continued)

Primary Government, (Continued)

Business-type activities	Balance at June 30, 2014	Additions	Deletions	Prior Period Adjustment	Balance at June 30, 2015
Depreciable assets:					
Buildings and improvements	\$ 123,720,887	862,026	(96,214)	(44,440,738)	80,045,961
Utility lines, machinery and equipment	777,132,085	57,580,395	(8,433,572)	(85,520)	826,193,388
Total cost of depreciable assets	<u>900,852,972</u>	<u>58,442,421</u>	<u>(8,529,786)</u>	<u>(44,526,258)</u>	<u>906,239,349</u>
Less accumulated depreciation:					
Buildings and improvements	(38,731,088)	(1,880,469)	94,627	15,853,394	(24,663,536)
Utility lines, machinery and equipment	(416,571,514)	(24,087,610)	7,902,267	-	(432,756,857)
Total accumulated depreciation	<u>(455,302,602)</u>	<u>(25,968,079)</u>	<u>7,996,894</u>	<u>15,853,394</u>	<u>(457,420,393)</u>
Net depreciable assets	445,550,370	32,474,342	(532,892)	(28,672,864)	448,818,956
Capital assets not depreciated:					
Land	6,315,288	-	-	-	6,315,288
Construction in progress	193,460,203	85,952,000	(57,498,292)	1,772,609	223,686,520
Total cost of non-depreciable assets	<u>199,775,491</u>	<u>85,952,000</u>	<u>(57,498,292)</u>	<u>1,772,609</u>	<u>230,001,808</u>
Capital assets, net	<u>\$ 645,325,861</u>	<u>118,426,342</u>	<u>(58,031,184)</u>	<u>(26,900,255)</u>	<u>678,820,764</u>

Depreciation expense was charged in the following functions in the statement of activities:

Electric	\$ 18,656,346
Water	5,486,236
Refuse	870,669
Parking	906,891
Telecommunication	47,937
	<u>\$ 25,968,079</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(7) Capital Assets, (Continued)

Primary Government, (Continued)

A portion of the interest expense for bonds issued were capitalized and included as part of the costs of capital assets for the year ended June 30, 2015.

	Interest Expense	Amount Capitalized
Electric	\$ 8,645,702	\$ 3,684,194
Water	3,904,118	-
Parking	2,742,662	-
	\$ 15,292,482	\$ 3,684,194

Fiduciary Funds – Private Purpose Trust Fund

Fiduciary Funds	Balance at June 30, 2014	Additions	Deletions	Prior Year Adjustment	Balance at June 30, 2015
Depreciable assets:					
Buildings and improvements	\$ -	-	-	44,440,738	44,440,738
Machinery and equipment	-	-	-	244,241	244,241
Total cost of depreciable assets	-	-	-	44,684,979	44,684,979
Less accumulated depreciation:					
Buildings and improvements	-	(888,815)	-	(15,694,636)	(16,583,451)
Machinery and equipment	-	(12,212)	-	(158,757)	(170,969)
Total accumulated depreciation	-	(901,027)	-	(15,853,393)	(16,754,420)
Net depreciable assets	-	(901,027)	-	28,831,586	27,930,559
Capital assets not depreciated:					
Land	-	-	-	10,093,941	10,093,941
Total cost of non-depreciable assets	-	-	-	10,093,941	10,093,941
Capital assets, net	\$ -	(901,027)	-	38,925,527	38,024,500

Depreciation expense in the private purpose trust funds were \$901,027 for the year ended June 30, 2015.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(8) Unavailable Revenues

Unavailable revenues consists of the following at June 30, 2015:

	Management		Non-Major Governmental	Total		
	General Fund	Capital Project		Governmental		Proprietary
(a) Revenues not "available"	\$ -	-	2,721,526	2,721,526		
(b) Rental income	48,167	-	-	48,167		
(c) Miscellaneous revenue collected	-	1,254,095	1,766,193	3,020,288		
	<u>\$ 48,167</u>	<u>1,254,095</u>	<u>4,487,719</u>	<u>5,789,981</u>		
	<u>Light and Power</u>	<u>Water</u>	<u>Off Street Parking</u>	<u>Non-Major Enterprise</u>	<u>Internal Service</u>	<u>Total Proprietary</u>
(d) GASB68 deferred inflows related to net pension liability	\$ 9,577,882	3,200,831	174,970	1,213,347	16,037,541	30,204,571
	<u>\$ 9,577,882</u>	<u>3,200,831</u>	<u>174,970</u>	<u>1,213,347</u>	<u>16,037,541</u>	<u>30,204,571</u>

Primary Government

- (a) In accordance with GASB Statement No. 33 revenue recognition requirements, the following revenues have been deferred because they were not available at year end: \$1,386,998 of Health grants, \$179,809 of Transportation services, \$1,154,719 of Housing grants.
- (b) In fiscal year 1986, the Old Pasadena Parking Facility Fund pre-paid rent to the General Fund for the rental of land used to house the parking facility. The General Fund deferred rental income and is amortizing it over the life of the bonds. The current balance is \$48,167.
- (c) Miscellaneous deferred revenue consists of other miscellaneous revenue collected of which, revenue recognition criteria have not been met.
- (d) In fiscal year 2015, the City has implemented GASB Statement No. 68, which requires the restatement of its fiscal year 2014 Government-wide Net Positions and the fund balances of the enterprise and internal service funds. As part of the implementation, the City has recorded certain deferred inflows/outflows and obligations related to the pension benefit provided to employees.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities

Primary Government

Changes in long-term debt and other liabilities for the year ended June 30, 2015 are as follows:

Governmental Activities:	Balance at June 30, 2014	Additions	Reductions	Balance at June 30, 2015	Due Within One Year	More Than One Year
Notes payable	\$ 561,673	-	(14,262)	547,411	14,561	532,850
Pension bonds:						
1999 Taxable Pension Funding Bonds	52,790,000	-	(52,790,000)	-	-	-
2004 Taxable Pension Funding Bonds	23,660,000	-	(23,660,000)	-	-	-
2012 Taxable Pension Obligation Bonds	47,440,000	-	(47,440,000)	-	-	-
2015 Taxable Pension Obligation Bonds	-	119,460,000	-	119,460,000	-	119,460,000
Bond Premiums/(Discount)	(114,805)	(2,282,574)	122,050	(2,275,329)	-	(2,275,329)
Total Pension Bonds	<u>123,775,195</u>	<u>117,177,426</u>	<u>(123,767,950)</u>	<u>117,184,671</u>	<u>-</u>	<u>117,184,671</u>
Certificates of participation:						
2008 COP Series B Refunding 2004 A&B	14,569,936	-	(2,675,913)	11,894,023	2,792,047	9,101,976
2008 COP Series C Refunding 2003 COP	62,020,000	-	(1,565,000)	60,455,000	1,630,000	58,825,000
Bond Premiums/(Discount)	856,329	-	(40,333)	815,996	-	815,996
Total certificates of participation	<u>77,446,265</u>	<u>-</u>	<u>(4,281,246)</u>	<u>73,165,019</u>	<u>4,422,047</u>	<u>68,742,972</u>
Revenue Bonds:						
2006 Revenue Bonds	6,180,000	-	(540,000)	5,640,000	560,000	5,080,000
Bond Premiums/(Discount)	(24,270)	-	1,919	(22,351)	-	(22,351)
Total Revenue Bonds	<u>6,155,730</u>	<u>-</u>	<u>(538,081)</u>	<u>5,617,649</u>	<u>560,000</u>	<u>5,057,649</u>
Capitalized lease obligations	<u>7,542,101</u>	<u>-</u>	<u>(1,388,671)</u>	<u>6,153,430</u>	<u>1,417,645</u>	<u>4,735,785</u>
Other:						
Compensated absences	10,248,605	8,698,040	(10,739,954)	8,206,691	8,206,691	-
Other Post Employment Benefits Liability (OPEB)	16,970,000	2,733,000	(623,000)	19,080,000	-	19,080,000
Insurance claims payable	39,447,392	8,758,305	(8,319,605)	39,886,092	9,429,181	30,456,911
Total governmental activity long-term liabilities	<u>\$ 282,146,961</u>	<u>137,366,771</u>	<u>(149,672,769)</u>	<u>269,840,963</u>	<u>24,050,125</u>	<u>245,790,838</u>

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities, (Continued)

Primary Government, (Continued)

Business-Type Activities:	Balance at June 30, 2014	Additions	Reductions	Balance at June 30, 2015	Due Within One Year	More Than One Year
Notes payable	\$ 986,804	-	(159,999)	826,805	168,028	658,777
Revenue bonds:						
2007 Water Revenue Bonds	18,435,000	-	(520,000)	17,915,000	545,000	17,370,000
2008 Power Revenue Bonds	51,400,000	-	(1,365,000)	50,035,000	1,420,000	48,615,000
2009 Electric Revenue Refunding Bonds	31,785,000	-	(3,035,000)	28,750,000	3,205,000	25,545,000
2010 Electric Revenue Refunding Bonds	31,590,000	-	(4,070,000)	27,520,000	4,230,000	23,290,000
2010A Water Revenue Bonds (Taxable Build America)	25,425,000	-	-	25,425,000	-	25,425,000
2010B Water Revenue Bonds (Tax-Exempt)	3,990,000	-	(605,000)	3,385,000	620,000	2,765,000
2011A Water Revenue Bonds (Refunding Bonds)	27,760,000	-	(2,060,000)	25,700,000	2,140,000	23,560,000
2012A Electric Revenue Refunding Bonds	7,475,000	-	(480,000)	6,995,000	485,000	6,510,000
2013A Electric Revenue Refunding Bonds	80,485,000	-	-	80,485,000	-	80,485,000
Total Water and Power	<u>278,345,000</u>	<u>-</u>	<u>(12,135,000)</u>	<u>266,210,000</u>	<u>12,645,000</u>	<u>253,565,000</u>
2008 Paseo Colorado Taxable Revenue Bonds	25,900,000	-	(600,000)	25,300,000	600,000	24,700,000
Bond Premiums/(Discounts)	12,800,413	-	(886,486)	11,913,927	-	11,913,927
Total revenue bonds	<u>317,045,413</u>	<u>-</u>	<u>(13,621,486)</u>	<u>303,423,927</u>	<u>13,245,000</u>	<u>290,178,927</u>
Certificates of participation:						
1993 Refunding COP (Old Pasadena)	7,640,000	-	(1,735,000)	5,905,000	1,850,000	4,055,000
2008 COP Series B Refunding 2004A&B	485,064	-	(89,087)	395,977	92,953	303,024
Total certificates of participation	<u>8,125,064</u>	<u>-</u>	<u>(1,824,087)</u>	<u>6,300,977</u>	<u>1,942,953</u>	<u>4,358,024</u>
Capitalized lease obligations	9,096	-	(9,096)	-	-	-
Total business-type activity long-term liabilities	<u>\$ 326,166,377</u>	<u>-</u>	<u>(15,614,668)</u>	<u>310,551,709</u>	<u>15,355,981</u>	<u>295,195,728</u>

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities, (Continued)

Primary Government, (Continued)

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the totals for governmental activities. At year-end, \$2,180,001 of internal service funds capitalized lease obligations are included in the governmental activities schedule.

Discretely Presented Component Units

Changes in discretely presented component unit's long-term debt and other liabilities for the year ended June 30, 2015 are as follows:

Discretely Presented Component Units	Balance at June 30, 2014	Additions Including Accretion	Reductions	Balance at June 30, 2015	Due Within One Year	Due In More Than One Year
Certificates of participation:						
2006 COP (CONFERENCE CENTER PROJECT	\$ 31,146,993	1,443,449	(2,850,000)	29,740,442	3,460,000	26,280,442
2008 Refunding COP Series 2008A (Conference Center Project)	134,720,000	-	-	134,720,000	-	134,720,000
Total Certificates of participation	165,866,993	1,443,449	(2,850,000)	164,460,442	3,460,000	161,000,442
Revenue Bonds:						
2010A Revenue Bonds-Tax Exempt	39,911,250	998,726	-	40,909,976	-	40,909,976
2010B Revenue Bonds-Taxable Build America Bonds	106,660,000	-	-	106,660,000	-	106,660,000
2010C Revenue Bonds-Taxable	5,005,000	-	(280,000)	4,725,000	605,000	4,120,000
2010D Revenue Bonds-Taxable Recovery	7,400,000	-	-	7,400,000	-	7,400,000
2013A Revenue Bonds-Refunding-Tax Exempt	34,900,000	-	-	34,900,000	-	34,900,000
2013B Revenue Bonds-Refunding-Taxable Fixed Rate	18,030,000	-	(1,045,000)	16,985,000	1,110,000	15,875,000
Total Revenue Bonds (Rose Bowl Renovation)	211,906,250	998,726	(1,325,000)	211,579,976	1,715,000	209,864,976
Conference Center Loan	530,615	-	(86,073)	444,542	90,431	354,111
Ice Skating Loan	1,088,210	-	(144,183)	944,027	147,787	796,240
Energy Conservation Loan	2,315,230	-	(232,385)	2,082,845	241,442	1,841,403
Compensated absences	186,454	114,557	(93,543)	207,468	59,938	147,530
Total discretely presented component units long- term liabilities	\$ 381,893,752	2,556,732	(4,731,184)	379,719,300	5,714,598	374,004,702

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities, (Continued)

Fiduciary Funds – Private Purpose Trust Fund

	Balance at June 30, 2014	Additions	Reductions	Balance at June 30, 2015	Due Within One Year	Due In More Than One Year
Successor Agency to Pasadena Community Development Commission (PCDC):						
Tax allocation bonds:						
2006 Tax Allocation Refunding Bonds (Fair Oaks)	\$ 1,520,000	-	(160,000)	1,360,000	170,000	1,190,000
2006 Tax Allocation Refunding Bonds (Lake/Washington)	335,000	-	(75,000)	260,000	80,000	180,000
Total tax allocation bonds	1,855,000	-	(235,000)	1,620,000	250,000	1,370,000
Advances Payable-City	46,422,905	-	(40,517,905)	5,905,000	1,850,000	4,055,000
Total Successor Agency to PCDC long-term liabilities	\$ 48,277,905	-	(40,752,905)	7,525,000	2,100,000	5,425,000
Housing Successor:						
2006 Tax Allocation Revenue Bonds (Housing Set-Aside Revenues - Townhouse Project Refunding)						
	\$ 275,000	-	(275,000)	-	-	-
Total Housing Successor long-term liabilities	\$ 275,000	-	(275,000)	-	-	-

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities, (Continued)

Governmental Activities:

	Issue Date	Purpose	Original Amount	Coupon Interest Rate	Final Principal Payment Date	Outstanding at June 30, 2015
Detail of Long-Term Debts						
Governmental Activities:						
Notes payable						
Notes Payable-RBOC	1/15/2013	a	\$ 575,642	2.10%	1/7/2043	\$ 547,411
Total Notes Payable						\$ 547,411
Pension bonds:						
2015 Taxable Pension Obligation Bonds	5/5/2015	b	\$ 119,460,000	2.577% to 4.796%	5/1/1945	\$ 119,460,000
Total Pension Bonds						\$ 119,460,000
Certificates of Participation:						
2008 COP Series B Refunding 2004A&B	5/15/2008	c	\$ 26,759,131	3.0% to 5.25%	2/1/2019	\$ 11,894,023
2008 COP Series C Refunding 2003 COP	7/16/2008	d	71,450,000	4.0% to 5.0%	2/1/2038	60,455,000
Total Certificates of Participation						\$ 72,349,023
Revenue Bonds:						
2006 Revenue Bonds	2/1/2006	e	\$ 10,355,000	variable	12/1/2023	\$ 5,640,000
Capitalized Lease Obligations						
2001 Property Lease 965 N Fair Oaks	12/27/2000	f	\$ 4,000,000	variable	12/27/2020	\$ 1,157,493
2011 Equipment Lease-ARTS Buses	12/23/2011	g	2,072,805	3.560%	1/15/2022	1,529,058
2012 Equipment Lease-Helicopter	6/18/2012	g	1,584,326	1.873%	11/20/2018	875,645
2012 Equipment Lease -911 System	6/18/2012	g	3,947,507	1.814%	11/20/2018	2,180,001
2013 Equipment Lease-Dental Clinic	6/28/2013	g	265,187	1.950%	6/28/2018	162,189
2014 Equipment Lease-Civic Center Parking Meter	7/15/2013	g	350,708	1.950%	7/15/2018	249,044
Total Capitalized Lease Obligations						\$ 6,153,430

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities, (Continued)

Business-Type Activities:

	<u>Issue Date</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Coupon Interest Rate</u>	<u>Payment Date</u>	<u>Outstanding at June 30, 2015</u>
<u>Detail of Long-Term Debts</u>						
<u>Business-Type Activities:</u>						
Notes payable						
Notes Payable-Marriott Parking Garage	8/18/1999	h	2,600,000	4.950%	12/19/2019	\$ 826,805
						<u>\$ 826,805</u>
Revenue bonds:						
2007 Water Revenue Bonds	4/23/2007	j	21,550,000	3.5% to 4.44%	6/1/2036	\$ 17,915,000
2008 Power Revenue Bonds	1/28/2008	k	58,555,000	4.0% to 5.0%	6/1/2037	50,035,000
2008 Paseo Colorado Taxable Revenue Bonds	9/17/2008	l	28,800,000	variable	6/1/2038	25,300,000
2009 Electric Revenue/Refunding Bonds	11/24/2009	m	40,655,000	4.0% to 5.0%	8/1/2024	28,750,000
2010 Electric Revenue/Refunding Bonds	8/3/2010	o	36,320,000	2.0% to 4.0%	6/1/2021	27,520,000
2010A Water Revenue Bonds (Taxable Build America)	12/23/2010	j	25,425,000	6.0% to 7.3%	6/1/2040	25,425,000
2010B Water Revenue Bonds (Tax-Exempt)	12/23/2010	j	4,575,000	3.0% to 5.0%	6/1/2020	3,385,000
2011A Water Revenue/Refunding Bonds	12/20/2011	n	29,770,000	3.0% to 5.0%	6/1/2033	25,700,000
2012A Electric Revenue Refunding Bonds	10/4/2012	o	11,780,000	1.0% to 4.0%	6/1/2022	6,995,000
2013A Electric Revenue Refunding Bonds	12/3/2013	p	80,485,000	4.25% to 5.0%	6/1/2043	80,485,000
Total Revenue Bonds						<u>\$ 291,510,000</u>
Certificates of Participation:						
1993 Refunding COP (Old Pasadena)	7/01/1993	t	28,050,000	2.75% to 5.25%	1/1/2018	\$ 5,905,000
2008 COP Series B Refunding 2004A&B	5/15/2008	c	890,869	3.0% to 5.25%	2/1/2019	395,977
Total Certificates of Participation						<u>\$ 6,300,977</u>

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities, (Continued)

Business-Type Activities (Continued):

	Issue Date	Purpose	Original Amount	Coupon Interest Rate	Final Principal Payment Date	Outstanding at June 30, 2015
<u>Detail of Long-Term Debts</u>						
<u>Discretely Presented Component Units</u>						
Certificates of Participation						
2006 COP (Conference Center Project)	8/23/2006	CC1	27,139,972	3.85% to 4.81%	2/1/2023	\$ 29,740,433
2008 Refunding COP, Series 2008A (Conference Center Project)	4/15/2008	CC2	134,720,000	variable	2/1/2035	134,720,000
Total Certificates of Participation (PCOC)						<u>\$ 164,460,433</u>
Revenue Bonds						
2010A Revenue Bonds-Tax Exempt Capital	11/18/2010	RB1	25,220,000	4.0% to 5.0%	3/1/2027	\$ 25,220,000
2010A Revenue Bonds-Tax Exempt Capital Appreciation	11/18/2010	RB1	11,558,265	6.43% to 6.52%	3/1/2033	15,689,976
2010B Revenue Bonds-Taxable Build America Bonds	11/18/2010	RB1	106,660,000	6.998% to 7.148%	3/1/2043	106,660,000
2010C Revenue Bonds-Taxable	11/18/2010	RB1	5,005,000	2.935% to 4.924%	3/1/2020	4,725,000
2010D Revenue Bonds-Taxable Recovery Zone Economic	11/18/2010	RB1	7,400,000	7.148%	3/1/2043	7,400,000
2013A Revenue Bonds-Refunding-Tax Exempt	1/15/2013	RB2	23,865,000	0.888% to 2.091%	12/1/2042	23,865,000
2013A Revenue Bonds-Refunding-Tax Exempt	1/15/2013	RB2	11,035,000	0.888% to 2.091%	12/1/2042	11,035,000
2013B Revenue Bonds-Refunding-Taxable Fixed Rate	1/15/2013	RB2	19,065,000	1.9% to 5.2%	12/1/2027	16,985,000
Total Revenue Bonds (RBOC)						<u>\$ 211,579,976</u>

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities, (Continued)

	<u>Issue Date</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Coupon Interest Rate</u>	<u>Final Principal Payment Date</u>	<u>Outstanding at June 30, 2015</u>
<u>Fiduciary Funds</u>						
Successor Agency to Pasadena Community Development Commission (PCDC):						
Tax Allocation bonds:						
2006 Tax Allocation Refunding Bond (Fair Oaks)	5/17/2006	T1	2,470,000	3.8% to 4.9%	7/1/2021	\$ 1,360,000
2006 Tax Allocation Refunding Bond (Lake/ Washington)	5/17/2006	T2	805,000	3.8% to 4.7%	7/1/2017	<u>260,000</u>
Total tax allocation bonds						1,620,000
Advances Payable – City	various		-	1.25% to 10.00%	various	<u>5,905,000</u>
Total Successor Agency to PCDC long-term liabilities						<u>\$ 7,525,000</u>

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities, (Continued)

Purpose of Debt:

a	Refund 2006 Revenue Bonds
b	Fire and Police Retirement
c	Refund 2004A&B Certificates of Participation
d	Refund 2003 Certificates of Participation City Hall and Park Improvements
e	City Facilities
f	Land Acquisition
g	Equipment Purchases, assets purchased collateralizes debt
h	Marriott Parking Improvements
i	GT5 Improvements
j	Water System Capital Improvements
k	Modernization power warehouse
l	Refund 2000 Paseo Bonds
m	Refund partial 1998 Electric Bonds
n	Refund partial 2003 Water Bonds
o	Refund partial 2002/2003 Electric Bonds
p	Refund 2002 Electric Bonds and Capital Improvements to the Electric System
t	Refund 1986 Certificates of Participation
CC1	Conference Center Improvements
CC2	Refund 2006B Certificates of Participation
RB1	Rose Bowl Stadium Renovation
RB2	Refund 2006 Rose Bowl Variable Rate Lease Revenue Bonds
T1	Fair Oaks Redevelopment Project & Public Improvement Program
T2	Lake Washington Redevelopment Project & Public Improvement Program

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities, (Continued)

The annual requirements to amortize as of June 30, 2015, are as follows:

Governmental Activities:

Year Ending June 30	Notes Payable		Pension Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 14,561	11,496	-	5,339,460	4,422,047	3,399,469
2017	14,867	11,190	-	5,429,959	4,613,342	3,206,287
2018	15,179	10,878	-	5,429,959	4,799,475	3,021,754
2019	15,498	10,559	-	5,429,959	5,029,159	2,792,031
2020	15,824	10,233	710,000	5,429,959	1,940,000	2,572,365
2021-2025	84,244	46,041	6,845,000	26,727,727	11,185,000	11,387,695
2026-2030	93,470	36,816	12,085,000	25,055,962	14,050,000	8,518,800
2031-2035	103,705	26,580	18,820,000	22,062,178	13,960,000	4,865,000
2036-2040	115,061	15,225	28,945,000	17,217,432	12,350,000	1,192,700
2041-2045	75,002	3,170	52,055,000	7,647,025	-	-
Total Payment	\$ 547,411	182,188	119,460,000	125,769,620	72,349,023	40,956,101

Year Ending June 30	Revenue Bonds		Capitalized Lease	
	Principal	Interest	Principal	Interest
2016	\$ 560,000	234,319	1,417,645	112,189
2017	560,000	211,054	1,455,468	87,056
2018	580,000	187,788	1,494,332	61,334
2019	600,000	163,691	988,643	35,281
2020	620,000	138,764	321,289	22,992
2021-2024	2,720,000	288,329	476,053	21,371
Total Payment	\$ 5,640,000	1,223,945	6,153,430	340,223

Business-Type Activities

Year Ending June 30	Notes Payable *		Revenue Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 168,028	39,514	13,245,000	12,172,185	1,942,953	386,158
2017	176,669	30,873	15,520,000	11,668,090	2,066,658	266,815
2018	185,646	21,894	15,405,000	11,087,995	2,185,525	139,823
2019	195,081	12,461	15,990,000	10,501,605	105,841	4,234
2020	101,381	2,547	15,235,000	9,856,303	-	-
2021-2025	-	-	62,780,000	40,369,969	-	-
2026-2030	-	-	44,925,000	29,920,978	-	-
2031-2035	-	-	53,135,000	19,513,755	-	-
2036-2040	-	-	41,345,000	8,388,820	-	-
2041-2043	-	-	13,930,000	1,272,150	-	-
Total Payment	\$ 826,805	107,289	291,510,000	154,751,850	6,300,977	797,030

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(9) Long-Term Debt and Other Liabilities, (Continued)

Fiduciary Funds

Year Ending June 30	Tax Allocation Bonds	
	Principal	Interest
2016	\$ 250,000	71,070
2017	265,000	59,159
2018	275,000	46,535
2019	195,000	35,441
2020	200,000	26,010
2021-2022	435,000	21,631
Total Payment	\$ 1,620,000	259,846

New Debts Issued FY2015

2015 Bank of America Electric Line of Credit

On February 1, 2015, the City completed a credit agreement with Bank of America to secure a \$75 million Line of Credit (Line). The proceeds from the Line will be used for the purpose of financing improvements to the City’s electric system, including the GT-5 generation unit. Bank of America has committed to extending this Line until February 9, 2018.

	Balance at June 30, 2014	Additions	Reductions	Balance at June 30, 2015
Line of Credit	\$ -	1,000,000	-	1,000,000
Total	\$ -	1,000,000	-	1,000,000

2015 Taxable Pension Obligation Refunding Bonds

On May 5, 2015, the City issued 2015 Taxable Pension Obligation Refunding Bonds Series 2015A and 2015B in the aggregate amount of \$119,460,000. The bonds were issued for the purpose of refinancing and refunding a portion of the City’s outstanding pension obligation bonds, which were issued in 1999, 2004 and 2012, for the purpose of funding a portion of the City’s unfunded actuarial accrued liability relating to the Pasadena Fire and Police Retirement System. Series 2015A \$71,110,000 and Series 2015B \$48,350,000 are fixed rate bonds. The rates of interest vary from 4.75% for Series 2015A and 2.577% to 4.796% for Series 2015B. Principal is payable in annual installments ranging from \$710,000 to \$11,400,000 commencing May 1, 2020 and ending May 1, 2045.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments

Primary Government

Governmental activities

Objective of the swaps: The City has entered into two separate floating to fixed interest rate swaps in order to lower the borrowing cost by accessing interest rate markets otherwise unattractive with traditional fixed rate debt structures. The greater liquidity and flexibility of the swap market has offered the City significant cost savings opportunities in both swaps the City has engaged in.

Rose Bowl Refinancing and Improvement Project - SWAP No.1

On February 23, 2006, the Pasadena Public Financing Authority entered into an interest rate swap agreement with Deutsche Bank related to the \$47,300,000 2006 Variable Rate Demand Lease Revenue Bonds (Rose Bowl Refinancing and Improvement Project). The objective was to effectively change the City's variable interest rate to a synthetic fixed rate of 3.285%. Under the terms of swap, the City pays the counterparty the fixed rate of 3.285% and receives a floating rate equal to 65% of the one month LIBOR rate.

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the City's hedging derivative instrument outstanding at June 30, 2015, along with the credit rating of the associated counterparty.

<u>Cash Flow Hedge</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Counterparty Credit Rating</u>
Pay-fixed interest rate swaps	Hedge of changes in cash flows on the 2006 Bonds	\$ 5,640,000	2/23/2006	12/1/2023	Pays 3.285%; receive 65% of LIBOR index	A2/A+

On May 3, 2011, the City restructured the 2006 Bonds in order to take advantage of a more attractive interest rate adjustment mode than the 2006 previously had. As a result, pursuant to GASB Statement No.53, the hedging relationship terminated and the value of the swap was re-characterized as a deferred amount upon a refunding and a new hedging relationship was established between the remaining on-market swap (the 2011 On-Market Swap) and the restructured 2006 bonds. The deferred amount is amortized over the life of the swap using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year as follows:

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments, (Continued)

Primary Government, (Continued)

Governmental activities, (Continued)

June 30	Beginning Balance	Accrued Interest	Payment	Ending Balance
2016	\$ 342,958	8,082	(74,684)	276,356
2017	276,356	6,427	(66,881)	215,902
2018	215,902	4,935	(58,939)	161,898
2019	161,898	3,615	(50,718)	114,795
2020	114,795	2,479	(42,219)	75,055
2021	75,055	1,540	(33,440)	43,155
2022	43,155	811	(24,384)	19,582
2023	19,582	304	(14,909)	4,977
2024	4,977	38	(5,015)	-

On January 15, 2013, a portion of the restructured 2006 Bonds were refunded by the City's Lease Revenue Bonds (Rose Bowl), Series 2013A (the 2013A Bonds). As a result, pursuant to GASB Statement No. 53, a portion of the hedging relationship established in 2011 terminated and the value of that portion of the 2011 On-Market Swap was re-characterized as a deferred amount upon a refunding and a new hedging relationship was established between the remaining on-market swap (the 2013 On-Market Swap) and the 2013A Bonds. The deferred amount is amortized over the life of the swap using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year as follows:

June 30	Beginning Balance	Accrued Interest	Payment	Ending Balance
2016	\$ 212,808	454	(43,131)	170,131
2017	170,131	358	(38,625)	131,864
2018	131,864	273	(34,038)	98,099
2019	98,099	198	(29,291)	69,006
2020	69,006	135	(24,382)	44,759
2021	44,759	83	(19,313)	25,529
2022	25,529	43	(14,082)	11,490
2023	11,490	16	(8,610)	2,896
2024	2,896	2	(2,898)	-

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments, (Continued)

Primary Government, (Continued)

Governmental activities, (Continued)

The remaining portion of the 2011 On-Market Swap and the 2013 On-Market Swap were deemed to be "effective" under GASB Statement No. 53. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2015, classified by type, and the change in fair value of such derivative instruments for the year then ended are as follows:

Cash Flow Hedge	Changes in Fair Value		Fair Value at June 30, 2014		Notional
	Classification	Amount	Classification	Amount	
Pay-fixed interest rate swaps	Deferred Inflow	\$ (33,685)	Asset	\$ 6,279	\$ 5,640,000

The fair value of the interest rate swap was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Credit risk: The City is exposed to credit risk on hedging derivative instruments to the extent the value of the swap is positive from the City's perspective. The aggregate fair value of hedging derivative instruments was negative as of June 30, 2015 and therefore the City had no credit risk exposure.

Interest rate risk: The purpose of the swap is to eliminate interest rate risk on the associated hedged bonds and therefore the swap, in combination with related bonds does not create interest rate risk for the City.

Basis risk: The City is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the City pays on its hedged variable-rate debt, which is remarketed every 30 days. As of June 30, 2015, the weighted-average interest rate on the City's hedged variable-rate debt is 0.11952% while 65 percent of LIBOR is 0.1196%.

Termination risk: The City or its counterparty may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The derivative contract uses the International Swap Dealers Association Master Agreement which includes standard termination events such as failure to pay and bankruptcy. In addition, the City may optionally terminate the agreement on any date. If at the time of termination, a hedging derivative instrument is in a liability position, the City would be liable to the counterparty for a payment equal to the liability.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments, (Continued)

Primary Government, (Continued)

Governmental activities, (Continued)

Rollover risk: The City is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the City will be re-exposed to the risks being hedged by the hedging derivative instrument.

Collateral requirements: There are no collateral requirements.

Hedging derivative instruments and hedged debt. The aggregate debt service payments for the City's hedged debt and net receipts/payments on associated derivative instruments assumes current interest rates on variable bonds and the current reference rates of hedging derivative instruments will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Discretely Presented Component Units

Rose Bowl Operating Company (RBOC)

Derivative Instrument Liability

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2015 and the changes in fair value of the derivative instrument for the year then ended are as follows:

Cash Flow Hedge	Changes in Fair Value		Fair Value at June 30, 2015		Notional
	Classification	Amount	Classification	Amount	
Pay-fixed interest rate swaps	Deferred inflow	\$ (134,742)	Asset	\$ 25,115	\$ 22,560,000

The fair value of the interest rate swap was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units

Rose Bowl Operating Company (RBOC)

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of RBOC's hedging derivative instrument outstanding at June 30, 2015, along with the credit rating of the associated counterparty.

Cash Flow Hedge	Objective	Notional Amount	Effective Date	Maturity Date	Term	Counterparty Credit Rating
Pay-fixed interest rate swaps	Hedge of changes in cash flows on the 2006 Bonds	\$ 22,560,000	2/23/2006	12/1/2023	Pays 3.285%; receive 65% of LIBOR index	A2/A+

Credit risk: RBOC is exposed to credit risk on hedging derivative instruments to the extent the value of the swap is positive from the RBOC's perspective. The aggregate fair value of hedging derivative instruments was negative as of June 30, 2015 and therefore the RBOC had no credit risk exposure.

Interest rate risk: RBOC is exposed to interest rate risk on its interest rate swap. On its pay-fixed, receive-variable interest rate swap, as the LIBOR swap index decreases, RBOC's net payment on the swap increases.

Basis risk: RBOC is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payments received by RBOC on these hedging derivative instruments are based on a rate or index other than interest rates RBOC pays on its hedged variable-rate debt, which is remarketed every 30 days. As of June 30, 2015, the weighted-average interest rate on RBOC's hedged variable-rate debt is 0.11952%, while 65 percent of LIBOR is 0.1196%.

Termination risk: RBOC or its counterparty may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The derivative contract uses the International Swap Dealers Association Master Agreement which includes standard termination events such as failure to pay and bankruptcy. In addition, the City may optionally terminate the agreement on any date. If at the time of termination, a hedging derivative instrument is in a liability position, RBOC would be liable to the counterparty for a payment equal to the liability.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Rose Bowl Operating Company (RBOC), (Continued)

Rollover risk: RBOC is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, RBOC will be re-exposed to the risks being hedged by the hedging derivative instrument.

Collateral requirements: There are no collateral requirements.

On May 3, 2011, the City entered into a new agreement to take advantage of a more advantageous interest rate adjustment mode than the 2006 previously had. As a result, the former derivative instrument terminated and the new instrument has off-market terms. As a result, an up-front payment was received. The up-front payment is reported as a borrowing. The borrowing is amortized over the life of the swap and amortizes using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year. The original balance of the borrowing was \$2,619,308. As of the year ending June 30, 2015, the balance was \$1,371,834.

The annual amortization and balance of the borrowing as of June 30, 2015 are as follows:

June 30	Beginning Balance	Accrued Interest	Payment	Ending Balance
2016	\$ 1,371,834	32,327	(298,734)	1,105,427
2017	1,105,427	25,709	(267,523)	863,613
2018	863,613	19,738	(235,755)	647,596
2019	647,596	14,458	(202,872)	459,182
2020	459,182	9,917	(168,874)	300,225
2021	300,225	6,162	(133,762)	172,625
2022	172,625	3,242	(97,534)	78,333
2023	78,333	1,214	(59,635)	19,912
2024	19,912	151	(20,063)	-

On January 15, 2013, a portion of the restructured 2006 Bonds were refunded by the City's Lease Revenue Bonds (Rose Bowl), Series 2013A (the 2013A Bonds). As a result, pursuant to GASB Statement No. 53, a portion of the hedging relationship established in 2011 terminated and the value of that portion of the 2011 On-Market Swap was re-characterized as a deferred amount upon a refunding and a new hedging relationship was established between the remaining on-market swap (the 2013 On-Market Swap) and the 2013A Bonds. The deferred amount is amortized over the life of the swap using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year as follows:

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Rose Bowl Operating Company (RBOC), (Continued)

June 30	Beginning Balance	Accrued Interest	Payment	Ending Balance
2016	\$ 851,227	1,815	(172,526)	680,516
2017	680,516	1,432	(154,500)	527,448
2018	527,448	1,090	(136,154)	392,384
2019	392,384	793	(117,162)	276,015
2020	276,015	539	(97,528)	179,026
2021	179,026	333	(77,250)	102,109
2022	102,109	174	(56,328)	45,955
2023	45,955	65	(34,441)	11,579
2024	11,579	8	(11,587)	-

Hedging derivative instruments and hedged debt. The aggregate debt service payments for the RBOC's hedged debt and net receipts/payments on associated derivative instruments assumes current interest rates on variable bonds and the current reference rates of hedging derivative instruments will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Pasadena Center Operating Company (PCOC)

Conference Center Variable Rate Demand Refunding Certificates of Participation – SWAP No. 2

On September 18, 2006, the City entered into an interest rate swap agreement with DEPFA Bank related to the \$135,500,000 Conference Center Auction Rate Certificates Series 2006B. The objective was to effectively change the City's Variable interest rate to a synthetic fixed rate of 3.536%. Under the terms of the swap, the City pays the counterparty the fixed rate of 3.536% and receives a floating rate equal to 64% of the one month LIBOR rate. The swap has a notional amount of \$133,000,000 representing a hedge ratio of 98.5% and declines according to the schedule set forth in the contract until the final principal payment on the certificates in 2034.

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of PCOC's hedging derivative instruments outstanding at June 30, 2015, along with the credit rating of the associated counterparty:

Cash Flow Hedge	Objective	Notional Amount	Effective Date	Maturity Date	Term	Counterparty Credit Rating
Pay-fixed interest rate swaps	Hedge of changes in cash flows on the 2008A COP's	\$ 133,000,000	9/18/2006	2/1/2034	Pays 3.536%; receive 64% of LIBOR index	Aa3/AA-

Note in 2011, due to its declining credit ratings, DEPFA Bank was replaced by RBC as the counterparty for the swap. Pursuant to GASB Statement No. 64, the replacement did not require any change in accounting treatment.

On April 15, 2008, the City issued the 2008 Refunding Certificates of Participation, Series 2008A in the amount of \$134,720,000. These certificates were issued to refund the City's COP (Conference Center Project), Series 2006B and finance the cost of execution of the 2008A Certificates of Participation backed by a letter of credit from Bank of America. The final maturity on the 2008A COP's was extended by one year to 2035 in order to reduce the reserve requirement and consequently, reduce the size of the issue by approximately \$800,000. The refunded certificates are considered to be defeased and the liability has been removed from the component unit's column of the statement of net position and recorded as a deferred amount upon a refunding.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Pasadena Center Operating Company (PCOC), (Continued)

Objective and Terms of Hedging Derivative Instruments, (Continued)

During the fiscal year ending June 30, 2011, PCOC entered into a new agreement to take advantage of a more advantageous interest rate adjustment mode than the 2008 Series Bonds previously had. As a result, the former derivative instrument terminated and the new instrument has off-market terms. As a result, an up-front payment was received. The up-front payment is reported as a borrowing. The borrowing is amortized over the life of the swap and amortizes using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year. The original balance of the borrowing was \$8,935,613. As of the year ended June 30, 2015, the balance was \$6,908,327.

June 30	Beginning Balance	Accrued Interest	Payment	Ending Balance
2016	\$ 6,908,327	305,736	(646,380)	6,567,683
2017	6,567,683	289,991	(646,380)	6,211,294
2018	6,211,294	273,518	(646,380)	5,838,432
2019	5,838,432	256,284	(646,380)	5,448,336
2020	5,448,336	238,252	(646,380)	5,040,208
2021	5,040,208	219,387	(646,380)	4,613,215
2022	4,613,215	199,651	(646,380)	4,166,486
2023	4,166,486	179,003	(646,380)	3,699,109
2024	3,699,109	157,461	(635,404)	3,221,166
2025	3,221,166	136,068	(601,344)	2,755,890
2026	2,755,890	115,332	(563,760)	2,307,462
2027	2,307,462	95,454	(522,409)	1,880,507
2028	1,880,507	76,649	(477,171)	1,479,985
2029	1,479,985	59,154	(427,721)	1,111,418
2030	1,111,418	43,226	(373,774)	780,870
2031	780,870	29,157	(315,009)	495,018
2032	495,018	17,258	(251,140)	261,136
2033	261,136	7,877	(181,805)	87,208
2034	87,208	1,487	(88,695)	-

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Pasadena Center Operating Company (PCOC), (Continued)

Derivative Instrument Liability

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2015, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows:

Cash Flow Hedge	Changes in Fair Value		Fair Value at June 30, 2015		Notional
	Classification	Amount	Classification	Amount	
Pay-fixed interest rate swaps	Deferred Inflow	\$ (3,351,630)	Debt	\$ (23,678,662)	\$ 133,000,000

The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Credit risk: PCOC is exposed to credit risk on hedging derivative instruments to the extent that value of the swap is positive from PCOC's perspective. The aggregate fair value of hedging derivative instruments was negative as of June 30, 2015 and therefore PCOC had no credit risk exposure.

Interest rate risk: The purpose of the swap is to eliminate interest rate risk on the associated hedged bonds and therefore the swap, in combination with related bonds does not create interest rate risk for PCOC.

Basis risk: PCOC is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payments received by PCOC on these hedging derivative instruments are based on a rate or index other than interest rates PCOC pays on its hedged variable-rate debt, which is typically remarketed every 7 days. As of June 30, 2015, the weighted-average interest rate on the PCOC's hedged variable-rate debt is 0.0966%, while 64 percent of LIBOR is 0.11776%.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Pasadena Center Operating Company (PCOC), (Continued)

Derivative Instrument Liability, (Continued)

Termination risk: PCOC or its counterparty may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The derivative contract uses the International Swap Dealers Association Master Agreement which includes standard termination events such as failure to pay and bankruptcy. In addition, PCOC may optionally terminate the agreement on any date. If at the time of a termination, PCOC may be required to make a termination payment to its counterparty. If PCOC had to terminate the Swap for any reason on June 30, 2015, the maximum exposure/loss would have been \$31,742,623.

Rollover risk: PCOC is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate prior to the maturity of the related debt, PCOC will be re-exposed to the risks being hedged by the hedging derivative instrument.

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(11) Fund Balance and Net Position

Fund balances, Governmental Funds

On the Governmental Balance Sheet, the fund balances are reported in the aggregate in the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund Balances by classification for the year ended June 30, 2015, were as follows:

	<u>General Fund</u>	<u>Project Management Capital Project</u>	<u>General Debt Service</u>	<u>Non-Major Governmental Funds</u>
Fund Balances				
Nonspendable:				
Notes Receivable	\$ 51,508	-	-	22,265,972
Prepaid and Other Assets	-	-	-	1,036
Advances to Other Funds	7,136,545	-	-	-
Advances to Component Units	1,432,136	-	-	-
Permanent Fund Principal	-	-	-	1,434,131
Property Held for Resale	-	-	-	7,296,454
Unavailable Revenues	-	-	-	-
Total Nonspendable	<u>8,620,189</u>	<u>-</u>	<u>-</u>	<u>30,997,593</u>
Restricted for:				
Air Quality Improvement	-	-	-	100,605
City Charter/Capital Projects	-	4,747,367	-	1,900,288
Debt Service	-	-	3,442,273	9,723,367
Donated Funds	-	-	-	1,397,191
Housing and Community Development				
Housing Funds	-	-	-	815,506
Inclusionary Housing Trust	-	-	-	3,508,657
Rental Assistance Programs	-	-	-	876,280
Housing Successor	-	-	-	7,931,734
Permanent Funds Earning	-	-	-	470,221
Public Safety				
Asset Forfeiture	-	-	-	982,700
Public Safety Augmentation	-	-	-	648,262
Other Public Safety Programs	-	-	-	363,989
Section 108 HUD Loan Security for				
Robinson Park Rehab	400,000	-	-	-
Transportation	-	-	-	15,607,878
Total Restricted	<u>400,000</u>	<u>4,747,367</u>	<u>3,442,273</u>	<u>44,326,678</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(11) Fund Balance and Net Position, (Continued)

Fund balances, Governmental Funds, Continued

	<u>General Fund</u>	<u>Project Management Capital Project</u>	<u>General Debt Service</u>	<u>Non-Major Governmental Funds</u>
Fund Balances, continued				
Total from previous page	9,020,189	4,747,367	3,442,273	75,324,271
Committed to:				
Building Plan Check and Permit Services	-	-	-	5,444,132
Building Services - General Plan Maintenance				
Fee and Technology Fee	-	-	-	2,518,188
Capital Projects	-	1,013,541	-	23,365,721
Emergency Contingency	30,951,483	-	-	-
Libraries	-	-	-	3,671,195
Pasadena Center Capital Improvement Trust	-	-	-	34,800
Parking	-	-	-	1,572,755
Sewer Construction and Maintenance	-	-	-	9,805,886
Underground Utilities	-	-	-	39,718,358
Total Committed	<u>30,951,483</u>	<u>1,013,541</u>	<u>-</u>	<u>86,131,035</u>
Assigned to:				
General Government	3,314,868	-	-	-
Parking	409,794	-	-	-
Health	2,646,676	-	-	-
Capital Projects	4,496,732	-	-	-
Public Safety	215,197	-	-	-
Transportation	3,581	-	-	-
Total Assigned	<u>11,086,848</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned:	<u>12,140,043</u>	<u>(5,084,840)</u>	<u>-</u>	<u>(2,396,907)</u>
Total fund balances	<u>\$ 63,198,563</u>	<u>676,068</u>	<u>3,442,273</u>	<u>159,058,399</u>

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(11) Fund Balance and Net Position, (Continued)

Net Position

On the government-wide Statement of Net Position, the net position is reported in one of three classifications; Net Investment in Capital Assets, Restricted, or Unrestricted. Net position by classifications as of June 30, 2015 is:

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total Primary Government	Aggregate Component Units
Net Investment in capital assets	\$ 408,194,603	371,526,531	779,721,134	(18,724,751)
Restricted:				
Expendable:				
Public safety	1,994,951	-	1,994,951	-
Cultural and leisure	1,398,610	-	1,398,610	-
Capital projects	1,900,288	45,022,594	46,922,882	14,448,643
Community development	13,132,178	-	13,132,178	-
Contributions	-	18,729,057	18,729,057	-
Debt service	9,723,366	-	9,723,366	-
Stranded investments (notes 12 and 19)	-	110,563,892	110,563,892	-
Transportation	15,607,878	-	15,607,878	-
Other purposes	569,407	1,932,285	2,501,692	-
Unrestricted:	<u>(339,335,535)</u>	<u>114,511,604</u>	<u>(224,823,931)</u>	<u>12,947,242</u>
Total net position	<u>\$ 113,185,746</u>	<u>662,285,963</u>	<u>775,471,709</u>	<u>8,671,134</u>

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(12) Restricted Net Position – Stranded Investments

In 1998, the City Council established a Reserve for Stranded Investment (Reserve) and imposed a Stranded Investment Surcharge (SIS) on all electric utility bills. The purpose of the Reserve for Stranded Investment was to create a fund to mitigate the potential impacts of open access to the energy market for Water and Power Department (PWP) customers and offset short and long term stranded energy costs associated with the Intermountain Power Project (IPP) and Palo Verde Nuclear Generating Station (PVNGS). Several sources of funding for the Reserve were identified in addition to the SIS and funding continued until June 30, 2002. At that time, it was determined that the Reserve was fully funded with no additional contributions required. Collection of the SIS was discontinued and excess funds returned to PWP customers. All funds deposited into the Reserves, including investment earnings, were recorded as income during the year collected or realized.

In November 2006, the City Council approved the Stranded Investment Reserve (SIR) Utilization Plan (Plan). In January 2009 in accordance with the Plan and a previously approved Prepayment Agreement (Agreement), PWP utilized approximately \$80.0 million of the reserve funds to complete an economic defeasance of selected bonds for IPP. As authorized in the Agreement, the IPA issued approximately \$70.0 million of subordinated notes to PWP, the payments for which will offset a portion of the debt service associated with the economically defeased bonds, thereby reducing the cost of energy purchased from IPP.

As of June 30, 2015, the Stranded Investment Reserve balance was \$110.6 million. The details of the additions and subtractions from the Reserve that occurred during fiscal year 2015 are shown below.

Restricted Cash and Investment

Beginning balance	\$	66,842,176
Interest earnings		1,291,855
Market gain/losses		<u>(60,557)</u>
Restricted cash and investment ending balance	\$	<u>68,073,474</u>

IPA Subordinated Notes

	Balance at June 30, 2014	Reduction	Balance at June 30, 2015
Notes Receivable	\$ 47,752,500	(5,262,082)	42,490,418
Total IPA Subordinated Notes	<u>\$ 47,752,500</u>	<u>(5,262,082)</u>	<u>42,490,418</u>
Restricted for Stranded Investments at June 30, 2015			<u>\$ 110,563,892</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(13) Accumulated Fund Deficits

The following funds reported accumulated deficits in their respective fund balances/net position at June 30, 2015:

	<u>Due to Operations</u>	<u>Due to GASB68 Implementation</u>	<u>Total Accumulated Deficit</u>
Governmental Activities:			
Special Revenue Funds:			
Health	\$ (2,396,907)	\$ -	\$ (2,396,907)
Internal Service Funds:			
Computing and Communications Service	4,497,489	(11,281,797)	(6,784,308)
Building Maintenance	1,609,674	(5,405,873)	(3,796,199)
Benefits	(29,987,198)	(54,783,900)	(84,771,098)
Workers Compensation	(20,727,877)	(6,243,327)	(26,971,204)
General Liability	(8,164,880)	(384,298)	(8,549,178)
Printing Services	(1,984,697)	(754,873)	(2,739,570)
Mail Services	163,210	(202,306)	(39,096)
311 Call Center	126,506	(380,055)	(253,549)

Management’s plans for resolution of the accumulated fund deficits are as follows:

Health

The Public Health Department experienced a shortfall in fiscal year 2015 due primarily to continued deficits in clinical programs and the public health laboratory. As discussed during the City budget process, the Affordable Care Act impacted clinical programs resulting in reduced client loads and lower reimbursement rates. The success of Healthcare Reform first began impacting department programs in fiscal year 2014 which contributed in large part to the \$1.1million shortfall last fiscal year. The Department is restructuring to focus on core public health programming and transitioning away from clinical service provision with the transition expected to complete by January 2016. The Department will continue to evaluate programs to understand revenue streams, historical expenditures, and opportunities to streamline and leverage operations.

Benefits Fund

The Benefits Fund was established to account for employee compensated absences, retirement, and health benefits. A deficit is likely to be shown in this fund each year, as a large portion of the deficit reflects the total liability that would be paid out if all employees left employment. In reality a small percentage of employees leave employment requiring the payout of their accrued leave balances. Each year, the city reviews the rates charged to Departments to adjust to an appropriate recovery level and keep the deficit as low as possible. The Fiscal Year 2015 increase is largely attributable to an increase in OPEB expense of \$2.0 million and \$1.3 million of increase in holiday pay due to a reduced cap on accumulated holiday pay negotiated with various

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(13) Accumulated Fund Deficits, (Continued)

Benefits Fund, (Continued)

employee unions. \$19.1 million of the deficit is the outstanding OPEB liability. Management reviewed the deficit and is correcting the situation through an increase in rates charged as part of the annual budget process.

Workers' Compensation

The City has established a Workers' Compensation Fund to provide for the potential claim and cost expenditures for workers' compensation claims against the City. In addition to any monies held in this Fund, the City makes an annual appropriation based upon its estimate of claim and expense payments during the fiscal year. Management has reviewed the deficit, and is correcting the situation through a combination of more aggressive claims management, including improved documentation of reserve levels, improved Return to Work procedures, increased focus on medical management of claims as well as an increase in rates charged as part of the annual budget process.

General Liability

The City has established a General Liability Fund to provide for the potential claim and cost expenditures for general liability claims against the City. In addition to any monies held in this fund, the City makes an annual appropriation based upon its estimate of claim and expense payments during the fiscal year. Management reviewed the deficit and is correcting the situation through an increase in rates charged as part of the annual budget process. This is evidenced by the net income of \$1.5 million in the fund as of June 30, 2015.

Printing Services

In response to citywide cost reductions during previous years, Printing Services has experienced significant reductions in work as departments cut back on reproductive services. As budgetary restraints begin to lessen, additional revenue has begun to be generated and should be garnered in upcoming years, as city departments increase their printing services requests. Printing Services is exploring ways to increase revenue by expanding services and capabilities and increasing efficiency. Management will continue to explore ways to improve Printing Services financial standing in upcoming years.

GASB68 Implementation

In fiscal year 2015, the City implemented GASB Statement No. 68. As part of the implementation, the City has recorded certain deferred inflows/outflows and obligations related to the pension benefit provided to employees to the proprietary funds. This caused several of the fund's fund balances to fall into a deficit position.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(14) Pledged Revenue

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions of the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (net of certain expenses where so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service of pledged revenues for the remainder of the term of the commitments.

Of the total pledge revenues reported under the Fiduciary Funds, \$800,422 was received and recorded in June 2014, per Department of Finance guideline, it is not to be spent until next fiscal year.

<u>Description of Pledged Revenue</u>	<u>Annual Amount of Pledged Revenue (net of expenses) (in thousands)</u>	<u>Annual Debt Service Payment (in thousands)</u>	<u>Debt Service as a Percentage of Pledged Revenue</u>
<u>Primary Government</u>			
Light and Power Revenues	\$ 59,683	17,665	30%
Water Revenues	24,266	7,100	29%
<u>Fiduciary Funds</u>			
Tax Increment (Other Projects)	\$ 2,725 (a)	2,654	71%

Note:

(a) \$800,422 of \$2,725,306 of pledge revenue was received and recorded in June 2014 to be spent during the period of July 2014 - December 2014

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(15) Transfers

Primary Government

The following is a summary of transfers in and out for the year ended June 30, 2015:

Transfers Out	Transfers In								Total
	General Fund	Project Management Fund	General Debt Service Fund	Non-Major Governmental Funds	Light and Power Fund	Off Street Parking	Non-Major Enterprise Funds	Internal Service Funds	
General Fund	\$ -	520,705	519,929	21,656,185	A -	400,015	85,000	1,230,905	24,412,739
Project Management Fund	-	-	-	-	26,587	-	138,271	186,985	351,843
Non-Major Governmental Funds	350,539	7,327,344	378,593	1,276,641	3,561,750	360,000	-	8,655	13,263,522
Light and Power Fund	15,974,880	B -	-	-	-	-	-	147,149	16,122,029
Water Fund	1,894,138	-	-	-	-	-	-	28,125	1,922,263
Off Street Parking Fund	35,000	164,316	-	-	-	-	-	124,560	323,876
Non-Major Enterprise Funds	198,240	112,814	-	-	-	-	-	549,487	860,541
Internal Service Funds	-	1,196,346	-	-	-	-	-	-	1,196,346
Total	\$18,452,797	9,321,525	898,522	22,932,826	3,588,337	760,015	223,271	2,275,866	58,453,159

Fiduciary Funds

The following is a summary of transfers in and out for the year ended June 30, 2015:

Transfers Out	Transfers In			Total
	Successor Agency Administration Fund	Successor Agency Debt Service Fund	Housing Successor Debt Service	
Redevelopment Obligation Retirement Fund	\$ 519,382	2,375,064	D 283,554	3,178,000
Housing Successor Debt Service	-	(3,178,000)	-	(3,178,000)
Total	\$ 519,382	(802,936)	283,554	-

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(15) Transfers, (Continued)

Primary Government

(A) Transfers from the General Fund to Non-Major Governmental Funds consist of:

- \$8,058,892 to pay for General Fund's debt service obligations.
- \$10,654,211 to support the Library Services Fund.
- \$2,943,082 to Housing and Community Development and various Transportation and Parking funds to support their operations.

(B) Light and Power contributed \$15,974,880 to the General Fund for the payment of interest and principal on City bonds, municipal improvements and other purposes.

(C) Transfers from Non-Major Governmental Funds include:

- \$7,327,344 was transferred to the Project Management Fund to fund various capital improvement projects.
- \$6,232,058 was transferred to various other funds, including \$3,561,750 to the Light and Power Fund, \$378,593 to the General Debt Service Fund, \$360,000 to the Off Street Parking Fund and \$8,655 to the Internal Service Funds.

Fiduciary Funds

(D) The Redevelopment Obligation Retirement Fund transferred \$2,375,064 to pay Successor Agency debt service obligations.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(16) Self-Insurance

The City maintains self-insurance and excess insurance programs for general liability, and City maintains self-insurance for workers compensation. Liability claims are self-administered. All City workers compensation claims (Public Safety (Fire and Police); and miscellaneous, or Citywide) workers compensation claims are administered by a Third Party Administrator, with claim dates of July 1, 2012 through all new claims. The City maintains a few self-administered claims with dates before July 1, 2012, and high value self-administered claims. For the period July 1, 2014 to June 30, 2015 excess liability insurance has been purchased with limits of \$20 million excess of a \$3 million self-insured retention. Excess worker's compensation insurance with a \$5,000,000 Self Insurance Retention was purchased for FY 2015-2016.

Four workers' compensation claims from prior years, when the retention was \$500,000, have exceeded the excess level. Six workers' compensation claims from prior years, when the retention was \$250,000, have exceeded the excess level. One workers' compensation claim from prior years, when the retention was \$100,000, has exceeded the excess level. Four workers' compensation claims from prior years, when the retention was \$50,000, have exceeded the excess level. No workers' compensation injury was incurred this fiscal year that is expected to exceed \$1,000,000 over the course of succeeding years.

The Civil Division of the Department of the City Attorney/City Prosecutor, primarily using in-house civil attorneys, controls litigated liability claims. A Liability Claim is loosely defined as a claim for money damages by a 3rd party arising from City operations. During FY15, for Liability Claims occurring in FY15, the City paid approximately \$789,655 (loss payments). The overall total incurred for Liability Claims occurring in FY15 is \$1,143,636 (losses plus expenses). Liability Claims against public entities tend to yield a defense verdict or settlement at a fraction of the exposure. On November 30/December 1 2011, Pasadena was hit by a windstorm which toppled trees; insurance companies have presented Liability Claims against the City arising from the windstorm exposing the City to property damage liability for damage to private property. There are a series of claims that have high value losses associated. We received an adverse judgment in one of the windstorm lawsuits, and that case is on appeal. A series of other windstorm cases are pending at the trial court level. A child in a stroller was hit in the head by an errant golf ball near Brookside Golf Course – the City prevailed by motion at the trial court level, and this case is on appeal. The City was also sued in a police officer-involved shooting that resulted in a suspect claiming significant injuries requiring long-term care. No other pending liability claims appear to have sufficient damages and potential adverse liability to develop into a “catastrophe” claim with future payment in excess of \$1 million.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(16) Self-Insurance, (Continued)

Self-Insurance losses and administrative costs are reported in the General Liability and Workers' Compensation Internal Service Funds. Losses incurred are reimbursed by departments over a period of time as part of an internal service assessment system. Legal expenses are reported in the City Attorney Department of the General Fund. A case reserve is established for each claim, monitored and adjusted by the Liability Claims Coordinator or the Workers' Compensation Claims Supervisor, including expected litigation expenses and losses that will be paid by the City Treasurer.

The City buys insurance for its helicopter fleet with liability limits of \$20,000,000. Heliport and aircraft liability limits were raised to \$50,000,000 for FY 2015-2016. Hull insurance with a 5% deductible is purchased on helicopters if purchased with money from Certificates of Participation. There have been no hull-coverage claims during the past three years.

The City bought All Risk Property Insurance on all its buildings, and a separate policy for production facilities at the power plant, with a combined total scheduled insured value in excess of \$1.3 billion. The basic "all-risk" deductible is \$25,000. Exclusions include earthquake, pollution clean-up, and mold. The City had a major Fire claim at the power plant in FY 2013, to GT 2 unit, which had a capitated loss value of \$7.8 million; as a result of this and the prior fire loss at the power plant (GT1), the power plant production facilities are excluded from the All Risk/Boiler & Machinery policy, and is insured under a separate Property and Boiler & Machinery policy with Lloyds of London syndicates.

The City bought Boiler and Machinery insurance as part of the All Risk Property Insurance Purchasing Group for limits of \$100,000,000. The coverage is subject to certain sub limits, with variable deductibles including \$2,500 on Consequential Damage (except \$250,000 at power plants). There have been increases in property values. The City has no claims pending.

PCOC is entitled to indemnity from the City; however, PCOC purchases a Special Liability Insurance Program (SLIP) for general liability and employment practice coverage. The City manages the PCOC claims and tenders to the insurance carrier third party administrator. PCOC carries statutory workers' compensation insurance with no retention. PCOC requires licensees to provide insurance or purchase Special Events Liability Insurance from PCOC. The City buys liability insurance on the parking structures at PCOC. PCOC buys separate liability insurance on the ice rink. There are lawsuits pending that are being defended by an insurance company without a reservation of rights.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(16) Self-Insurance, (Continued)

RBOC is entitled to indemnity from the City, and its losses are included in the City’s general liability self-insurance program. RBOC carries statutory workers’ compensation insurance with no retention. Brookside Golf Course is administered through RBOC, which has contracted with American Golf to operate the facility and the Club House. Major Rose Bowl tenants include the Pasadena Tournament of Roses, UCLA Football, and the R. G. Canning Swap Meet. Tenants provide insurance on behalf of the City to a varying extent. Some claims may be processed by American Golf or the tenants’ insurance companies without beginning with a Claim for Damages against City, and are not included in the table below. The Rose Bowl has essentially completed most of its major restoration and construction, and its separate course of construction policy has been cancelled according to the construction scope of work.

The claims liability reported in the General Liability and Workers’ Compensation Internal Service Funds is based on the requirements of GASB Statement No. 10, which requires a liability for claims to be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated, including incurred but not yet reported claims. As of June 30, 2015, liability claims payable amounted to \$16,750,805, of which \$3,182,653 is estimated to be paid within one year. Workers’ Compensation claims payable amounted to \$23,135,287, of which \$6,246,528 is estimated to be paid within one year.

	Current Beginning Liability	Year Claims and Prior Year Changes Fiscal Year in Estimates	Claim Payments	Ending Fiscal Year Liability
2013-14	35,577,767	11,403,691	7,534,066	39,447,392
2014-15	39,447,392	8,758,305	8,319,605	39,886,092

(17) Deferred Compensation Plan

For the benefit of its employees, the City has adopted a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or an unforeseeable emergency. As a result of changes under the Small Business Job Protection Act of 1996, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts must be held in a trust, custodial account, or annuity contract for the exclusive benefit of the employee participants and their beneficiaries. The new

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(17) Deferred Compensation Plan, (Continued)

law effectively repeals the requirement that a Section 457 plan sponsored by a governmental entity be solely the property of the employer, subject only to the claims of the employer's general creditors.

The plan has a Plan Administrator and an oversight committee. The five member committee is comprised of three elected City employees and two members of the community appointed by the City Council. The oversight committee members basically monitor the plan activity, performance of investment options and ensure that the Plan Administrator carries out his duties and responsibilities. The Plan Administrator is the Director of Finance or his designee who is responsible for the day to day administration. The Plan Administrator has authority to sign all legal agreements with approved plan providers, and ensures proper amounts are withheld, immediately transferred to the trust, and invested in accordance with participants' directions.

The following is a summary of the increases and decreases of amounts in the deferred compensation plan during the fiscal year reported in a Pension Trust Fund:

	<u>2015</u>	<u>2014</u>
Assets, beginning of year (market value)	\$ 229,046,246	\$ 203,051,006
Deferrals of compensation	17,346,597	16,149,758
Earnings and adjustments to market value	8,198,429	25,386,767
Payments to eligible employees	<u>(13,864,185)</u>	<u>(15,541,285)</u>
Assets, end of year (market value)	<u>\$ 240,727,087</u>	<u>229,046,246</u>

(18) Pension Plans

Each full-time employee and each part-time employee (with 1,000 hours or more of service) of the City is a member of either the FPRS or CalPERS. Both plans are defined benefit pension plans and are described individually in the following notes.

Pasadena Fire and Police Retirement System

Plan Description

FPRS is a single-employer defined benefit plan governed by a Retirement Board (Board) under provisions of the City Charter. The plan covers all fire and police personnel who were employed by the City prior to July 1, 1977, except for those who elected to transfer to CalPERS when FPRS closed to new member in June 2004. In June 2004, active members were provided a one-time opportunity to transfer from FPRS to CalPERS as provided by an agreement with the City. Once

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

Pasadena Fire and Police Retirement System, (Continued)

Plan Description, (Continued)

transferred to CalPERS, retirement benefits for all fire and police personnel employed thereafter are provided under CalPERS. The plan provides retirement, death and disability benefits. Copies of FPRS's annual financial report may be obtained from the Department of Finance, 100 North Garfield Avenue, 3rd Floor, Pasadena, California 91109. This annual financial report includes the required three-year trend information.

Deposits and Investment Risk

The Board adopted GASB Statement No. 40, Deposit and Investment Risk Disclosures – an amendment to GASB Statement No. 3, effective July 1, 2004. The statement is designed to inform financial statement users about deposit and investment risks that could affect the ability to provide services and meet obligations as they become due. The disclosures required by this statement provide information to assess common risks inherent in deposit and investment transactions. The statement also requires the disclosure of the following specific risks that apply to the plan's investments: (1) Credit Risk and Market Value of Investments, (2) Custodial Credit Risk – Deposits and Investments, (3) Concentration of Credit Risk, (4) Interest Rate Risk, (5) Highly Sensitive Investments, (6) Foreign Currency Risk, and (7) Cash and Investments.

Funding Policy

Section 1509.9 of the City Charter provides that the normal member contribution rates will provide an average annuity, at age 50, equal to 1/100 of the final compensation of members for each year of service according to tables adopted by the Board. The basic benefits otherwise funded by these contributions have now been fully funded by Contribution Agreement 16,900. Pursuant to the agreement, the City contributed \$100,000,000 net proceeds from the issuance of pension bonds to FPRS on August 5, 1999. The net proceeds plus the existing assets of FPRS became sufficient to fully fund the basic benefits, the unfunded basic benefits, the 1919 benefits, and \$82,539,000 of the \$109,274,000 present value of the cost-of-living adjustment (COLA) benefits. Contributions are recognized when due. Therefore, member contributions are suspended as long as basic benefits remain fully funded.

In October 2011, the Board and the City approved an Amended and Restated Contribution Agreement 20,823 (Amended Contribution Agreement), which permanently changes actuarial methodology used to calculate the plan's funded percentage by adopting assumed interest rate and inflation assumptions for the June 30, 2011 valuation and for future valuations. The Amended Contribution Agreement 20,823 also required the City to issue pension obligation bonds that would yield approximately \$46.6 million in net proceeds to the plan by March 31, 2012, which

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

Pasadena Fire and Police Retirement System, (Continued)

Funding Policy, (continued)

would meet the plan's funding requirement if they were paid by that date because the net proceeds would be treated as if they had been assets of the plan as of June 30, 2011, and the City no longer owed supplemental contribution to the plan for fiscal year 2011/2012. The City contributed \$46,600,000 in net proceeds to the plan on March 29, 2012; therefore, the City no longer owed supplemental contribution to the plan for fiscal year ending June 30, 2012. Pursuant to Section 1509.81 of the Charter, members also contribute an additional 5% of compensation for cost-of-living benefits. Because this is a flat rate and cost-of-living benefits are not fully funded, these contributions continued. The contribution requirement of plan members and the City are established and may be amended by the Board within the provisions of the City Charter.

As of June 30, 2015, the funded percentage of FPRS, calculated in accordance with Agreement No. 20,823 and Agreement No. 16,900, was 80.16%. As provided by Contribution Agreement No. 16,900, if the funded percentage is below the minimum funding percentage of 77.5% for fiscal year 2015, the City will reimburse FPRS in the following fiscal year subject to certain reimbursement limits. Based on the June 30, 2015 actuarial valuation, the funding deficiency was \$0, or 0%, below the funding requirement of 77.5% as of June 30, 2015. Thus, no required supplemental contribution is owed to FPRS by the City for the fiscal year ended June 30, 2015, on January 1, 2016.

Net Pension Liability

At June 30, 2015, the Net Pension Liability of FPRS was as follows:

FPRS	
Net Pension Liability	6/30/2015
Discount Rate	6.50%
Total Pension Liability (TPL)	\$ 155,099,000
Fiduciary Net Position (FNP)	139,969,000
Net Pension Liability (NPL)	<u>15,130,000</u>
FNP as a Percentage of TPL	90.20%

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

Pasadena Fire and Police Retirement System, (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. Upon analysis provided by the System's Actuary on July 15, 2015, the Board accepted the recommended assumptions (that were concurred with by City Treasury and the System's Investment Advisor) for use in the preparation of the actuarial valuation for the fiscal year ending June 30, 2015. The TPL was determined by the actuarial valuation performed as of June 30, 2015, using the following actuarial assumptions:

Actuarial Assumptions

Discount Rate	6.50%*	
Inflation	3.00%	
Salary Increases	No active employees	
Mortality	CalPERS 1997-2011 Experience Study, Modified MP-2014	
Geometric Real Rate of Return	Based on the CalPERS 2013 10-year Expected Geometric Rate of Return	
	Global Equity	5.00%
	Fixed Income	0.74%
	TIPS	0.20%
	Hedge Funds	3.14%
	Real Estate	4.25%
	Cash Equivalents	n/a

* Discount Rate reflects assumed investment expense of 40bp.

Inactive employees or beneficiaries currently receiving benefits	237
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
Total	237

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

Pasadena Fire and Police Retirement System, (Continued)

Discount Rate

The discount rate of 6.5% to measure the June 30, 2015 Total Pension Liability for accounting purposes was selected by the System actuary. The actuary performed a stochastic analysis of expected returns using the System’s target asset allocation and capital market assumptions from CalPERS’ investment advisors in 2013. The discount rate is the expected real long-term rate of return determined by this analysis plus the inflation assumption of 3% less assumed investment expenses of 40 basis points. Based on the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on Plan investment of 6.50% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

Sensitivity of the Net Pension Liability to Changes in the Discount Rates

Examining the sensitivity of the NPL to changes in the discount rate by a 1% decrease, from 6.5% to 5.5%, revealed an increase in the NPL by \$14,704,000 to a total NPL of \$29,834,000. Conversely, increasing the discount rate by 1%, from 6.5% to 7.5% revealed a corresponding decrease in the NPL of \$12,556,000 to total NPL of \$2,574,000 as of June 30, 2015.

FPRS

	Discount Rate -1% (5.50%)	Current Discount Rate (6.5%)	Discount Rate +1% (7.5%)
Total Pension Liability	\$ 169,803,000	\$ 155,099,000	\$ 142,543,000
Fiduciary Net Position	139,969,000	139,969,000	139,969,000
Net Pension Liability	29,834,000	15,130,000	2,574,000
NPL Funded Percentage	82.4%	90.2%	98.2%

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Plan, agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provide 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 Plan provisions and benefits in effect at June 30, 2015, are summarized as follows:

<u>Miscellaneous</u>		<u>Safety</u>	
Hire date	Prior to January 1, 2013	Hire date	Prior to January 1, 2013
Benefit formula	2.5% @ 55	Benefit formula	3% @ 55
Benefit vesting schedule	5 years service	Benefit vesting schedule	5 years service
Benefit payments	monthly for life	Benefit payments	monthly for life
Retirement age	50	Retirement age	50
Monthly benefits, as a % of eligible compensation	2.00% to 2.50%	Monthly benefits, as a % of eligible compensation	2.40% to 3.00%
Required employee contribution rates	7.974%	Required employee contribution rates	9.000%
Required employer contribution rates	17.377%	Required employer contribution rates	27.226%

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans, (Continued)

Employees Covered

At June 30, 2015, the following employees were covered by the benefit terms of the plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	1,476	246
Inactive employees entitled to but not yet receiving benefits	853	101
Active employees	<u>1,362</u>	<u>381</u>
Total	<u>3,691</u>	<u>728</u>

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are 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 both Plans 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans, (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 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.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans, (Continued)

Discount Rate, (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan. However, employers may determine the impact at the rate plan level for their own financial reporting purposes. Refer to the sensitivity of the net pension liability for changes in the discount rate.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans, (Continued)

Discount Rate, (Continued)

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.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 ⁽¹⁾</u>	<u>Real Return Years 11+ ⁽²⁾</u>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	12.00	6.83	6.95
Real Estate	11.00	4.50	5.13
Infrastructure and Forestland	3.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

⁽¹⁾ An expected inflation of 2.5% used for this period

⁽²⁾ An expected inflation of 3.0% used for this period

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans, (Continued)

Changes in the Net Pension Liability, (Continued)

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans, (Continued)

Changes in the Net Pension Liability, (Continued)

Miscellaneous

	Increase (Decrease)		
	A	B	C = A - B
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset/(Liability)
Balance at 6/30/13 (VD) ⁽¹⁾	\$ 928,863,405	\$ 643,146,481	\$ 285,716,924
Changes Recognized for the Measurement Period:			
Service Cost	17,348,789	-	17,348,789
Interest on the Total Pension Liability	68,656,376	-	68,656,376
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	-	-	-
Changes of Assumption	-	-	-
Contribution from Employers	-	18,552,041	(18,552,041)
Contribution from Employees	-	10,977,440	(10,977,440)
Net Investment Income ⁽²⁾	-	111,123,445	(111,123,445)
Benefit Payments, including Refunds of Employee Contribution	(44,238,909)	(44,238,909)	-
Net Change during 2013-14	41,766,256	96,414,017	(54,647,761)
Balance at 6/30/14 (MD) ⁽¹⁾	<u>\$ 970,629,661</u>	<u>\$ 739,560,498</u>	<u>\$ 231,069,163</u>

⁽¹⁾ The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

⁽²⁾ Net of administrative expenses.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans, (Continued)

Changes in the Net Pension Liability, (Continued)

Safety

	Increase (Decrease)		
	A	B	C = A - B
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Asset/(Liability)</u>
Balance at 6/30/13 (VD) ⁽¹⁾	\$ 480,183,644	\$ 338,809,017	\$ 141,374,627
Changes Recognized for the Measurement Period:			
Service Cost	11,182,155	-	11,182,155
Interest on the Total Pension Liability	35,798,456	-	35,798,456
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	-	-	-
Changes of Assumption	-	-	-
Contribution from Employers	-	10,533,400	(10,533,400)
Contribution from Employees	-	4,225,771	(4,225,771)
Net Investment Income ⁽²⁾	-	59,051,934	(59,051,934)
Benefit Payments, including Refunds of Employee Contribution	(16,923,959)	(16,923,959)	-
Net Change during 2013-14	<u>30,056,652</u>	<u>56,887,146</u>	<u>(26,830,494)</u>
Balance at 6/30/14 (MD) ⁽¹⁾	<u>\$ 510,240,296</u>	<u>\$ 395,696,163</u>	<u>\$ 114,544,133</u>

⁽¹⁾ The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

⁽²⁾ Net of administrative expenses.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans, (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rates

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate -1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Plan's Net Pension Liability/(Assets)	\$ 354,519,034	\$ 231,069,163	\$ 128,968,397
Safety			
	Discount Rate -1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Plan's Net Pension Liability/(Assets)	\$ 187,753,224	\$ 114,544,133	\$ 53,296,153

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans, (Continued)

The amortization period differs depending on the source of the gain or loss:

<u>Difference between projected and actual earnings</u>	<u>5 year straight-line amortization</u>
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan

The EARSL for the Plan for the 2013-14 measurement period is 3.4 years for Miscellaneous and 5.6 years for Safety, which was obtained by dividing the total service years of 12,847 (Miscellaneous) and 4,040 (Safety) (the sum of remaining service lifetimes of the active employees) by 3,738 (Miscellaneous) and 727 (Safety) (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2013), the net pension liability/(asset) is \$285,716,924 (Miscellaneous) and \$141,374,627 (Safety). For the measurement period ending June 30, 2014 (the measurement date), the City incurred a pension expense/(income) of \$14,801,182 (Miscellaneous) and \$10,686,193 (Safety) for the Plans.

Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

CalPERS Miscellaneous and Safety Plans, (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, (Continued)

As of June 30, 2014, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 20,159,734	\$ -	\$ 11,641,140	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(50,896,904)	-	(26,983,287)
Total	\$ 20,159,734	\$ (50,896,904)	\$ 11,641,140	\$ (26,983,287)

The amounts above are net of outflows and inflows recognized in the 2013-14 measurement period expense.

The \$31,800,874 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, 2016. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Miscellaneous</u>		<u>Safety</u>	
<u>Measurement Period ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>	<u>Measurement Period ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2015	\$ (12,724,226)	2015	\$ (6,745,822)
2016	(12,724,226)	2016	(6,745,822)
2017	(12,724,226)	2017	(6,745,822)
2018	(12,724,226)	2018	(6,745,821)
2019	-	2019	-
Thereafter	-	Thereafter	-

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(18) Pension Plans, (Continued)

Defined Contribution Plan (PARS)

The City provides pension benefits for employees not covered by CalPERS or FPRS through the PARS. This is a defined contribution plan created in accordance with Internal Revenue Code Sections 401(a) and 501, and administered by Phase II Systems. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. On October 29, 2012, the City adopted a Salary Resolution for the Non-Represented Non-Management employees requiring the covered employees to contribute the full 7.5% of their earnings effective December 31, 2012. Prior to the adoption of the Salary Resolutions, the plan agreement required the City to contribute an amount equal to 4.0% of the employees' earnings and the covered employee contributed 3.5%. The City contributions for each employee were fully vested.

The City's payroll for employees covered by PARS for the year ended June 30, 2015, was \$4,114,866. The covered employees made the total required 7.5% contributions of \$308,615.

(19) Commitments and Contingencies

Primary Government

"Take or Pay" Contracts

The City's electric operation has entered into various long term "Take or Pay" contracts to provide for current and future electric generating capacity and transmission of energy for City customers. The City is obligated to pay the amortized cost of indebtedness regardless of the ability of the contracting agency to provide electricity and/or transmission, as applicable. The original indebtedness will be amortized by adding the financing costs to purchase energy over the life of the contract. The contracts expire at various times through FY 2036. The total commitment under these contracts as of June 30, 2015 is \$283 million.

Additional financial information on the SCPA may be obtained by contacting the City of Pasadena Department of Water and Power at 150 South Los Robles, Suite 200, Pasadena, CA 91101.

Stranded Investments

In response to California Assembly Bill 1890 ("AB1890"), the City chose to open its market to competition on January 1, 2000. The City has long-term contracts with IPA and SCPA, most of which obligate the City to purchase power and/or services at cost, which was projected to be higher than market in a deregulated environment. As a result, the City was faced with a "stranded

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(19) Commitments and Contingencies (Continued)

Primary Government (Continued)

Stranded Investments, (Continued)

investment” with a net present value estimated to be approximately \$110.6 million in 2015. The City has implemented the approved Stranded Investment Utilization Plan by direct defeasance of the debt service of IPP outstanding bonds and mitigation of variable energy costs.

Additional information related to IPA and SCPPA is available online from Water and Power Department’s website or may be obtained by contacting the department at 150 South Los Robles, Suite 200, Pasadena, CA 91101.

SB481

California Department of Finance denied Senate Bill 481 which requires all tax increment monies (excluding 20% for low and moderate income housing) to pay the debt service on Pension Obligation Bonds. For detailed information, please see Note 22.

Lawsuits and Claims

A number of suits and claims are pending against the City arising in the normal course of operations. In the opinion of management, the results of such legal actions will not have a material adverse effect on the financial position or results of operations of the City.

Commitments

The City has various contracts with significant commitments that are in force at June 30, 2015. These include a number of material power purchase contracts which extend over many years.

Other

Certain federal and state revenues are received for specific purposes and are subject to audit by the grantor agencies. City management is of the opinion that adjustments, if any, resulting from such audits will not be significant.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(20) Post-employment Benefits Other Than Pensions

The City of Pasadena provides a subsidy to retirees of the City who are members of the California Public Employees’ Retirement System or the Pasadena Fire and Police Pension System. Benefit provisions are established and amended through negotiations between the City and the respective unions. Two different levels of subsidy toward the purchase of medical insurance from CalPERS under the Public Employees’ Medical and Hospital Care Act (PEMHCA) are offered. These are currently at \$122.00 or \$54.60 per month depending on the bargaining unit or the unrepresented group the employee was a member of. For fiscal year ended June 30, 2015 the number of employees covered by the subsidy follows:

	Partial Benefit Group	Full Benefit Group	Total
Active Participants	947	722	1,669
Participants receiving subsidy	310	311	621
	1,257	1,033	2,290

Plan Description

Eligibility. The plan provides benefits to individuals who retire with the City and begin to collect a monthly benefit under one of the retirement plans sponsored by the City. Employees who terminate under service retirement or disability retirement and certain survivors of Safety members who die in active service are eligible.

Service Retirement: Employees retiring directly from active status receive medical benefits commencing at retirement. Employee must be age 50 (or 52 if a “new member” as defined in the Public Employees’ Pension Reform Act of 2013) or older with 5 or more years of service.

Disability Retirement: Employees retiring directly from active status due to disability receive medical benefits commencing at retirement. Employees are eligible for Industrial Disability retirement at hire and for Non-Industrial Disability retirement after 5 years of CalPERS service.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(20) Post-employment Benefits Other Than Pensions (Continued)

Pre-retirement Death:
Safety Employees:

Industrial: Survivor receives medical benefits commencing immediately.

Non-Industrial: Survivor receives medical benefits immediately if death occurs after member reaches age 50 with 5 years of service.

Miscellaneous Employees: Survivor receives medical benefits immediately if death occurs after member reaches age 50 with 5 years of service.

Dependent Eligibility: Dependents are not eligible for benefits.

Survivor Eligibility: Survivors are eligible for benefits if the retiree elected a form of coverage providing for continued pension payments to the retiree.

Benefits:

Medical Benefit: Eligible retirees are provided a subsidy for medical benefits through PEHMCA. For the calendar year 2014, this monthly amount is \$122.00 for certain classes of employees and \$54.60 for remaining employees.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(20) Post-employment Benefits Other Than Pensions, (Continued)

Funding Policy and Annual OPEB Cost. The City contribution requirements have been established at the individual retiree levels of \$122.00 or \$54.60 per month depending on bargaining unit membership and policy enacted by CalPERS pursuant to State Law. These minimum requirements may be increased through future negotiations between the City and respective unions. The City’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. This is the third year of implementation of GASB No. Statement 45 and the city’s liability is based on “Pay-as-you-go” funding. If the City should select the “Prefunding” method the annual OPEB cost would be reduced. The City’s annual OPEB cost for the current year and related information follows:

	Partial Benefit Group	Full Benefit Group	Total
Annual Required Contribution (ARC)	\$ 1,609,000	1,455,000	3,064,000
Interest on Net OPEB Obligation	340,000	424,000	764,000
Adjustment to ARC	(487,073)	(607,927)	(1,095,000)
Annual OPEB Cost	1,461,927	1,271,073	2,733,000
Contributions made	176,000	447,000	623,000
Increase in net OPEB obligation	1,285,927	824,073	2,110,000
Net OPEB obligation – beginning of year	7,553,073	9,416,927	16,970,000
Net OPEB obligation – end of year	\$ 8,839,000	\$ 10,241,000	\$ 19,080,000

*UAAL is amortized over an initial 30 years using the level-dollar method on a closed basis. The remaining period at June 30, 2013 is assumed to be 25 years.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(20) Post-employment Benefits Other Than Pensions, (Continued)

Annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for FY 2014 and the two preceding years are as follows:

Year Ended	Amount Groups Receiving Per Month Benefit	Annual OPEB Cost	Percentage OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	115.00	1,502,497	16.72%	1,378,423
6/30/2013	40.25	1,489,829	16.60%	1,389,380
6/30/2013 Total		2,992,326	33.32%	2,767,803
6/30/2014	119.00	1,385,000	10.83%	1,235,000
6/30/2014	47.60	1,224,000	32.76%	823,000
6/30/2014 Total		2,609,000	43.59%	2,058,000
6/30/2015	122.00	1,271,000	35.17%	824,000
6/30/2015	54.60	1,462,000	12.04%	1,286,000
6/30/2015 Total		2,733,000	47.21%	2,110,000

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2015 follows:

	Partial Benefit Group	Full Benefit Group	Total
Actuarial accrued liability	13,779,000	14,840,000	28,619,000
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability	13,779,000	14,840,000	28,619,000
Funded Ratio	0%	0%	0%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information will provide multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(20) Post-employment Benefits Other Than Pensions, (Continued)

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Economic Assumptions:

Discount Rate:	Pay-as-you-go – 4.50% per year.
Administrative Expenses:	Not assumed to be paid from this plan.
Future Mutual Price Inflation:	5.0% per year
Pre-retirement Turnover:	Utilizing CalPERS 2009 experience study rates
Pre-retirement Mortality:	Utilizing CalPERS 2009 experience study rates
Post-retirement Mortality:	Utilizing CalPERS 2009 experience study rates
Disability Rates:	Utilizing CalPERS 2009 experience study rates
Medical Inflation Rates:	Assumed to be 5.00% per year

Demographic Assumptions:

Post-retirement mortality:

- Service Retirement: CalPERS healthy recipients mortality for public agencies
 - Disability Retirement: CalPERS non-industrially disabled recipients' mortality for miscellaneous public agencies for miscellaneous members. CalPERS industrially disabled recipients' mortality for safety employees for safety members.
 - Spouse: CalPERS healthy recipients' mortality for public agencies.
- | | |
|---------------------------|-----------------------------------|
| Termination: | Rates varying by age and service. |
| Pre-retirement mortality: | Rates varying by age. |
| Disability: | Rates varying by age. |

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(20) Post-employment Benefits Other Than Pensions, (Continued)

Service retirement:	Members eligible for service retirement are assumed to retire based on rates varying by age and/or service.
Percentage married at Retirement:	50% of miscellaneous active members assumed married at retirement. 65% of safety active members assumed married at retirement.
Spouse Ages:	For active members reaching retirement, wives are assumed to be three years younger than husbands.
Medical Coverage Elections:	60% of retiring members are assumed to elect coverage.
Implicit Subsidy:	CalPERS Health Plans utilized by the City are community rated. As such, the City has no implicit subsidy for these benefits.
Actuarial Methods:	
Funding Method:	Entry Age Normal – Level Dollar.
Amortization Period:	New Unfunded Actuarial Accrued Liability resulting from plan amendments, changes in assumptions or methods, or experience gains and losses are amortized over a closed 30 year period on a level dollar basis.

Schedule of Funding Progress

Actuarial Valuation Fiscal Year	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll
6/30/2011	\$ -	31,678,052	31,678,052	0.0%	153,898,526	20.6%
6/30/2012	-	32,236,889	32,236,889	0.0%	150,943,707	21.4%
6/30/2013	-	32,236,889	32,236,889	0.0%	150,719,361	21.4%
6/30/2014	-	26,916,000	26,916,000	0.0%	144,388,695	18.6%
6/30/2015	-	28,619,000	28,619,000	0.0%	143,419,430	20.0%

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(21) Restatement of Beginning Net Position and Fund Balances

Primary Government

The accompanying financial statements reflect adjustments that resulted in the restatement of the beginning fund balances of some governmental funds and the net position of the Governmental Activities and Business Activities of the Primary Government.

- a. In fiscal year 2015, the City implemented GASB Statement No. 68, which required the restatement of its fiscal year 2014 Government-wide Net Position and the fund balances of the proprietary and internal services funds. As part of the implementation, the City recorded certain deferred inflows/outflows and obligations related to the pension benefit provided to employees.
- b. The City's prior year CAFR carried a balance of \$38,782,905 of Advances pertaining to Senate Bill 481 (SB 481). In May 2015, the case City of Pasadena Successor vs. Ana Matosantos Director of the State of California Department of Finance (DOF) was ruled in favor of DOF. Subsequent to the decision, the City removed the Advance balance. This resulted in the restatement of the beginning net position of the Governmental Activities and the beginning fund balance for a Successor Agency Fund.
- c. In fiscal year 2015, three apartments in the amount of \$530,541 were reclassified from Capital Assets to Properties Held for Resale. This resulted in the restatement of the beginning fund balance of the Housing and Community Development Fund and the beginning net position of the Governmental Activities of the Primary Government.
- d. From fiscal years 2007 to 2015, the Water and Power Department provided funding for some Public Works Department projects, with both departments subsequently capitalizing the same projects. This resulted in the restatement of the beginning net position of the Governmental Activities by \$7,417,998.
- e. From fiscal year 1998 to 2015, Sundry project deposits have been recorded as revenues. At the end of fiscal year 2014, the unearned portion of these revenues was \$2,481,363. The City booked a correction which resulted in the restatement of the beginning fund balance of the General Fund and the beginning net position of the Governmental Activities.
- f. In fiscal year 2012, as part of the accounting treatment in the dissolution of Redevelopment per Assembly Bill 1X 26, Note Receivable loans from Pasadena Village and some other organizations were recorded in the Low and Mod Income Housing Fund in error. Also, Notes Receivable loans from Orange Grove Gardens, Trademark Development Company, and some other organizations were recorded in the Housing and Community Development Fund in error. In fiscal year 2015, these Note Receivables loans were reclassified and resulted in the restatement of the beginning fund balances of these funds.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(21) Restatement of Beginning Net Position and Fund Balances, (Continued)

Primary Government, (Continued)

- g. In fiscal year 2013 to 2014, participation revenues in the amount of \$124,560 for Fair Oaks Renaissance Plaza from Pasadena Community Development Company (PCDC) were recorded in General Fund in error. The correction resulted in the restatement of the beginning net fund balance of the General Fund and the beginning net position of a Successor Agency Fund. This also resulted in the restatement of the beginning net position of the Governmental Activities.
- h. In fiscal year 2008, the City issued 2008 Certificates of Participation. Instead of expensing the Underwriter's Discount in fiscal year 2008, the City has been amortizing the discount since fiscal year 2008. This resulted in the restatement of the beginning net position of the Governmental Activities by \$70,320.
- i. In fiscal year 2012, as part of the accounting treatment in the dissolution of PCDC per AB 1X 26, the City transferred a balance of \$339,697 Casa Maria housing sales proceeds from the Low and Moderate Income Housing Asset Fund to the Housing and Community Development Fund. Under the Health and Safety Code (HSC), section 34179.6(c), the City Housing Successor submitted a Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) to the California Department of Finance (DOF) on October 12, 2012. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. The DOF issued an LMIHF DDR determination letter on November 9, 2012, requiring the City to transfer \$339,697 back to the Low and Moderate Income Housing Asset Fund from the Housing and Community Development Fund. Subsequently, the City requested a Meet and Confer Session on one or more items adjusted by the DOF, but the DOF upheld its previous position. This resulted in the restatement of the beginning fund balances of the same two governmental funds.
- j. From fiscal years 2012 to 2014, the Low and Moderate Income Housing Asset Fund incurred some administrative costs that were not reimbursed by the Recognized Obligations Payment Schedule (ROP). These expenses were transferred to the Housing and Community Development Fund in fiscal year 2015. This resulted in the restatement of the beginning fund balances of two governmental funds by \$356,351.
- k. In fiscal year 2010, the City acquired the YWCA property and recorded it as a Property Held for Resale as the City intended to sell it. This property was included in the General Fund Balance Sheet and the Statement of Net Position Governmental Activities. The intention changed in fiscal year 2012. However, the City had not recorded the reclassification of the property to a Capital Asset until fiscal year 2015. Once reclassified, this property is no longer included in the General Fund Balance Sheet but only in the Statement of Net Position Governmental Activities. This resulted in the restatement of the beginning fund balance of the General Fund by \$8,300,000 and the beginning net position of the Governmental Activities by \$411,680.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(21) Restatement of Beginning Net Position and Fund Balances, (Continued)

Primary Government, (Continued)

- l. When the former PCDC was dissolved in fiscal year 2012, some PCDC owned parking structures, in the amount of \$28,831,586, were not transferred from the City to the Successor Agency. The Armory Center for the Arts and a vacant land, in the amount of \$214,261, were kept in the General Fund. Also, the other PCDC owned Fixed Assets such as air spaces, parking structure land, and other properties, in the amount of \$10,093,941, have been omitted from the City's financial record. Both were corrected in fiscal year 2015. This resulted in the restatement of the beginning net position of the Governmental Activities by \$214,261, the Off-Street Parking Fund by \$28,831,586, and a Successor Agency Fund by \$38,925,527.
- m. In fiscal year 2014, the City issued the Electric Revenue Refunding Bonds 2013A Series to finance a portion of the costs of acquisition and construction of certain improvements to the Electrical System. The City should capitalize on all of the bond interest expenses to the Electrical System. However, only 10% of the interest cost was capitalized in fiscal year 2014. This resulted in the restatement of the beginning net position of the Power Fund and the Business Activities by \$1,931,330.
- n. In fiscal year 2015, the City conducted an internal investigation and discovered some misappropriation and misuse of City funds related to the City's Underground Program. There were unauthorized payments to four vendors totaling \$6,432,811, of which \$5,727,006 was related to some underground projects capitalized from fiscal year 2003 to 2014. The City reversed them from the Capital Assets in fiscal year 2015 requiring the restatement of the beginning net position of the Governmental Activities.
- o. In fiscal year 1990, the City acquired the land for Concord Apartments in the amount of \$1,368,000 but did not include it in the City's financial record. This was corrected in fiscal year 2015 and resulted in the restatement of the beginning net position of the Governmental Activities.
- p. In fiscal year 2014, the City implemented GASB Statement No. 65 by eliminating any carrying amounts of bond issuance costs and related amortization. An error in identifying the accounts required adjustments to some bond accounts. This resulted in the restatement of the beginning net position of the Power Fund by \$3,990,808, the Water Fund by \$3,111,541, the Off-Street Parking Fund by \$620,332, and the Business Activities by \$7,722,681.
- q. In fiscal year 2014, expenditures for a capital project should be capitalized but was not. This resulted in the restatement of the beginning net position of the Governmental Activities by \$1,128,372.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(21) Restatement of Beginning Net Position and Fund Balances, (Continued)

Primary Government, (Continued)

The following schedule summarizes the effect of the prior period adjustment to the beginning fund balance/net position as of July 1, 2014:

Primary Government

	Governmental Activities	Business-Type Activities
Net Position at July 1, 2014	\$ 450,168,355	\$ 716,349,258
GASB 68 Adjustment (a)	(323,641,413)	(74,364,694)
SB481 Adjustment (b)	(38,782,905)	-
Fixed Assets Reclassed to Property Held for Resale (c)	530,541	-
Duplicate Capitalization Correction (d)	(7,417,998)	-
Sundry Projects Deposit adjustment (e)	(2,481,363)	-
Notes Receivable adjustment (f)	241,981	-
Successor Agency Participation Income Adjustment (g)	(124,560)	-
COP Underwriter's Discount Adjustment (h)	(70,320)	-
YWCA Property reclassified to Capital Assets (k)	(411,680)	-
Successor Agency Capital Assets (l)	(214,261)	(28,831,586)
Bond Interest Capitalization for CIP (m)		1,931,330
Underground Capital Assets (n)	(5,727,006)	-
Land Adjustment (o)	1,368,000	-
GASB 65 Adjustment (p)		(7,722,681)
Project Capitalization Adjustment (q)	1,128,372	-
Net Position, as restated	\$ 74,565,743	\$ 607,361,627

	General	Housing and Community Development	Low and Mod Income Housing Fund
Net Position at July 1, 2014	\$ 63,277,512	19,376,587	21,394,449
Fixed Asset Reclassed to Property Held for Resale (k)	(8,300,000)	530,541	-
Notes Receivable adjustment (f)	-	1,871,508	(1,629,528)
Sundry projects deposit adjustment (e)	(2,481,363)	-	-
Successor Agency participation income adjustment (g)	(124,560)	-	-
Transfer of Casa Maria proceeds (i)	-	(339,697)	339,697
Transfer of expenses not reimbursed by ROP (j)	-	(356,351)	356,351
Net Position, as restated	\$ 52,371,589	21,082,588	20,460,969

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(21) Restatement of Beginning Net Position and Fund Balances, (Continued)

Primary Government, (Continued)

	<u>Light and Power</u>	<u>Water</u>	<u>Off Street Parking</u>	<u>Refuse Collection</u>	
Net Position at July 1, 2014	\$ 539,556,084	146,520,844	20,777,528	8,451,280	
Interest Capitalization for CIP (m)	1,931,330	-	-	-	
Successor Agency Assets (l)	-	-	(28,831,586)	-	
GASB 65 Adjustment (p)	(3,990,808)	(3,111,541)	(620,332)	-	
GASB 68 Adjustment (a)	<u>(50,275,624)</u>	<u>(16,801,605)</u>	<u>(918,439)</u>	<u>(6,369,026)</u>	
Net Position, as restated	<u>\$ 487,220,982</u>	<u>126,607,698</u>	<u>(9,592,829)</u>	<u>2,082,254</u>	

	<u>Computing and Communication Services</u>	<u>Building Maintenance</u>	<u>Fleet Maintenance</u>	<u>Benefits</u>	<u>Workers' Compensation</u>
Net Position at July 1, 2014	\$ 3,582,134	(229,496)	11,250,316	(26,926,823)	(15,677,842)
GASB 68 Adjustment (a)	<u>(11,523,380)</u>	<u>(5,529,498)</u>	<u>(3,117,140)</u>	<u>(55,877,663)</u>	<u>(6,365,002)</u>
Net Position, as restated	<u>\$ (7,941,246)</u>	<u>(5,758,994)</u>	<u>8,133,176</u>	<u>(82,804,486)</u>	<u>(22,042,844)</u>

	<u>General Liability</u>	<u>Printing Services</u>	<u>Mail Services</u>	<u>311 Call Center</u>	<u>Total Internal Service</u>
Net Position at July 1, 2014	\$ (9,672,442)	(1,583,580)	309,199	99,990	(38,848,544)
GASB 68 Adjustment (a)	<u>(385,026)</u>	<u>(774,557)</u>	<u>(207,132)</u>	<u>(403,872)</u>	<u>(84,183,270)</u>
Net Position, as restated	<u>\$ (10,057,468)</u>	<u>(2,358,137)</u>	<u>102,067</u>	<u>(303,882)</u>	<u>(123,031,814)</u>

Fiduciary Funds

	<u>Successor Agency Debt Service Downtown</u>	<u>Successor Agency Debt Service Fair Oaks</u>	<u>Re development Obligation Retirement</u>
Net Position at July 1, 2014	\$ (37,274,956)	\$ (848,415)	\$ 1,942,555
SB481 Adjustment (b)	38,782,905	-	-
Successor Agency Capital Assets (l)	-	-	38,925,527
Successor Agency Participation Income Adjustment (g)	-	124,560	-
Net Position, as restated	<u>\$ 1,507,949</u>	<u>\$ (723,855)</u>	<u>\$ 40,868,082</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(21) Restatement of Beginning Net Position and Fund Balances, (Continued)

Discretely Presented Component Units

	<u>RBOC</u>	<u>PCOC</u>
Net Position at July 1, 2014	\$ 5,017,116	(9,391,664)
GASB68 Adjustment (a)	(1,789,538)	-
Correct bond issuance cost	-	(333,208)
Capitalization of interest expense for CIP	16,022,289	-
Correction of derivative instrument	319,714	-
Net Position, as restated	<u>\$ 19,569,581</u>	<u>(9,724,872)</u>

(22) State Assembly Bill 1484, Clean-Up Legislation, and Current Status

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the State and established the procedures by which this was to be accomplished, which include among other things the creation of successor agencies to wind down the business and fiscal affairs of the former redevelopment agencies and dispose of assets of the former redevelopment agencies.

AB 26 has since been amended by various assembly and senate bills enacted by the California Legislature and signed by the Governor. The most recent one is Senate Bill 107 (SB 107). In addition to other non-fiscal related matters, SB 107 creates an opportunity for Successor Agencies to obtain re-approval of prior loan agreements with cities, place them on the Recognized Obligation Payment Schedule (ROPS), and receive repayment. SB 107 defines "loan agreement" as: Loans for money under which the city transferred cash to the former RDA for use for a lawful purpose and where the former RDA was obligated to repay the money pursuant to a required repayment schedule. SB 107 limits the interest on any re-approved loans/reimbursement agreements to an interest rate of 3% regardless of the interest rate in the agreement. This provision could theoretically result in payments back to the City's General Fund. However, the state Department of Finance has the final discretionary approval.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(22) State Assembly Bill 1484, Clean-Up Legislation, and Current Status (Continued)

Senate Bill 481

On December 18, 2012, the Department of Finance of the State of California (DOF) notified the City of Pasadena and its former redevelopment agency's Successor Agency that Items 1 (Senate Bill 481 Pension Payment Obligations) and 14 (Senate Bill 481 Affordable Housing Set Aside Obligations) from Recognized Obligation Payment Schedule III had been determined by DOF to not be enforceable obligations under the redevelopment dissolution act (commonly known as AB 26) and to not be eligible for payment from former tax increment generated by the redevelopment projects (known as the Redevelopment Property Tax Trust Fund, or "RPTTF funding"). Previously the DOF, by letter dated June 29, 2012 had found both such items to be enforceable obligations and had found both such items to be eligible for payment from RPTTF funding. There had been no changes in facts or circumstances relating to such items between June 29, 2012 and December 18, 2012. This action was taken by letter from the Department of Finance dated December 18, 2012.

On December 28, 2012, the City filed litigation in the Superior Court of the State of California, City of Pasadena Successor vs. Ana Matosantos Director of the State of California Department of Finance, Case No. 34-2012-000134585-CU-MC-GDS and applied for a temporary restraining order so that the RPTTF funds would be made available for payment of Items 1 (Senate Bill 481 Pension Payment Obligations) and 14 (Senate Bill 481 Affordable Housing Set Aside Obligations) on Recognized Obligation Payment Schedule III, as required by applicable statutory validation, judicial validation and application of law, and to restrain the distribution of these funds on January 2, 2013 to other property tax agencies. The City prevailed at the trial court level by first obtaining a Temporary Restraining Order and, later, a Preliminary Injunction which declared Items 1 (Senate Bill 481 Pension Payment Obligations) and 14 (Senate Bill 481 Affordable Housing Obligations) as obligations of the former redevelopment agency due to the City as valid enforceable obligations payable by the successor agency.

On August 19, 2014, the Court of Appeal issued a published decision remanding the case back to the trial court. [City of Pasadena v. Cohen, (2014) 228 Cal.App.4th 1461] The Court of Appeal did not rule on the merits of the case but rather directed the case to be heard in the Writ Department of Sacramento Superior Court.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(22) State Assembly Bill 1484, Clean-Up Legislation, and Current Status (Continued)

On September 25, 2014, the City filed a Petition for Review with California Supreme Court. The Supreme Court declined to grant the City's Petition for Review so, on January 30, 2015, the City filed its Application for Temporary Restraining Order and Motion for a Preliminary Injunction in the Writ Department of Sacramento Superior Court. The hearing on the merits of this case occurred on May 8, 2015. Judge Chang issued a ruling on May 28, 2015, in favor of the DOF. Pursuant to three party stipulations, the County is required to continue to maintain the \$39.7 million in escrow pending final adjudication of the case, which includes any appeal. The City filed a Notice of Appeal on June 19, 2015. A final decree has not yet been obtained and further legal proceedings will follow in the coming months. If the City is unsuccessful in its claims, the City expects that the sequestered amounts will be distributed to the applicable participating agencies, including the City, and the City will receive approximately \$9.5 million of the tax revenues.

(23) Subsequent Events

Subsequent events were evaluated through the date of the audit report.

Refunding Certificates of Participation Series 2015A

On December 2, 2015 the City issued \$55.35 million (par value) of bonds to partially refund the City's 2008 Certificates of Participation Series C for debt service savings. This action is projected to save \$4.75 million in total debt service payments, which translates into over \$3.67 million in today's dollars.

Successor Agency to the Pasadena Community Development Commission's Senate Bill 481

Please refer to footnote 22, State Assembly Bill 1484, Clean-Up Legislation, and Current Status. The City is still waiting for this matter to be heard on appeal, which is anticipated to be heard in 2016.

Successor Agency Finding of Completion

On December 22, 2015 the California Department of Finance notified the City that the Pasadena Successor Agency had been granted a Finding of Completion. The Finding of Completion allows the Successor Agency to now place loan agreements between the former redevelopment agency and the City on the Recognized Obligation Payment Schedules, as enforceable obligations, provided the oversight board makes certain findings. Additionally, the Agency is required to submit a Long-Range Property Management Plan. Both of these actions have occurred.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2015

(23) Subsequent Events

Successor Agency Oversight Board Action on Assets Used for Government Purposes

On December 21, 2015 the California Department of Finance (DOF) notified the City that it concurs with the Oversight Board's actions of November 12, 2015 which identified four parking structures as constructed and used for government purposes. This action and DOF concurrence allows the Successor Agency to transfer the four parking structures to the City.

Embezzlement and Misappropriation of Public Funds from Underground Utility Fund

A number of corrective action related activities continue into Fiscal Year 2016, including:

- On October 3, 2015 and November 16, 2015, the Task Force on Financial Administration and Internal Controls, which had been formed by Mayor Bogaard, provided its reports to the City Council. The Task Force made a number of recommendations aimed at improving city financial administration, internal controls, and financial reporting.
- The outside personnel investigation into employee actions was completed and found no evidence to support the notion of internal accomplices.
- A review of the Underground Utility Program was completed and recommendations presented on October 19, 2015.
- On January 16, 2016, the City received an insurance settlement of \$5,000,000, which represents the policy limits on the City's crime coverage.

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CITY OF PASADENA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2015

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 132,424,100	132,424,100	144,340,761	11,916,661
Licenses and permits	3,521,575	3,521,575	3,893,689	372,114
Intergovernmental revenues	14,712,037	16,992,298	16,655,508	(336,790)
Charges for services	29,957,187	29,864,933	35,750,911	5,885,978
Fines and forfeits	6,763,091	6,763,091	7,328,696	565,605
Investment earnings	1,427,725	3,407,628	2,732,825	(674,803)
Rental income	1,233,209	1,233,209	1,164,906	(68,303)
Miscellaneous revenues	2,590,381	2,735,381	2,913,798	178,417
Total revenues	<u>192,629,305</u>	<u>196,942,215</u>	<u>214,781,094</u>	<u>17,838,879</u>
Expenditures:				
Current:				
General government:				
City Attorney/City Prosecutor	6,137,431	6,137,431	6,671,022	(533,591)
City Clerk	2,373,842	2,373,842	2,283,498	90,344
City Council	2,057,582	2,057,582	2,091,785	(34,203)
City Manager	5,171,741	5,346,741	4,775,618	571,123
Finance	8,894,353	8,894,353	8,622,728	271,625
Human Resources	3,431,284	3,507,284	3,222,526	284,758
Non-departmental	686,628	5,779,505	16,182,549	(10,403,044)
Public safety:				
Fire	40,456,120	41,145,337	41,133,418	11,919
Police	64,053,537	65,466,539	63,289,609	2,176,930
Transportation:				
Public Works and Transportation	26,757,732	27,687,407	25,354,951	2,332,456
Culture and leisure:				
Human Services and Recreation	9,239,498	9,384,498	9,372,541	11,957
Non-departmental - PCOC	7,879,262	7,879,262	8,388,727	(509,465)
Community development:				
Planning and Permitting	7,199,581	7,054,581	6,605,206	449,375
Total expenditures	<u>184,338,591</u>	<u>192,714,362</u>	<u>197,994,178</u>	<u>(5,279,816)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,290,714</u>	<u>4,227,853</u>	<u>16,786,916</u>	<u>12,559,063</u>
Other financing sources (uses):				
Transfers in	19,092,226	19,157,226	18,452,797	(704,429)
Transfers out	(28,632,810)	(30,774,615)	(24,412,739)	6,361,876
Total other financing sources (uses)	<u>(9,540,584)</u>	<u>(11,617,389)</u>	<u>(5,959,942)</u>	<u>5,657,447</u>
Change in fund balances	(1,249,870)	(7,389,536)	10,826,974	18,216,510
Fund balances at beginning of year, as restated (note 21)	52,371,589	52,371,589	52,371,589	-
Fund balances at end of year	<u>\$ 51,121,719</u>	<u>44,982,053</u>	<u>63,198,563</u>	<u>18,216,510</u>

CITY OF PASADENA

Notes to the Required Supplementary Information

Year Ended June 30, 2015

(1) Budgets and Budgetary Data

The City Council is required to adopt an annual budget resolution by June 30 of each fiscal year. The budgets are adopted on a basis that does not differ materially from GAAP.

An appropriated annual budget is legally adopted for the General and Special Revenue Governmental Funds. Annual appropriated budgets are not adopted for Debt Service Funds because bond indentures are used as the method for adequate budgetary control. Some Capital Projects Funds have annual appropriated budgets. Control over some projects is maintained by means of an annual budget; others through a project-length capital improvement budget. This project-length budget authorizes total expenditures over the duration of a construction project, rather than year by year.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the department level and within a single fund. The City Manager may authorize transfers of appropriations within a department so long as it is within a single fund. Supplemental appropriations during the year must be approved by the City Council. All unencumbered appropriations lapse at fiscal year-end. In order to be an encumbered appropriation there must be either an approved purchase order or contract in force as of June 30.

(2) Expenditures in Excess of Appropriations

The general fund reported an excess of expenditures over appropriations at June 30, 2015:

	<u>Budget</u>	<u>Actual</u>	<u>Positive/(Negative)</u>
General Fund:			
General government			
City Attorney/City Prosecutor	\$ 6,137,431	\$ 6,671,022	\$ (533,591)
City Council	2,057,582	2,091,785	(34,203)
Non-departmental	5,779,505	16,182,549	(10,403,044)
Community development			
Non-departmental-PCOC	7,879,262	8,388,727	(509,465)

CITY OF PASADENA

Notes to the Required Supplementary Information

Year Ended June 30, 2015

(2) Expenditures in Excess of Appropriations, (Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/(Negative)</u>
Special Revenue Funds:			
Human Services Endowment Fund	\$ -	\$ 2,690	\$ (2,690)
Sewer Construction and Maintenance Fund	4,205,731	4,273,525	(67,794)

General Government

The City Attorney/City Prosecutor expenditures exceeded appropriations because their outside legal expenditures significantly exceeded the budgeted amounts due to litigation matters such as the trials and related expenses for the windstorm related cases, as well as other matters.

The City Council expenditures exceeded appropriations due to under-budgeting of personnel benefits costs.

The general government, non-departmental expenditures exceeded appropriations because expenditures for billable projects do not typically have budgets.

Non-departmental-PCOC: The City received more Transient Occupancy Tax revenues than projected, and then passed 60% of the base and 100% of the increment to PCOC in the fiscal year 2015.

Special Revenue Funds

The Human Services Endowment Fund had no expenditures budgeted for the fiscal year 2015. However, some interest adjustments were charged to this fund.

Sewer Construction and Maintenance Fund expenditures exceeded appropriations due to unanticipated fleet repair and maintenance expenses.

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**CITY OF PASADENA
MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

MEASUREMENT PERIOD	2015
TOTAL PENSION LIABILITY	
Service Cost	\$ 17,348,789
Interest	68,656,376
Changes of Benefits Terms	-
Difference Between expected and Actual Experience	-
Changes in Assumptions	-
Benefit Payments, Including Refunds of employee Contributions	(44,238,909)
Net Change in Total Pension Liability	\$ 41,766,256
Total Pension Liability - Beginning	928,863,405
Total Pension Liability - Ending (a)	\$ 970,629,661
PLAN FIDUCIARY NET POSITION	
Contribution - Employer	\$ 18,552,041
Contribution - Employee	10,977,440
Net Investment Income ⁽²⁾	111,123,445
Benefit Payments, Including Refunds of Employee Contributions	(44,238,909)
Other Changes in Fiduciary Net Position	-
Net Change in Fiduciary Net Position	\$ 96,414,017
Plan Fiduciary Net Position - Beginning	643,146,481
Plan Fiduciary Net Position - Ending (b)	\$ 739,560,498
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 231,069,163
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.19%
Covered-Employee Payroll	\$ 107,509,381
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	214.93%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

⁽²⁾ Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions

**CITY OF PASADENA
SAFETY PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

MEASUREMENT PERIOD	2015
TOTAL PENSION LIABILITY	
Service Cost	\$ 11,182,155
Interest	35,798,456
Changes of Benefits Terms	-
Difference Between expected and Actual Experience	-
Changes in Assumptions	-
Benefit Payments, Including Refunds of employee Contributions	(16,923,959)
Net Change in Total Pension Liability	\$ 30,056,652
Total Pension Liability - Beginning	480,183,644
Total Pension Liability - Ending (a)	\$ 510,240,296
PLAN FIDUCIARY NET POSITION	
Contribution - Employer	\$ 10,533,400
Contribution - Employee	4,225,771
Net Investment Income ⁽²⁾	59,051,934
Benefit Payments, Including Refunds of Employee Contributions	(16,923,959)
Other Changes in Fiduciary Net Position	-
Net Change in Fiduciary Net Position	\$ 56,887,146
Plan Fiduciary Net Position - Beginning	338,809,017
Plan Fiduciary Net Position - Ending (b)	\$ 395,696,163
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 114,544,133
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.55%
Covered-Employee Payroll	\$ 42,624,669
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	268.73%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

⁽²⁾ Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions

**CITY OF PASADENA
PENSION PLAN - MISCELLANEOUS
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2015
Actuarially Determined Contribution	\$ 18,058,021
Contribution in Relation to the Actuarially Determined Contribution ⁽²⁾	(18,552,041)
Contribution Deficiency (Excess)	\$ (494,020)
 Covered-Employee Payroll ^{(3) (4)}	107,509,381
 Contributions as a Percentage of Covered-Employee Payroll ⁽³⁾	17.26%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

⁽²⁾ Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

⁽³⁾ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁽⁴⁾ Payroll from prior year \$104,378,040 was assumed to increase by the 3.00 percent payroll growth assumption.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	For details, see June 30, 2011 Funding Valuation Report
Assets valuation method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report/
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment rate of return	7.50% net of pension investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

**CITY OF PASADENA
PENSION PLAN - SAFETY
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2015
Actuarially Determined Contribution	\$ 11,217,581
Contribution in Relation to the Actuarially Determined Contribution ⁽²⁾	(10,533,400)
Contribution Deficiency (Excess)	\$ 684,181
 Covered-Employee Payroll ^{(3) (4)}	42,624,669
 Contributions as a Percentage of Covered-Employee Payroll ⁽³⁾	24.71%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

⁽²⁾ Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

⁽³⁾ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁽⁴⁾ Payroll from prior year \$41,383,174 was assumed to increase by the 3.00 percent payroll growth assumption.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	For details, see June 30, 2011 Funding Valuation Report
Assets valuation method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report/
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment rate of return	7.50% net of pension investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

SUPPLEMENTARY INFORMATION

CITY OF PASADENA
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
Assets					
Cash and investments	\$ 101,393,651	9,723,366	25,349,893	1,933,064	138,399,974
Accounts receivable	8,665,616	-	57,146	4,669	8,727,431
Notes receivable	67,894,148	-	-	-	67,894,148
Prepays and other assets	1,036	-	-	-	1,036
Allowance for uncollectible long-term receivables	(45,628,176)	-	-	-	(45,628,176)
Property held for resale	7,296,454	-	-	-	7,296,454
Total assets	<u>\$ 139,622,729</u>	<u>9,723,366</u>	<u>25,407,039</u>	<u>1,937,733</u>	<u>176,690,867</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 5,130,968	-	141,030	-	5,271,998
Deposits	461,669	-	-	-	461,669
Due to other funds	6,836,998	-	-	-	6,836,998
Due to other governments	574,084	-	-	-	574,084
Total liabilities	<u>13,003,719</u>	<u>-</u>	<u>141,030</u>	<u>-</u>	<u>13,144,749</u>
Deferred inflow of resources:					
Unavailable revenues (note 8)	<u>4,487,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,487,719</u>
Fund balances:					
Nonspendable	29,563,462	-	-	1,434,131	30,997,593
Restricted	32,234,222	9,723,366	1,900,288	468,802	44,326,678
Committed	62,730,514	-	23,365,721	34,800	86,131,035
Unassigned	(2,396,907)	-	-	-	(2,396,907)
Total fund balances	<u>122,131,291</u>	<u>9,723,366</u>	<u>25,266,009</u>	<u>1,937,733</u>	<u>159,058,399</u>
Total liabilities and fund balances	<u>\$ 139,622,729</u>	<u>9,723,366</u>	<u>25,407,039</u>	<u>1,937,733</u>	<u>176,690,867</u>

CITY OF PASADENA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
Revenues:					
Taxes	\$ 8,982,657	-	-	-	8,982,657
Licenses and permits	7,341,355	-	-	-	7,341,355
Intergovernmental revenues	41,984,940	-	-	-	41,984,940
Charges for services	11,845,175	-	1,790,875	-	13,636,050
Investment earnings	985,851	148,986	249,608	19,916	1,404,361
Rental income	2,657,488	-	-	-	2,657,488
Miscellaneous revenues	4,038,864	-	171,074	-	4,209,938
Contributions	668,660	-	7,007,012	-	7,675,672
Total revenues	78,504,990	148,986	9,218,569	19,916	87,892,461
Expenditures:					
Current:					
General government	-	13,269	26,001	-	39,270
Public safety	2,046,053	-	-	-	2,046,053
Transportation	11,662,973	-	-	-	11,662,973
Sanitation	4,273,525	-	-	-	4,273,525
Health	13,553,229	-	-	-	13,553,229
Culture and leisure	12,743,758	-	-	-	12,743,758
Community development	25,328,248	-	-	-	25,328,248
Capital outlay	-	-	114,262	-	114,262
Debt service:					
Principal retirement	-	4,780,913	-	-	4,780,913
Interest	-	3,839,185	-	-	3,839,185
Total expenditures	69,607,786	8,633,367	140,263	-	78,381,416
Excess (deficiency) of revenues over (under) expenditures	8,897,204	(8,484,381)	9,078,306	19,916	9,511,045
Other financing sources (uses):					
Transfers in	14,152,294	8,635,532	145,000	-	22,932,826
Transfers out	(10,003,219)	-	(3,260,303)	-	(13,263,522)
Total other financing sources (uses)	4,149,075	8,635,532	(3,115,303)	-	9,669,304
Change in fund balances	13,046,279	151,151	5,963,003	19,916	19,180,349
Fund balances at beginning, as restated (note 21)	109,085,012	9,572,215	19,303,006	1,917,817	139,878,050
Fund balances at end of year	\$ 122,131,291	9,723,366	25,266,009	1,937,733	159,058,399

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. In a governmental fund other than the general fund, expenditures incurred for a specific purpose might exceed the amounts in the fund that are restricted, committed, and assigned to that purpose and a negative residual balance for that purpose may result. If that occurs, amount assigned to other purposes in that fund should be reduced to eliminate the deficit. If the remaining deficit eliminates all other assigned amounts in the fund, or if there are no amounts assigned to other purposes, the negative residual amount should be classified as unassigned fund balance.

Public Safety Fund - to account for revenue received from State AB3229 funds, the 1/2-cent sales tax approved by the voters in November 1993, money received by the Police Department from forfeited cash and other tangible property seized under the Federal Comprehensive Crime Control Act of 1984 and grants received from the Homeland Security Grant Program..

Health Fund - to account for all grants received for the provision of health services which are restricted by grant award agreements.

Building Services Fund - to account for fees collected and restricted to the operations of the Permit Center.

Sewer Construction and Maintenance Fund - to account for revenue received from sewer use and storm drain charges restricted for the construction and maintenance of the City's sewer system.

Underground Utilities Fund - to account for revenue received from the underground surtax on sales of electric energy restricted for the extension, conversion, replacement and repair of underground utility lines.

Transportation Fund - to account for the use of revenue derived from the 1/2-cent sales tax approved by voters, state gasoline tax, sales tax collected for bikeways and pedestrian facilities, and State AB2928 traffic congestion relief, all of which are restricted for construction, maintenance, preservation and rehabilitation of the City's street and road system.

Human Services Endowment Fund - to account for funds appropriated from the Lind Bequest, Holmes Bequest, Williams Bequest and others sources restricted by the donors to deliver quality human services to Pasadena residents.

Library Fund - to account for the operations of the City's public libraries and the library special tax approved by the voters on June 22, 1993 and restricted for Library use.

Parking Fund - to account for revenue derived from on-off street parking, zoning credits, parking and business improvement tax, parking space rental and leases, and on-street parking meters. These funds are restricted for use in the various enterprise zones of the City.

Air Quality Improvement Fund - to account for the use of revenue derived from a fee added to the motor vehicle registration fee for reducing air pollution in accordance with the California Government Code (AB2766).

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

(Continued)

Housing and Community Development Fund - to account for the use of Community Development Block Grant and other U.S. Department of Housing and Urban Development programs restricted for housing and community development.

Donated Funds - to account for principal and interest on funds donated to the City for expressed and expendable purposes.

Housing Successor Fund - to account for the use of property tax increment legally restricted for increasing or improving housing for low and moderate income households effective February 1, 2012.

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CITY OF PASADENA
Non-Major Governmental Funds
Special Revenue Funds
Combining Balance Sheet
June 30, 2015

	Public Safety	Health	Building Services	Sewer Construction and Maintenance	Underground Utilities
Assets:					
Cash and investments	\$ 1,795,306	179	9,893,806	9,219,856	42,584,124
Accounts receivable	524,699	3,764,889	48,615	655,115	695,984
Prepays and other assets	-	-	-	-	-
Notes receivable	-	-	-	-	-
Allowance for uncollectible long-term	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	2,320,005	3,765,068	9,942,421	9,874,971	43,280,108
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	108,651	1,545,953	361,041	69,085	-
Deposits	1,206	54,856	390,259	-	-
Due to other funds	215,197	2,646,676	-	-	3,561,750
Due to other governments	-	-	-	-	-
Total liabilities	325,054	4,247,485	751,300	69,085	3,561,750
Deferred inflow of resources:					
Unavailable revenues (note 8)	-	1,914,490	1,228,801	-	-
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	1,994,951	-	-	-	-
Committed	-	-	7,962,320	9,805,886	39,718,358
Unassigned	-	(2,396,907)	-	-	-
Total fund balances (deficit)	1,994,951	(2,396,907)	7,962,320	9,805,886	39,718,358
Total liabilities and fund balances	\$ 2,320,005	3,765,068	9,942,421	9,874,971	43,280,108

Transportation	Human Services Endowment	Library	Parking	Air Quality Improvement	Housing and Community Development	Donated Funds
15,877,352	1,419	4,193,813	2,187,783	65,786	6,174,227	1,475,202
1,099,880	-	58,344	22,741	46,024	1,738,225	4,163
-	-	-	-	-	1,036	-
-	-	-	-	-	45,299,436	-
-	-	-	-	-	(34,817,669)	-
-	-	-	-	-	5,896,454	-
16,977,232	1,419	4,252,157	2,210,524	111,810	24,291,709	1,479,365
1,185,964	-	577,950	217,675	11,205	971,270	82,174
-	-	3,012	10,300	-	2,036	-
3,581	-	-	409,794	-	-	-
-	-	-	-	-	574,084	-
1,189,545	-	580,962	637,769	11,205	1,547,390	82,174
179,809	-	-	-	-	1,164,619	-
-	-	-	-	-	16,379,257	-
15,607,878	1,419	-	-	100,605	5,200,443	1,397,191
-	-	3,671,195	1,572,755	-	-	-
-	-	-	-	-	-	-
15,607,878	1,419	3,671,195	1,572,755	100,605	21,579,700	1,397,191
16,977,232	1,419	4,252,157	2,210,524	111,810	24,291,709	1,479,365

CITY OF PASADENA
Non-Major Governmental Funds
Special Revenue Funds
Combining Balance Sheet
June 30, 2015

	Housing Successor	Total
Assets:		
Cash and investments	\$ 7,924,798	101,393,651
Accounts receivable	6,937	8,665,616
Prepays and other assets	-	1,036
Notes receivable	22,594,712	67,894,148
Allowance for uncollectible long-term	(10,810,507)	(45,628,176)
Property held for resale	1,400,000	7,296,454
Total assets	21,115,940	139,622,729
 Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued liabilities	-	5,130,968
Deposits	-	461,669
Due to other funds	-	6,836,998
Due to other governments	-	574,084
Total liabilities	-	13,003,719
 Deferred inflow of resources:		
Unavailable revenues (note 8)	-	4,487,719
 Fund balances:		
Nonspendable	13,184,205	29,563,462
Restricted	7,931,735	32,234,222
Committed	-	62,730,514
Unassigned	-	(2,396,907)
Total fund balances (deficit)	21,115,940	122,131,291
Total liabilities and fund balances	\$ 21,115,940	139,622,729

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CITY OF PASADENA
Non-Major Governmental Funds
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	Public Safety	Health	Building Services	Sewer Construction and Maintenance	Underground Utilities
Revenues:					
Taxes	\$ -	829,451	-	-	5,648,778
Licenses and permits	-	1,086,060	6,255,295	-	-
Intergovernmental revenues	2,393,894	9,530,915	-	-	-
Charges for services	-	921,098	1,814,585	7,874,561	-
Investment earnings	14,933	-	95,676	101,785	462,426
Rental income	-	-	-	-	-
Miscellaneous revenues	-	43,999	17,919	-	-
Contributions	-	-	-	-	-
Total revenues	<u>2,408,827</u>	<u>12,411,523</u>	<u>8,183,475</u>	<u>7,976,346</u>	<u>6,111,204</u>
Expenditures:					
Current:					
Public safety	2,046,053	-	-	-	-
Transportation	-	-	-	-	44,767
Sanitation	-	-	-	4,273,525	-
Health	-	13,553,229	-	-	-
Culture and leisure	-	-	-	-	-
Community development	-	-	4,951,524	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>2,046,053</u>	<u>13,553,229</u>	<u>4,951,524</u>	<u>4,273,525</u>	<u>44,767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>362,774</u>	<u>(1,141,706)</u>	<u>3,231,951</u>	<u>3,702,821</u>	<u>6,066,437</u>
Other financing sources (uses):					
Transfers in	-	-	1,012,264	-	-
Transfers out	(60,417)	(170,108)	(94,706)	(1,587,474)	(4,157,898)
Total other financing sources (uses)	<u>(60,417)</u>	<u>(170,108)</u>	<u>917,558</u>	<u>(1,587,474)</u>	<u>(4,157,898)</u>
Change in fund balances	<u>302,357</u>	<u>(1,311,814)</u>	<u>4,149,509</u>	<u>2,115,347</u>	<u>1,908,539</u>
Fund balances (deficit) at beginning of year, as restated (note 21)	<u>1,692,594</u>	<u>(1,085,093)</u>	<u>3,812,811</u>	<u>7,690,539</u>	<u>37,809,819</u>
Fund balances (deficit) at end of year	<u>\$ 1,994,951</u>	<u>(2,396,907)</u>	<u>7,962,320</u>	<u>9,805,886</u>	<u>39,718,358</u>

Transportation	Human Services Endowment	Library	Parking	Air Quality Improvement	Housing and Community Development	Donated Funds
-	-	2,495,223	9,205	-	-	-
-	-	-	-	-	-	-
11,944,127	-	-	-	174,690	17,941,314	-
903,721	-	7,213	321,277	-	2,400	-
162,916	-	44,205	17,797	358	48,720	15,408
-	-	1,684	2,530,695	-	63,068	-
1,563,262	-	83,279	5,391	-	2,119,190	-
-	-	-	-	-	-	291,179
14,574,026	-	2,631,604	2,884,365	175,048	20,174,692	306,587
-	-	-	-	-	-	-
9,533,045	-	-	2,073,656	11,505	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,692	12,419,244	-	-	-	321,822
-	-	-	-	-	20,364,402	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,533,045	2,692	12,419,244	2,073,656	11,505	20,364,402	321,822
5,040,981	(2,692)	(9,787,640)	810,709	163,543	(189,710)	(15,235)
1,080,006	-	10,654,211	149,671	-	1,256,142	-
(1,954,087)	-	(217,867)	(1,104,437)	(86,905)	(569,320)	-
(874,081)	-	10,436,344	(954,766)	(86,905)	686,822	-
4,166,900	(2,692)	648,704	(144,057)	76,638	497,112	(15,235)
11,440,978	4,111	3,022,491	1,716,812	23,967	21,082,588	1,412,426
15,607,878	1,419	3,671,195	1,572,755	100,605	21,579,700	1,397,191

CITY OF PASADENA
Non-Major Governmental Funds
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	Housing Successor	Total
Revenues:		
Taxes	\$ -	8,982,657
Licenses and permits	-	7,341,355
Intergovernmental revenues	-	41,984,940
Charges for services	320	11,845,175
Investment earnings	21,627	985,851
Rental income	62,041	2,657,488
Miscellaneous revenues	205,824	4,038,864
Contributions	377,481	668,660
Total revenues	<u>667,293</u>	<u>78,504,990</u>
Expenditures:		
Current:		
Public safety	-	2,046,053
Transportation	-	11,662,973
Sanitation	-	4,273,525
Health	-	13,553,229
Culture and leisure	-	12,743,758
Community development	12,322	25,328,248
Debt service:		
Principal retirement	-	-
Interest	-	-
Total expenditures	<u>12,322</u>	<u>69,607,786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>654,971</u>	<u>8,897,204</u>
Other financing sources (uses):		
Transfers in	-	14,152,294
Transfers out	-	(10,003,219)
Total other financing sources (uses)	<u>-</u>	<u>4,149,075</u>
Change in fund balances	<u>654,971</u>	<u>13,046,279</u>
Fund balances (deficit) at beginning of year, as restated (note 21)	<u>20,460,969</u>	<u>109,085,012</u>
Fund balances (deficit) at end of year	<u>\$ 21,115,940</u>	<u>122,131,291</u>

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CITY OF PASADENA
Public Safety Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 2,608,609	3,118,868	2,393,894	(724,974)
Investment earnings	(1,467)	(1,467)	14,933	16,400
Total revenues	<u>2,607,142</u>	<u>3,117,401</u>	<u>2,408,827</u>	<u>(708,574)</u>
Expenditures:				
Current:				
Public safety	2,500,034	3,010,293	2,046,053	964,240
Total expenditures	<u>2,500,034</u>	<u>3,010,293</u>	<u>2,046,053</u>	<u>964,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>107,108</u>	<u>107,108</u>	<u>362,774</u>	<u>255,666</u>
Other financing sources (uses):				
Transfers out	(5,117)	(205,117)	(60,417)	144,700
Total other financing sources (uses)	<u>(5,117)</u>	<u>(205,117)</u>	<u>(60,417)</u>	<u>144,700</u>
Change in fund balances	101,991	(98,009)	302,357	400,366
Fund balance at beginning of year	<u>1,692,594</u>	<u>1,692,594</u>	<u>1,692,594</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,794,585</u>	<u>1,594,585</u>	<u>1,994,951</u>	<u>400,366</u>

CITY OF PASADENA
Health Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 650,828	650,828	829,451	178,623
Licenses and permits	1,098,770	1,098,770	1,086,060	(12,710)
Intergovernmental revenues	11,060,804	11,560,804	9,530,915	(2,029,889)
Charges for services	1,096,093	1,112,093	921,098	(190,995)
Investment earnings	(13,824)	(13,824)	-	13,824
Miscellaneous revenues	1,523,400	1,523,400	43,999	(1,479,401)
Total revenues	15,416,071	15,932,071	12,411,523	(3,520,548)
Expenditures:				
Current:				
Health	14,432,504	15,657,037	13,553,229	2,103,808
Total expenditures	14,432,504	15,657,037	13,553,229	2,103,808
Excess (deficiency) of revenues over (under) expenditures	983,567	275,034	(1,141,706)	(1,416,740)
Other financing sources:				
Transfers out	(114,185)	(114,185)	(170,108)	(55,923)
Total other financing sources	(114,185)	(114,185)	(170,108)	(55,923)
Change in fund balances	869,382	160,849	(1,311,814)	(1,472,663)
Fund balance at beginning of year	(1,085,093)	(1,085,093)	(1,085,093)	-
Fund balance (deficit) at end of year	\$ (215,711)	(924,244)	(2,396,907)	(1,472,663)

CITY OF PASADENA
Building Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Licenses and permits	\$ 5,201,439	5,201,439	6,255,295	1,053,856
Investment earnings	6,751	6,751	95,676	88,925
Miscellaneous revenues	200,000	200,000	17,919	(182,081)
Total revenues	<u>6,508,190</u>	<u>6,999,960</u>	<u>8,183,475</u>	<u>1,183,515</u>
Expenditures:				
Current:				
Community development	5,666,449	6,388,229	4,951,524	1,436,705
Total expenditures	<u>5,666,449</u>	<u>6,388,229</u>	<u>4,951,524</u>	<u>1,436,705</u>
Excess (deficiency) of revenues over (under) expenditures	<u>841,741</u>	<u>611,731</u>	<u>3,231,951</u>	<u>2,620,220</u>
Other financing sources (uses):				
Transfers out	(29,260)	(229,260)	(94,706)	134,554
Total other financing sources (uses)	<u>(29,260)</u>	<u>783,004</u>	<u>917,558</u>	<u>134,554</u>
Change in fund balances	812,481	1,394,735	4,149,509	2,754,774
Fund balance (deficit) at beginning of year	<u>3,812,811</u>	<u>3,812,811</u>	<u>3,812,811</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 4,625,292</u>	<u>5,207,546</u>	<u>7,962,320</u>	<u>2,754,774</u>

CITY OF PASADENA
Sewer Construction and Maintenance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 6,929,800	6,929,800	7,874,561	944,761
Investment earnings	59,049	59,049	101,785	42,736
Total revenues	<u>6,988,849</u>	<u>6,988,849</u>	<u>7,976,346</u>	<u>987,497</u>
Expenditures:				
Current:				
Sanitation	4,205,731	4,205,731	4,273,525	(67,794)
Total expenditures	<u>4,205,731</u>	<u>4,205,731</u>	<u>4,273,525</u>	<u>(67,794)</u>
Excess of revenues over expenditures	<u>2,783,118</u>	<u>2,783,118</u>	<u>3,702,821</u>	<u>919,703</u>
Other financing sources (uses):				
Transfers out	(2,966,494)	(3,441,494)	(1,587,474)	1,854,020
Total other financing sources (uses)	<u>(2,966,494)</u>	<u>(3,441,494)</u>	<u>(1,587,474)</u>	<u>1,854,020</u>
Change in fund balances	(183,376)	(658,376)	2,115,347	2,773,723
Fund balance at beginning of year	<u>7,690,539</u>	<u>7,690,539</u>	<u>7,690,539</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,507,163</u>	<u>7,032,163</u>	<u>9,805,886</u>	<u>2,773,723</u>

CITY OF PASADENA
Underground Utilities Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 5,174,946	5,174,946	5,648,778	473,832
Investment earnings	364,346	364,346	462,426	98,080
Total revenues	<u>5,539,292</u>	<u>5,539,292</u>	<u>6,111,204</u>	<u>571,912</u>
Expenditures:				
Current:				
Transportation	44,767	44,767	44,767	-
Total expenditures	<u>44,767</u>	<u>44,767</u>	<u>44,767</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,494,525</u>	<u>5,494,525</u>	<u>6,066,437</u>	<u>571,912</u>
Other financing sources (uses):				
Transfers out	(3,287,958)	(3,287,958)	(4,157,898)	(869,940)
Total other financing sources (uses)	<u>(3,287,958)</u>	<u>(3,287,958)</u>	<u>(4,157,898)</u>	<u>(869,940)</u>
Change in fund balances	2,206,567	2,206,567	1,908,539	(298,028)
Fund balance at beginning of year	<u>37,809,819</u>	<u>37,809,819</u>	<u>37,809,819</u>	<u>-</u>
Fund balance at end of year	<u>\$ 40,016,386</u>	<u>40,016,386</u>	<u>39,718,358</u>	<u>(298,028)</u>

CITY OF PASADENA
Transportation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 11,170,433	11,676,433	11,944,127	267,694
Charges for services	892,515	892,515	903,721	11,206
Investment earnings	96,605	96,605	162,916	66,311
Miscellaneous revenues	1,444,400	1,444,400	1,563,262	118,862
Total revenues	<u>13,603,953</u>	<u>14,109,953</u>	<u>14,574,026</u>	<u>464,073</u>
Expenditures:				
Current:				
Transportation	11,181,272	11,038,233	9,533,045	1,505,188
Total expenditures	<u>11,182,197</u>	<u>11,039,158</u>	<u>9,533,045</u>	<u>1,506,113</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,421,756</u>	<u>3,070,795</u>	<u>5,040,981</u>	<u>1,970,186</u>
Other financing sources (uses):				
Transfers in	1,178,994	1,180,006	1,080,006	(100,000)
Transfers out	(3,016,335)	(4,603,143)	(1,954,087)	2,649,056
Total other financing sources (uses)	<u>(1,837,341)</u>	<u>(3,423,137)</u>	<u>(874,081)</u>	<u>2,549,056</u>
Change in fund balances	584,415	(352,342)	4,166,900	4,519,242
Fund balance at beginning of year	<u>11,440,978</u>	<u>11,440,978</u>	<u>11,440,978</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,025,393</u>	<u>11,088,636</u>	<u>15,607,878</u>	<u>4,519,242</u>

CITY OF PASADENA
Human Services Endowment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Investment earnings	\$ 2,203	2,203	-	(2,203)
Total revenues	2,203	2,203	-	(2,203)
Expenditures:				
Current:				
Culture and leisure	2	2	2,692	(2,690)
Total expenditures	2	2	2,692	(2,690)
Excess (deficiency) of revenues over (under) expenditures	2,201	2,201	(2,692)	(4,893)
Change in fund balances	2,201	2,201	(2,692)	(4,893)
Fund balance at beginning of year	4,111	4,111	4,111	-
Fund balance at end of year	\$ 6,312	6,312	1,419	(4,893)

CITY OF PASADENA
Library Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,505,770	2,505,770	2,495,223	(10,547)
Charges for services	11,040	9,000	7,213	(1,787)
Investment earnings	31,329	31,329	44,205	12,876
Rental income	2,000	2,000	1,684	(316)
Miscellaneous revenues	77,049	77,049	83,279	6,230
Total revenues	2,627,188	2,625,148	2,631,604	6,456
Expenditures:				
Current:				
Culture and leisure	13,494,347	13,494,347	12,419,244	1,075,103
Total expenditures	13,494,347	13,494,347	12,419,244	1,075,103
(Deficiency) of revenues (under) expenditures	(10,867,159)	(10,869,199)	(9,787,640)	1,081,559
Other financing sources (uses):				
Transfers in	10,654,211	10,654,211	10,654,211	-
Transfers out	(107,489)	(190,611)	(217,867)	(27,256)
Total other financing sources (uses)	10,546,722	10,463,600	10,436,344	(27,256)
Change in fund balances	(320,437)	(405,599)	648,704	1,054,303
Fund balance at beginning of year	3,022,491	3,022,491	3,022,491	-
Fund balance at end of year	\$ 2,702,054	2,616,892	3,671,195	1,054,303

CITY OF PASADENA
Parking Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 15,000	15,000	9,205	(5,795)
Charges for services	357,540	357,540	321,277	(36,263)
Investment earnings	8,897	8,897	17,797	8,900
Rental income	2,423,700	2,423,700	2,530,695	106,995
Miscellaneous revenues	-	-	5,391	5,391
Total revenues	<u>2,805,137</u>	<u>2,805,137</u>	<u>2,884,365</u>	<u>79,228</u>
Expenditures:				
Current:				
Transportation	<u>2,172,254</u>	<u>2,439,153</u>	<u>2,073,656</u>	<u>365,497</u>
Total expenditures	<u>2,172,254</u>	<u>2,439,153</u>	<u>2,073,656</u>	<u>365,497</u>
Excess of revenues over expenditures	<u>632,883</u>	<u>365,984</u>	<u>810,709</u>	<u>444,725</u>
Other financing sources (uses):				
Transfers in	149,671	161,997	149,671	(12,326)
Transfers out	<u>(1,077,916)</u>	<u>(1,373,242)</u>	<u>(1,104,437)</u>	<u>268,805</u>
Total other financing sources (uses)	<u>(928,245)</u>	<u>(1,211,245)</u>	<u>(954,766)</u>	<u>256,479</u>
Change in fund balances	(295,362)	(845,261)	(144,057)	701,204
Fund balance at beginning of year	<u>1,716,812</u>	<u>1,716,812</u>	<u>1,716,812</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,421,450</u>	<u>871,551</u>	<u>1,572,755</u>	<u>701,204</u>

CITY OF PASADENA
Air Quality Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 167,558	167,558	174,690	7,132
Investment earnings	(704)	(704)	358	1,062
Total revenues	<u>166,854</u>	<u>166,854</u>	<u>175,048</u>	<u>8,194</u>
Expenditures:				
Current:				
Transportation	100,000	105,000	11,505	93,495
Total expenditures	<u>100,000</u>	<u>105,000</u>	<u>11,505</u>	<u>93,495</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66,854</u>	<u>61,854</u>	<u>163,543</u>	<u>101,689</u>
Other financing sources (uses):				
Transfers out	<u>(86,905)</u>	<u>(86,905)</u>	<u>(86,905)</u>	<u>-</u>
Total other financing sources (uses)	<u>(86,905)</u>	<u>(86,905)</u>	<u>(86,905)</u>	<u>-</u>
Change in fund balances	(20,051)	(25,051)	76,638	101,689
Fund balance at beginning of year	<u>23,967</u>	<u>23,967</u>	<u>23,967</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 3,916</u></u>	<u><u>(1,084)</u></u>	<u><u>100,605</u></u>	<u><u>101,689</u></u>

CITY OF PASADENA
Housing and Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 17,327,135	17,327,654	17,941,314	613,660
Charges for services	-	-	2,400	2,400
Investment earnings	36,509	36,509	48,720	12,211
Rental income	118,896	118,896	63,068	(55,828)
Miscellaneous revenues	251,608	251,608	2,119,190	1,867,582
Total revenues	17,734,148	17,734,667	20,174,692	2,440,025
Expenditures:				
Current:				
Community development	19,224,262	20,624,780	20,364,402	260,378
Debt service:				
Principal retirement	150,000	150,000	-	150,000
Total expenditures	19,374,262	20,774,780	20,364,402	410,378
Excess (deficiency) of revenues over (under) expenditures	(1,640,114)	(3,040,113)	(189,710)	2,850,403
Other financing sources (uses):				
Transfers in	1,256,142	1,256,142	1,256,142	-
Transfers out	(74,352)	(74,352)	(569,320)	(494,968)
Total other financing sources (uses)	1,181,790	1,181,790	686,822	(494,968)
Change in fund balances	(458,324)	(1,858,323)	497,112	2,355,435
Fund balance at beginning of year	21,082,588	21,082,588	21,082,588	-
Fund balance at end of year	\$ 20,624,264	19,224,265	21,579,700	2,355,435

CITY OF PASADENA
Donated Funds
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ 15,419	15,419	15,408	(11)
Contributions	50,000	50,000	291,179	241,179
Total revenues	<u>65,419</u>	<u>65,419</u>	<u>306,587</u>	<u>241,168</u>
Expenditures:				
Current:				
Culture and leisure	<u>323,869</u>	<u>323,869</u>	<u>321,822</u>	<u>2,047</u>
Total expenditures	<u>323,869</u>	<u>323,869</u>	<u>321,822</u>	<u>2,047</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(258,450)</u>	<u>(258,450)</u>	<u>(15,235)</u>	<u>243,215</u>
Change in fund balances	(258,450)	(258,450)	(15,235)	243,215
Fund balance at beginning of year	<u>1,412,426</u>	<u>1,412,426</u>	<u>1,412,426</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,153,976</u></u>	<u><u>1,153,976</u></u>	<u><u>1,397,191</u></u>	<u><u>243,215</u></u>

CITY OF PASADENA
Housing Successor Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Charges for services	\$ -	-	320	320
Investment earnings	-	-	21,627	21,627
Rental income	63,301	63,301	62,041	(1,260)
Miscellaneous revenues	100,331	100,331	205,824	105,493
Contributions	-	-	377,481	377,481
Total revenues	<u>163,632</u>	<u>163,632</u>	<u>667,293</u>	<u>503,661</u>
Expenditures:				
Current:				
Community development	36,000	65,960	12,322	53,638
Total expenditures	<u>36,000</u>	<u>65,960</u>	<u>12,322</u>	<u>53,638</u>
Excess (deficiency) of revenues over (under) expenditures	<u>127,632</u>	<u>97,672</u>	<u>654,971</u>	<u>557,299</u>
Other financing sources (uses):				
Transfers in	291,512	291,512	-	(291,512)
Transfers out	<u>(291,512)</u>	<u>(291,512)</u>	<u>-</u>	<u>291,512</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	<u>20,460,969</u>	<u>20,460,969</u>	<u>20,460,969</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,588,601</u>	<u>20,558,641</u>	<u>21,115,940</u>	<u>557,299</u>

NON-MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for and payment of the City's general long-term debt principal and interest.

1993 Certificates of Participation Fund - to account for the payment of interest and principal on certain construction projects and infrastructure improvements.

2006 Lease Revenue Bond Debt Service – to account for the payments of interest and principal on certain construction projects and infrastructure, public facilities and capital improvements.

2008 Series B Refunding COP Fund – to account for the payment of interest and principle on certain construction projects and infrastructure, public facilities and capital improvements.

2008 Series C Refunding COP Fund – to account for the payment of interest and principle on certain municipal building renovation and park improvement projects.

CITY OF PASADENA
Non-Major Governmental Funds
Debt Service Funds
Combining Balance Sheet
June 30, 2015

	1993 Certificates of Participation (COP)	2006 Lease Revenue Bond Debt Service	2008 Series B Refunding COP Debt Service
Assets			
Cash and investments	\$ 3,551,671	15,407	1,253,682
Total assets	<u>3,551,671</u>	<u>15,407</u>	<u>1,253,682</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	3,551,671	15,407	1,253,682
Total fund balances	<u>3,551,671</u>	<u>15,407</u>	<u>1,253,682</u>
Total liabilities and fund balances	<u>\$ 3,551,671</u>	<u>15,407</u>	<u>1,253,682</u>

**2008 Series C
Refunding COP
Debt Service**

Total

<u>4,902,606</u>	<u>9,723,366</u>
<u>4,902,606</u>	<u>9,723,366</u>

<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

<u>4,902,606</u>	<u>9,723,366</u>
<u>4,902,606</u>	<u>9,723,366</u>
<u>4,902,606</u>	<u>9,723,366</u>

CITY OF PASADENA
Non-Major Governmental Funds
Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	1993 Certificates of Participation (COP)	2006 Lease Revenue Bond Debt Service	2008 Series B Refunding COP Debt Service
Revenues:			
Investment earnings	\$ 48,835	2	33,221
Total revenues	<u>48,835</u>	<u>2</u>	<u>33,221</u>
Expenditures:			
Current:			
General government	2,000	3,012	5,215
Debt service:			
Principal retirement	-	540,000	2,675,913
Interest	-	256,700	633,920
Total expenditures	<u>2,000</u>	<u>799,712</u>	<u>3,315,048</u>
(Deficiency) of revenues (under) expenditures	<u>46,835</u>	<u>(799,710)</u>	<u>(3,281,827)</u>
Other financing sources:			
Transfers in	<u>1,992</u>	<u>799,712</u>	<u>3,315,048</u>
Total other financing sources	<u>1,992</u>	<u>799,712</u>	<u>3,315,048</u>
Change in fund balances	<u>48,827</u>	<u>2</u>	<u>33,221</u>
Fund balances at beginning of year	<u>3,502,844</u>	<u>15,405</u>	<u>1,220,461</u>
Fund balances at end of year	<u><u>\$ 3,551,671</u></u>	<u><u>15,407</u></u>	<u><u>1,253,682</u></u>

2008 Series C Refunding COP Debt Service	Total
66,928	148,986
<u>66,928</u>	<u>148,986</u>
3,042	13,269
1,565,000	4,780,913
<u>2,948,565</u>	<u>3,839,185</u>
<u>4,516,607</u>	<u>8,633,367</u>
<u>(4,449,679)</u>	<u>(8,484,381)</u>
<u>4,518,780</u>	<u>8,635,532</u>
<u>4,518,780</u>	<u>8,635,532</u>
<u>69,101</u>	<u>151,151</u>
<u>4,833,505</u>	<u>9,572,215</u>
<u><u>4,902,606</u></u>	<u><u>9,723,366</u></u>

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NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition or construction of major capital facilities by the City, other than those financed by proprietary funds.

Charter Capital Projects Fund - to account for certain resources identified by the City Council for the acquisition, construction, replacement or repair of municipal improvements where disbursements other than specific municipal improvement projects can be authorized only by a vote of the people.

New Development Impact Fund - to account for fees received from developers of commercial and industrial facilities to be used to fund capital projects, which are made necessary in whole or in part by new development.

Residential Development Impact Fund - to account for fees received from developers of residential facilities to be used to develop park or recreational facilities.

10% Green Fee Capital Projects Fund - to account for capital improvements related to the development of the Arroyo Seco. Funding comes from 10% of the gross receipts generated from green fees at the Brookside Golf Course, which are submitted to the capital project fund.

Capital Public Art Fund – to account for fees collected to be used for public art projects.

Traffic Reduction and Transportation Improvement Fee Fund – to account for fees assessed on new fee for new industrial, office, retail, and residential development, to insure that the transportation improvements identified in the Mobility Element necessary to address the impact of new development on the City's transportation system are equitably shared by all new development.

CITY OF PASADENA
Non-Major Governmental Funds
Capital Projects Funds
Combining Balance Sheet
June 30, 2015

	Charter Capital Projects	New Development Impact	Residential Development Impact	10% Green Fee Capital Projects
Assets				
Cash and investments	\$ 1,899,734	684,052	19,131,557	141,873
Accounts receivable	554	1,652	46,206	343
Total assets	\$ 1,900,288	685,704	19,177,763	142,216
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	-	-	-
Total liabilities	-	-	-	-
Fund balances:				
Restricted	1,900,288	-	-	-
Committed	-	685,704	19,177,763	142,216
Total fund balances	1,900,288	685,704	19,177,763	142,216
Total liabilities and fund balances	\$ 1,900,288	685,704	19,177,763	142,216

Capital Public Art	Traffic Reduction Transportation Improvement	Total
726,965	2,765,712	25,349,893
1,711	6,680	57,146
<u>728,676</u>	<u>2,772,392</u>	<u>25,407,039</u>
26,957	114,073	141,030
<u>26,957</u>	<u>114,073</u>	<u>141,030</u>
-	-	1,900,288
701,719	2,658,319	23,365,721
<u>701,719</u>	<u>2,658,319</u>	<u>25,266,009</u>
<u>728,676</u>	<u>2,772,392</u>	<u>25,407,039</u>

CITY OF PASADENA
Non-Major Governmental Funds
Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	Charter Capital Projects	New Development Impact	Residential Development Impact	10% Green Fee Capital Projects
Revenues:				
Charges for services	\$ -	-	-	-
Investment earnings	4,201	12,859	195,325	1,269
Miscellaneous revenues	-	-	-	-
Contributions	-	-	7,007,012	-
Total revenues	<u>4,201</u>	<u>12,859</u>	<u>7,202,337</u>	<u>1,269</u>
Expenditures:				
Current:				
General government	5,446	20,555	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>5,446</u>	<u>20,555</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,245)</u>	<u>(7,696)</u>	<u>7,202,337</u>	<u>1,269</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(7,613)	(421,698)	(1,907,604)	(140,669)
Total other financing sources (uses)	<u>(7,613)</u>	<u>(421,698)</u>	<u>(1,907,604)</u>	<u>(140,669)</u>
Change in fund balances	<u>(8,858)</u>	<u>(429,394)</u>	<u>5,294,733</u>	<u>(139,400)</u>
Fund balances (deficits) at beginning	<u>1,909,146</u>	<u>1,115,098</u>	<u>13,883,030</u>	<u>281,616</u>
Fund balances (deficits) at end of year	<u><u>\$ 1,900,288</u></u>	<u><u>685,704</u></u>	<u><u>19,177,763</u></u>	<u><u>142,216</u></u>

Capital Public Art	Traffic Reduction Transportation Improvement	Total
-	1,790,875	1,790,875
5,624	30,330	249,608
171,074	-	171,074
-	-	7,007,012
<u>176,698</u>	<u>1,821,205</u>	<u>9,218,569</u>
-	-	26,001
<u>111,756</u>	<u>2,506</u>	<u>114,262</u>
<u>111,756</u>	<u>2,506</u>	<u>140,263</u>
64,942	1,818,699	9,078,306
145,000	-	145,000
-	(782,719)	(3,260,303)
<u>145,000</u>	<u>(782,719)</u>	<u>(3,115,303)</u>
<u>209,942</u>	<u>1,035,980</u>	<u>5,963,003</u>
<u>491,777</u>	<u>1,622,339</u>	<u>19,303,006</u>
<u><u>701,719</u></u>	<u><u>2,658,319</u></u>	<u><u>25,266,009</u></u>

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NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Vroman Art Bequest Fund - for purchase of books on art and works of art for the Pasadena Public Library.

Singer Trust Fund - for maintenance of Singer Park.

Noble Award Fund - for purchase of medals to award persons rendering notable service in promoting the beauty or general welfare of Pasadena.

Sheldon Memorial Fund - to finance periodic awards to deserving citizens.

Pasadena Center Capital Improvement Trust Fund - for capital improvements.

Cox Trust Fund - for purchase of literary classics.

Jankos Trust Fund - for purchase of books and materials for the purpose of self-improvement, career development, and agriculture.

Hudson Family Trust Fund - for the purchase of any type of library material for the Lamanda Park Branch of the Pasadena Public Library.

M. A. Berger Trust Fund - for support and maintenance of the Library's business and economic collections.

CITY OF PASADENA
Non-Major Governmental Funds
Permanent Funds
Combining Balance Sheet
June 30, 2015

	Vroman Art Bequest	Singer Trust	Noble Award	Sheldon Memorial	Pasadena Center Capital Improvement Trust
Assets:					
Cash and investments	\$ 5,558	44,128	5,878	307	433,752
Accounts receivable	13	107	14	1	1,048
Total assets	<u>\$ 5,571</u>	<u>44,235</u>	<u>5,892</u>	<u>308</u>	<u>434,800</u>
Fund balances:					
Nonspendable	\$ 5,000	23,426	1,100	298	400,000
Restricted	571	20,809	4,792	10	-
Committed	-	-	-	-	34,800
Total fund balances	<u>5,571</u>	<u>44,235</u>	<u>5,892</u>	<u>308</u>	<u>434,800</u>
Total liabilities and fund balances	<u><u>\$ 5,571</u></u>	<u><u>44,235</u></u>	<u><u>5,892</u></u>	<u><u>308</u></u>	<u><u>434,800</u></u>

Cox Trust	Jankos Trust	Hudson Family Trust	M.A. Berger Trust	Total
4,435	26,492	105,193	1,307,321	1,933,064
11	64	254	3,157	4,669
<u>4,446</u>	<u>26,556</u>	<u>105,447</u>	<u>1,310,478</u>	<u>1,937,733</u>
4,307	25,000	100,000	875,000	1,434,131
139	1,556	5,447	435,478	468,802
-	-	-	-	34,800
<u>4,446</u>	<u>26,556</u>	<u>105,447</u>	<u>1,310,478</u>	<u>1,937,733</u>
<u>4,446</u>	<u>26,556</u>	<u>105,447</u>	<u>1,310,478</u>	<u>1,937,733</u>

CITY OF PASADENA
Non-Major Governmental Funds
Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	<u>Vroman Art Bequest</u>	<u>Singer Trust</u>	<u>Noble Award</u>	<u>Sheldon Memorial</u>	<u>Pasadena Center Capital Improvement Trust</u>
Revenues:					
Investment earnings	\$ 59	489	65	4	3,170
Total revenues	<u>59</u>	<u>489</u>	<u>65</u>	<u>4</u>	<u>3,170</u>
Expenditures:					
Current:					
Culture and leisure	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59</u>	<u>489</u>	<u>65</u>	<u>4</u>	<u>3,170</u>
Fund balances at beginning of year	<u>5,512</u>	<u>43,746</u>	<u>5,827</u>	<u>304</u>	<u>431,630</u>
Fund balances at end of year	<u><u>\$ 5,571</u></u>	<u><u>44,235</u></u>	<u><u>5,892</u></u>	<u><u>308</u></u>	<u><u>434,800</u></u>

Cox Trust	Jankos Trust	Hudson Family Trust	M.A. Berger Trust	Total
49	294	1,137	14,649	19,916
49	294	1,137	14,649	19,916
-	-	-	-	-
-	-	-	-	-
49	294	1,137	14,649	19,916
4,397	26,262	104,310	1,295,829	1,917,817
4,446	26,556	105,447	1,310,478	1,937,733

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NON-MAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

Refuse Collection Fund - to account for the operations of the City's refuse collection program, a self-supporting activity, which renders services on a user charge basis to residents and businesses.

Telecommunications Fund - to account for revenues received for the use of the fiber optic system excess capacity by private sector firms and used to repay the loan, which funded its construction, as well as fees for setting up wireless facilities on City-owned property.

CITY OF PASADENA
Non-Major Enterprise Funds
Combining Statement of Net Position
June 30, 2015

	Refuse Collection	Tele- communi- cations	Total
Assets:			
Current assets:			
Cash and investments	\$ 11,136,064	376,412	11,512,476
Accounts receivable, net	2,229,888	244,160	2,474,048
Total current assets	<u>13,365,952</u>	<u>620,572</u>	<u>13,986,524</u>
Noncurrent assets:			
Capital assets	10,575,742	919,918	11,495,660
Less accumulated depreciation	(6,622,001)	(115,157)	(6,737,158)
Net property, plant and equipment	3,953,741	804,761	4,758,502
Total noncurrent assets	<u>3,953,741</u>	<u>804,761</u>	<u>4,758,502</u>
Total assets	<u>17,319,693</u>	<u>1,425,333</u>	<u>18,745,026</u>
Deferred outflow of resources:			
Deferred outflows related to net pension liability	488,664	-	488,664
Total	<u>488,664</u>	<u>-</u>	<u>488,664</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 874,418	2,558	876,976
Deposits	4,513,604	-	4,513,604
Total current liabilities	<u>5,388,022</u>	<u>2,558</u>	<u>5,390,580</u>
Noncurrent liabilities:			
GASB68 Net pension liability	5,508,529	-	5,508,529
Total long-term liabilities	<u>5,508,529</u>	<u>-</u>	<u>5,508,529</u>
Total liabilities	<u>10,896,551</u>	<u>2,558</u>	<u>10,899,109</u>
Deferred inflow of resources:			
Deferred inflows related to net pension liability	1,213,347	-	1,213,347
Total	<u>1,213,347</u>	<u>-</u>	<u>1,213,347</u>
Net Position:			
Net Investment in Capital Assets	3,953,741	804,761	4,758,502
Unrestricted	1,744,718	618,014	2,362,732
Total net position	<u>\$ 5,698,459</u>	<u>1,422,775</u>	<u>7,121,234</u>

CITY OF PASADENA
Non-Major Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2015

	Refuse Collection	Tele- communi- cations	Total
Operating revenues:			
Charges for services:			
Refuse collection	\$ 11,958,902	-	11,958,902
Telecommunication	-	655,505	655,505
Total operating revenues	<u>11,958,902</u>	<u>655,505</u>	<u>12,614,407</u>
Operating expenses:			
Refuse collection	11,989,567	-	11,989,567
Telecommunications	-	40,940	40,940
Depreciation	870,669	47,937	918,606
Total operating expenses	<u>12,860,236</u>	<u>88,877</u>	<u>12,949,113</u>
Operating income (loss)	<u>(901,334)</u>	<u>566,628</u>	<u>(334,706)</u>
Nonoperating revenues (expenses):			
Taxes	4,318,728	-	4,318,728
Intergovernmental revenues	83,780	-	83,780
Investment earnings	121,170	4,065	125,235
Interest expense	(29)	-	(29)
Gain (loss) on disposal of assets	17,045	-	17,045
Miscellaneous revenues	390,973	31,702	422,675
Total nonoperating revenues (expenses)	<u>4,931,667</u>	<u>35,767</u>	<u>4,967,434</u>
Income (loss) before transfers	<u>4,030,333</u>	<u>602,395</u>	<u>4,632,728</u>
Transfers:			
Transfers in	85,000	138,271	223,271
Transfers out	(499,128)	(361,413)	(860,541)
Net income (loss)	<u>3,616,205</u>	<u>379,253</u>	<u>3,995,458</u>
Net position at beginning of year, as restated (note 21)	2,082,254	1,043,522	3,125,776
Net position (deficit) at end of year	<u>\$ 5,698,459</u>	<u>1,422,775</u>	<u>7,121,234</u>

CITY OF PASADENA
Non-Major Enterprise Funds
Combining Statement of Cash Flows
Year Ended June 30, 2015

	Refuse Collection	Tele- communi- cations	Total
Cash flows from operating activities:			
Cash received from customers	11,808,789	551,865	12,360,654
Cash payments to suppliers for goods and services	(2,885,094)	(87,835)	(2,972,929)
Cash payments to employees for services	(4,921,835)	-	(4,921,835)
Cash payments to other funds for services	(2,687,327)	(16,652)	(2,703,979)
Net cash provided by (used for) operating activities	<u>1,314,533</u>	<u>447,378</u>	<u>1,761,911</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	(499,128)	(361,413)	(860,541)
Transfers from other funds	85,000	138,271	223,271
Taxes received	4,318,728	-	4,318,728
Miscellaneous revenues	390,973	31,702	422,675
Net cash provided by (used for) noncapital financing activities	<u>4,379,353</u>	<u>(191,440)</u>	<u>4,187,913</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(292,432)	(211,305)	(503,737)
Proceeds from sale of capital assets	18,095	-	18,095
Principal paid on debt	(9,096)	-	(9,096)
Interest paid on debt	(29)	-	(29)
Net cash used for capital and related financing activities	<u>(283,462)</u>	<u>(211,305)</u>	<u>(494,767)</u>
Cash flows from investing activities:			
Investment earnings (expenses)	147,766	4,974	152,740
Net cash provided by investing activities	<u>147,766</u>	<u>4,974</u>	<u>152,740</u>
Net increase (decrease) in cash and cash equivalents	5,558,190	49,607	5,607,797
Cash and cash equivalents at beginning of year	<u>5,577,874</u>	<u>326,805</u>	<u>5,904,679</u>
Cash and cash equivalents at end of year	<u><u>11,136,064</u></u>	<u><u>376,412</u></u>	<u><u>11,512,476</u></u>

Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:

Cash and investments	\$ 11,136,064	\$ 376,412	\$ 11,512,476
Cash and cash equivalents at end of year	<u>\$ 11,136,064</u>	<u>\$ 376,412</u>	<u>\$ 11,512,476</u>

CITY OF PASADENA
Non-Major Enterprise Funds
Combining Statement of Cash Flows, (Continued)
Year Ended June 30, 2015

	<u>Refuse Collection</u>	<u>Tele- communi- cations</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	(901,334)	566,628	(334,706)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	870,669	47,937	918,606
Increase (decrease) in accounts payable and accrued liabilities	297,737	(63,547)	234,190
Increase (decrease) in deposits payable	1,333,388	-	1,333,388
Increase (decrease) in Deferred Inflow	1,213,347	-	1,213,347
Increase (decrease) in Deferred Outflow	(488,664)	-	(488,664)
Increase (decrease) in Net Pension Obligations	(860,497)	-	(860,497)
Total adjustments	<u>2,215,867</u>	<u>(119,250)</u>	<u>2,096,617</u>
Net cash provided by (used for) operating activities	<u>1,314,533</u>	<u>447,378</u>	<u>1,761,911</u>
Non-cash changes in fair value of investments	<u>10,606</u>	<u>341</u>	<u>10,947</u>

See accompanying notes to the basic financial statements

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one City department to another or to other governmental units on a cost-reimbursement basis.

Computing and Communication Services Fund - to account for all operations of the Computing and Communications Division of the City Manager's Department, which includes such services as data processing, radio communications, telephone, and voice services.

Building Maintenance Fund - to account for housekeeping and structural maintenance of City buildings.

Fleet Maintenance Fund - to account for the procurement maintenance and repair of City vehicles and equipment.

Benefits Fund - to account for employee compensated absences, retirement, and health benefits.

Workers' Compensation Fund - to account for investigation services, temporary disability and medical payments, excess insurance, permanent disability awards, administrative services, and litigation costs. Premiums based on employee worker classifications are indirectly charged to each department for claims proportionate to current industry rates applicable to job functions.

General Liability Fund - to account for payment of self-insured general liability and automobile liability claims, excess insurance, claims adjusting services, litigation costs, and administrative services. Contributions are made from each department and are based on past claims experience and appropriate risk factors.

Printing Services Fund – to account for printing services provided to other departments by the Printing Services Section of the Department of Finance.

Mail Services Fund – to account for mail services provided to other departments by the Mail Services Division of the City Clerk's office.

311 Call Center Fund – to account for the operation of the City's central call center.

CITY OF PASADENA
Internal Service Funds
Combining Statement of Net Position
June 30, 2015

Assets	Computing and Communication Services	Building Maintenance	Fleet Maintenance	Benefits	Workers' Compensation
Current assets:					
Cash and investments	\$ 1,667,233	1,940,231	4,076,117	1,605,054	2,589,740
Accounts receivable	51,028	61,756	27,586	4,139	6,255
Inventories	-	-	219,688	-	-
Prepays and other assets	18,154	-	-	134,264	-
Total current assets	<u>1,736,415</u>	<u>2,001,987</u>	<u>4,323,391</u>	<u>1,743,457</u>	<u>2,595,995</u>
Noncurrent assets:					
Capital assets	12,599,029	48,216	26,957,587	-	-
Less accumulated depreciation	(7,131,066)	(37,983)	(17,106,041)	-	-
Net property, plant and equipment	<u>5,467,963</u>	<u>10,233</u>	<u>9,851,546</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>5,467,963</u>	<u>10,233</u>	<u>9,851,546</u>	<u>-</u>	<u>-</u>
Total assets	<u>7,204,378</u>	<u>2,012,220</u>	<u>14,174,937</u>	<u>1,743,457</u>	<u>2,595,995</u>
Deferred outflow of resources					
Deferred refunding charges	42,360	-	-	-	-
Deferred Inflows related to net pension liability	879,989	429,965	224,316	4,189,437	474,302
Total	<u>922,349</u>	<u>429,965</u>	<u>224,316</u>	<u>4,189,437</u>	<u>474,302</u>
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	569,248	402,546	1,069,392	4,443,964	188,585
Insurance claims payable - current	-	-	-	-	6,246,528
Due to other funds	-	-	-	-	-
Compensated absences	-	-	-	8,206,691	-
Capitalized lease obligations - current	608,862	-	-	-	-
Total current liabilities	<u>1,178,110</u>	<u>402,546</u>	<u>1,069,392</u>	<u>12,650,655</u>	<u>6,435,113</u>
Noncurrent liabilities:					
Insurance claims payable - long-term	-	-	-	-	16,888,759
OPEB liability	-	-	-	19,080,000	-
Capitalized lease obligations - long-term	1,571,139	-	-	-	-
GASB68 Net pension liability	9,966,496	4,782,427	2,695,993	48,328,225	5,505,049
Total long-term liabilities	<u>11,537,635</u>	<u>4,782,427</u>	<u>2,695,993</u>	<u>67,408,225</u>	<u>22,393,808</u>
Total liabilities	<u>12,715,745</u>	<u>5,184,973</u>	<u>3,765,385</u>	<u>80,058,880</u>	<u>28,828,921</u>
Deferred inflow of resources:					
Deferred inflows related to net pension liability	2,195,290	1,053,411	593,838	10,645,112	1,212,580
Total	<u>2,195,290</u>	<u>1,053,411</u>	<u>593,838</u>	<u>10,645,112</u>	<u>1,212,580</u>
Net Position					
Net Investment in Capital Assets	3,330,322	10,233	9,851,546	-	-
Unassigned	(10,114,630)	(3,806,432)	188,484	(84,771,098)	(26,971,204)
Total net position (deficit)	<u>\$ (6,784,308)</u>	<u>(3,796,199)</u>	<u>10,040,030</u>	<u>(84,771,098)</u>	<u>(26,971,204)</u>

General Liability	Printing Services	Mail Services	311 Call Center	Total
4,696,503	-	115,861	135,050	16,825,789
224,600	16,537	39	326	392,266
-	-	-	-	219,688
-	-	56,269	-	208,687
<u>4,921,103</u>	<u>16,537</u>	<u>172,169</u>	<u>135,376</u>	<u>17,646,430</u>
3,714,391	752,439	19,184	-	44,090,846
-	(607,072)	(19,184)	-	(24,901,346)
<u>3,714,391</u>	<u>145,367</u>	<u>-</u>	<u>-</u>	<u>19,189,500</u>
<u>3,714,391</u>	<u>145,367</u>	<u>-</u>	<u>-</u>	<u>19,189,500</u>
<u>8,635,494</u>	<u>161,904</u>	<u>172,169</u>	<u>135,376</u>	<u>36,835,930</u>
-	-	-	-	42,360
22,058	62,595	16,301	46,192	6,345,155
<u>22,058</u>	<u>62,595</u>	<u>16,301</u>	<u>46,192</u>	<u>6,387,515</u>
49,569	73,884	8,959	8,870	6,815,017
3,182,653	-	-	-	9,429,181
-	2,072,717	-	-	2,072,717
-	-	-	-	8,206,691
-	-	-	-	608,862
<u>3,232,222</u>	<u>2,146,601</u>	<u>8,959</u>	<u>8,870</u>	<u>27,132,468</u>
13,568,152	-	-	-	30,456,911
-	-	-	-	19,080,000
-	-	-	-	1,571,139
333,006	669,909	179,147	349,306	72,809,558
<u>13,901,158</u>	<u>669,909</u>	<u>179,147</u>	<u>349,306</u>	<u>123,917,608</u>
<u>17,133,380</u>	<u>2,816,510</u>	<u>188,106</u>	<u>358,176</u>	<u>151,050,076</u>
73,350	147,559	39,460	76,941	16,037,541
<u>73,350</u>	<u>147,559</u>	<u>39,460</u>	<u>76,941</u>	<u>16,037,541</u>
3,714,391	145,367	-	-	17,051,859
(12,263,569)	(2,884,937)	(39,096)	(253,549)	(140,916,031)
<u>(8,549,178)</u>	<u>(2,739,570)</u>	<u>(39,096)</u>	<u>(253,549)</u>	<u>(123,864,172)</u>

CITY OF PASADENA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2015

	Computing and Communication Services	Building Maintenance	Fleet Maintenance	Benefits	Workers' Compensation
Operating revenues:					
Charges for services:					
Computing and communication services	\$ 13,306,213	-	-	-	-
Building maintenance	-	11,459,205	-	-	-
Fleet maintenance	-	-	9,683,777	-	-
Employee benefits	-	-	-	30,488,161	-
Insurance	-	-	-	-	8,516,856
Printing	-	-	-	-	-
Mail	-	-	-	-	-
Total operating revenues	<u>13,306,213</u>	<u>11,459,205</u>	<u>9,683,777</u>	<u>30,488,161</u>	<u>8,516,856</u>
Operating expenses:					
Computing and communication services	11,925,632	-	-	-	-
Building maintenance	-	9,256,438	-	-	-
Fleet maintenance	-	-	6,829,270	-	-
Depreciation	1,191,337	3,109	1,197,057	-	-
Benefits	-	-	-	32,482,406	-
Insurance	-	-	-	-	13,463,451
Printing	-	-	-	-	-
Mail	-	-	-	-	-
311 Call Center	-	-	-	-	-
Total operating expenses	<u>13,116,969</u>	<u>9,259,547</u>	<u>8,026,327</u>	<u>32,482,406</u>	<u>13,463,451</u>
Operating income (loss)	<u>189,244</u>	<u>2,199,658</u>	<u>1,657,450</u>	<u>(1,994,245)</u>	<u>(4,946,595)</u>
Nonoperating revenues (expenses):					
Investment earnings	20,334	16,941	42,118	31,083	27,003
Miscellaneous revenue	36	338,831	-	-	4,429
Interest expense	(64,642)	-	-	-	-
Gain (loss) on disposal of assets	-	(4,342)	61,270	-	-
Total nonoperating revenues (expenses)	<u>(44,272)</u>	<u>351,430</u>	<u>103,388</u>	<u>31,083</u>	<u>31,432</u>
Income (loss) before transfers	144,972	2,551,088	1,760,838	(1,963,162)	(4,915,163)
Transfers from (to) other funds:					
Transfers in	1,118,202	362,180	262,042	-	-
Transfers out	(106,236)	(950,473)	(116,026)	(3,450)	(13,197)
Net income (loss)	<u>1,156,938</u>	<u>1,962,795</u>	<u>1,906,854</u>	<u>(1,966,612)</u>	<u>(4,928,360)</u>
Net position at beginning of year, as restated (note 21)	<u>(7,941,246)</u>	<u>(5,758,994)</u>	<u>8,133,176</u>	<u>(82,804,486)</u>	<u>(22,042,844)</u>
Net position (deficit) at end of year	<u><u>(6,784,308)</u></u>	<u><u>(3,796,199)</u></u>	<u><u>10,040,030</u></u>	<u><u>(84,771,098)</u></u>	<u><u>(26,971,204)</u></u>

General Liability	Printing Services	Mail Services	311 Call Center	Total
-	-	-	-	13,306,213
-	-	-	-	11,459,205
-	-	-	-	9,683,777
-	-	-	-	30,488,161
2,850,052	-	-	-	11,366,908
-	1,132,775	-	-	1,132,775
-	-	445,391	-	445,391
2,850,052	1,132,775	445,391	-	77,882,430
-	-	-	-	11,925,632
-	-	-	-	9,256,438
-	-	-	-	6,829,270
-	70,707	1,778	-	2,463,988
-	-	-	-	32,482,406
1,388,904	-	-	-	14,852,355
-	1,419,280	-	-	1,419,280
-	-	583,942	-	583,942
-	-	-	484,904	484,904
1,388,904	1,489,987	585,720	484,904	80,298,215
1,461,148	(357,212)	(140,329)	(484,904)	(2,415,785)
52,046	(24,221)	1,226	1,795	168,325
-	-	-	-	343,296
-	-	-	-	(64,642)
-	-	-	-	56,928
52,046	(24,221)	1,226	1,795	503,907
1,513,194	(381,433)	(139,103)	(483,109)	(1,911,878)
-	-	-	533,442	2,275,866
(4,904)	-	(2,060)	-	(1,196,346)
1,508,290	(381,433)	(141,163)	50,333	(832,358)
(10,057,468)	(2,358,137)	102,067	(303,882)	(123,031,814)
(8,549,178)	(2,739,570)	(39,096)	(253,549)	(123,864,172)

CITY OF PASADENA
Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2015

	Computing and Communication Services	Building Maintenance	Fleet Maintenance	Benefits	Workers' Compensation
Cash flows from operating activities:					
Cash payments to suppliers for goods or services	\$ (3,910,682)	(4,637,646)	(3,381,494)	(2,431,261)	(4,080,306)
Cash payments to employees for services	(7,398,287)	(3,924,673)	(1,989,522)	(30,604,602)	(7,568,569)
Cash payments to other funds for services	(939,858)	(873,914)	(787,753)	(113,518)	(310,233)
Cash payments from other funds for services	13,386,521	11,441,458	9,772,871	30,492,466	8,516,856
Net cash provided by (used for) operating activities	<u>1,137,694</u>	<u>2,005,225</u>	<u>3,614,102</u>	<u>(2,656,915)</u>	<u>(3,442,252)</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	1,118,202	362,180	262,042	-	-
Transfers to other funds	(106,236)	(950,473)	(116,026)	(3,450)	(13,197)
Miscellaneous revenues	36	338,831	-	-	4,429
Net cash provided by (used for) noncapital financing activities	<u>1,012,002</u>	<u>(249,462)</u>	<u>146,016</u>	<u>(3,450)</u>	<u>(8,768)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(398,807)	-	(2,572,151)	-	-
Proceeds from sale of capital assets	-	-	61,288	-	-
Principal paid on debt	(597,967)	-	-	-	-
Interest paid on debt	(64,642)	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(1,061,416)</u>	<u>-</u>	<u>(2,510,863)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:					
Investment earnings (expenses)	14,863	9,313	39,471	28,138	52,453
Net cash provided by (used for) investing activities	<u>14,863</u>	<u>9,313</u>	<u>39,471</u>	<u>28,138</u>	<u>52,453</u>
Net increase (decrease) in cash and cash equivalents	<u>1,103,143</u>	<u>1,765,076</u>	<u>1,288,726</u>	<u>(2,632,227)</u>	<u>(3,398,567)</u>
Cash and cash equivalents at beginning of year	<u>564,090</u>	<u>175,155</u>	<u>2,787,391</u>	<u>4,237,281</u>	<u>5,988,307</u>
Cash and cash equivalents at end of year	<u>\$ 1,667,233</u>	<u>1,940,231</u>	<u>4,076,117</u>	<u>1,605,054</u>	<u>2,589,740</u>
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:					
Cash and investments	\$ 1,667,233	1,940,231	4,076,117	1,605,054	2,589,740
Cash and cash equivalents at end of year	<u>\$ 1,667,233</u>	<u>1,940,231</u>	<u>4,076,117</u>	<u>1,605,054</u>	<u>2,589,740</u>

General Liability	Printing Services	Mail Services	311 Call Center	Totals	
				2015	2014
(2,254,094)	(1,539,289)	(244,347)	(34,896)	(22,514,015)	(23,519,004)
(208,771)	528,131	(188,976)	(412,486)	(51,767,755)	(49,597,851)
(198,295)	(91,526)	-	(59,847)	(3,374,945)	(4,198,713)
2,701,326	1,124,669	445,506	(326)	77,881,347	75,160,356
40,166	21,985	12,183	(507,556)	224,632	(2,155,212)
-	-	-	533,442	2,275,866	6,383,937
(4,904)	-	(2,060)	-	(1,196,346)	(906,862)
-	-	-	-	343,296	334,736
(4,904)	-	(2,060)	533,442	1,422,816	5,811,811
-	-	-	-	(2,970,958)	(1,295,302)
-	-	-	-	61,288	(72,204)
-	-	-	-	(597,967)	(587,265)
-	-	-	-	(64,642)	(75,365)
-	-	-	-	(3,572,279)	(2,030,136)
45,541	(21,985)	1,072	1,795	170,661	155,048
45,541	(21,985)	1,072	1,795	170,661	155,048
80,803	-	11,195	27,681	(1,754,170)	1,781,511
4,615,700	-	104,666	107,369	18,579,959	16,337,085
4,696,503	-	115,861	135,050	16,825,789	18,118,596
4,696,503	-	115,861	135,050	16,825,789	18,687,327
4,696,503	-	115,861	135,050	16,825,789	18,687,327

CITY OF PASADENA
Internal Service Funds
Combining Statement of Cash Flows, (Continued)
Year Ended June 30, 2015

	<u>Computing and Communication Services</u>	<u>Building Maintenance</u>	<u>Fleet Maintenance</u>	<u>Benefits</u>	<u>Workers' Compensation</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 189,244	2,199,658	1,657,450	(1,994,245)	(4,946,595)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,191,337	3,109	1,197,057	-	-
(Increase) decrease in accounts receivable	80,308	(17,747)	89,094	4,305	-
(Increase) decrease in due from other funds	-	-	-	-	-
(Increase) decrease in inventories	-	-	(1,936)	-	-
(Increase) decrease in prepaids and other assets	18,154	-	-	2,310	-
(Increase) decrease in deferred outflow related to pension liability	(79,801)	(45,994)	(7,861)	(309,269)	(32,314)
Increase (decrease) in accounts payable and accrued liabilities	(99,766)	(56,170)	724,062	356,392	95,593
Increase (decrease) in due to other funds	-	-	-	-	-
Increase (decrease) in insurance claims payable	-	-	-	-	1,530,425
Increase (decrease) in OPEB liability	-	-	-	2,110,000	-
Increase (decrease) in pension liability	(2,357,072)	(1,131,042)	(637,602)	(11,429,606)	(1,301,941)
Increase (decrease) in deferred inflow related to pension liability	2,195,290	1,053,411	593,838	10,645,112	1,212,580
Increase (decrease) in compensated absences	-	-	-	(2,041,914)	-
Total adjustments	<u>948,450</u>	<u>(194,433)</u>	<u>1,956,652</u>	<u>(662,670)</u>	<u>1,504,343</u>
Net cash provided by (used for) operating activities	<u>\$ 1,137,694</u>	<u>2,005,225</u>	<u>3,614,102</u>	<u>(2,656,915)</u>	<u>(3,442,252)</u>
Non-cash changes in fair value of investments	<u>\$ 40,107</u>	<u>(22,442)</u>	<u>130,644</u>	<u>418,908</u>	<u>250,297</u>

General Liability	Printing Services	Mail Services	311 Call Center	Totals	
				2015	2014
1,461,148	(357,212)	(140,329)	(484,904)	(2,415,785)	(9,944,424)
-	70,707	1,778	-	2,463,988	2,459,729
(148,726)	(8,106)	115	(326)	(1,083)	52,698
-	306,841	-	-	306,841	1,188,502
-	-	-	-	(1,936)	2,706
-	-	187,952	-	208,416	(17,216)
4,678	147,559	(1,918)	(18,147)	(343,067)	-
(179,803)	29,439	(32,507)	1,491	838,731	(1,199,399)
-	-	-	-	-	(862,777)
(1,091,725)	-	-	-	438,700	3,869,625
-	-	-	-	2,110,000	2,057,982
(78,756)	(158,434)	(42,368)	(82,611)	(17,219,432)	-
73,350	(8,809)	39,460	76,941	15,881,173	-
-	-	-	-	(2,041,914)	237,362
(1,420,982)	379,197	152,512	(22,652)	2,640,417	7,789,212
40,166	21,985	12,183	(507,556)	224,632	(2,155,212)
151,682	8,703	(306)	(54)	977,539	1,010,904

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FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee or agency capacity for individuals, governmental entities, and others, and are operated by carrying out the specifications of trust indentures, statutes, ordinances, or other governing regulations.

Pension Trust Fund:

Deferred Compensation Fund - to account for resources earned by present and former employees and held in a trust capacity by the City in accordance with the provisions of Internal Revenue Code Section 457.

Fire and Police Retirement Fund - to account for transactions of the Fire and Police Retirement System, which is governed by its own retirement board.

Agency Funds:

Lake/Washington Special Assessment District Fund - to account for maintenance costs of the parking lot located at Lake Avenue and Washington Boulevard.

Library Equipment Replacement Fund - to account for the library automated control system operated under joint agreement with the City of Glendale.

Workforce Investment Act Fund – to account for the administration of Workforce Investment Act activities under the direction of the Foothill Workforce Investment Board (FWIB).

Open Space Assessment District Fund – to account for receipt and disbursement of debt service activity related to the acquisition and improvement of the Annandale Canyon Estates and adjacent property to be established as open space.

Private-Purpose Trust Funds: Fiduciary fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. Private-purpose trust funds are used for the activities of the Successor Agency to the Pasadena Community Development Commission. Please see the next tab for the combining statements related to the Successor Agency.

**CITY OF PASADENA
Pension Trust Funds
Combining Statement of Net Position
June 30, 2015**

	Deferred Compensation	Fire and Police Retirement System	Total
Assets			
Cash and cash equivalents	\$ 240,727,087	6,469,469	247,196,556
Receivables:			
Pending trade sales	-	426,624	426,624
Interest	-	193,141	193,141
Total receivables	-	619,765	619,765
Investments, at fair value:			
Government and agencies	-	30,523,507	30,523,507
Domestic corporate obligations	-	31,272,118	31,272,118
International corporate obligations	-	1,639,029	1,639,029
Real estate	-	19,145,181	19,145,181
Real estate investment trust (REIT)	-	207,577	207,577
Domestic corporate stocks	-	28,980,965	28,980,965
International corporate stocks	-	26,437,551	26,437,551
Total investments	-	138,205,928	138,205,928
Total assets	\$ 240,727,087	145,295,162	386,022,249
Liabilities			
Accounts payable and accrued liabilities	\$ -	92,597	92,597
Pending purchases	-	5,233,525	5,233,525
Total liabilities	\$ -	5,326,122	5,326,122
Net position reserved in trust for employees' pension benefits	\$ 240,727,087	139,969,040	380,696,127

CITY OF PASADENA
Pension Trust Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2015

	Deferred Compensation	Fire and Police Retirement System	Total
Additions:			
Contributions:			
Plan members	\$ 17,346,597	-	17,346,597
Total contributions	17,346,597	-	17,346,597
Net investment income:			
Investment earnings	8,198,429	3,085,142	11,283,571
Interest	-	2,059,075	2,059,075
Dividends	-	1,101,967	1,101,967
Other	-	-	-
Gross investment income	8,198,429	6,246,184	14,444,613
Less investment expenses	-	(563,740)	(563,740)
Net investment income	8,198,429	5,682,444	13,880,873
Total additions	25,545,026	5,682,444	31,227,470
Deductions:			
Benefits paid to participants	13,714,610	13,644,833	27,359,443
Administrative expenses	149,575	272,961	422,536
Total deductions	13,864,185	13,917,794	27,781,979
Increase/(Decrease) in amount held for employees	11,680,841	(8,235,350)	3,445,491
Amount held in trust for employees:			
Beginning of year	229,046,246	148,204,390	377,250,636
End of year	\$ 240,727,087	139,969,040	380,696,127

CITY OF PASADENA
 Agency Funds
 Combining Balance Sheet
 June 30, 2015

	Lake/ Washington Special Assessment District	Library Equipment Replacement	Workforce Investment Act	Open Space Assessment District	Total
Assets:					
Cash and investments	\$ -	1,287,102	2,677	153,439	1,443,218
Accounts receivable	-	3,108	850,740	2,021	855,869
Other assets	-	-	-	943,975	943,975
Total assets	<u>\$ -</u>	<u>1,290,210</u>	<u>853,417</u>	<u>1,099,435</u>	<u>3,243,062</u>
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,599	13,238	853,417	750	871,004
Due to other governments	(3,599)	1,276,972	-	-	1,273,373
Due to bondholders	-	-	-	1,098,685	1,098,685
Total liabilities	<u>\$ -</u>	<u>1,290,210</u>	<u>853,417</u>	<u>1,099,435</u>	<u>3,243,062</u>

CITY OF PASADENA
Agency Funds
Combining Statements of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2015

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
<u>LAKE/WASHINGTON SPECIAL ASSESSEMENT DISTRICT</u>				
<u>Assets</u>				
Cash and investments	\$ -	28,214	28,214	-
Accounts receivable	906	71	977	-
Total assets	<u>\$ 906</u>	<u>28,285</u>	<u>29,191</u>	<u>-</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 1,384	2,215	-	3,599
Due to other governments	(478)	25,093	28,214	(3,599)
Total liabilities	<u>\$ 906</u>	<u>27,308</u>	<u>28,214</u>	<u>-</u>
<u>LIBRARY EQUIPMENT REPLACEMENT</u>				
<u>Assets</u>				
Cash and investments	\$ 1,507,936	-	220,834	1,287,102
Accounts receivable	4,152	-	1,044	3,108
Total assets	<u>\$ 1,512,088</u>	<u>-</u>	<u>221,878</u>	<u>1,290,210</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 13,271	-	33	13,238
Due to other governments	1,498,817	-	221,845	1,276,972
Total liabilities	<u>\$ 1,512,088</u>	<u>-</u>	<u>221,878</u>	<u>1,290,210</u>

(Continued)

CITY OF PASADENA
Agency Funds
Combining Statements of Changes in Assets and Liabilities (Continued)
For the Fiscal Year Ended June 30, 2015

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
<u>WORKFORCE INVESTMENT ACT</u>				
<u>Assets</u>				
Cash and investments	\$ -	2,677	-	2,677
Accounts receivable	585,693	850,740	585,693	850,740
Total assets	<u>\$ 585,693</u>	<u>853,417</u>	<u>585,693</u>	<u>853,417</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 585,693	853,417	585,693	853,417
Total liabilities	<u>\$ 585,693</u>	<u>853,417</u>	<u>585,693</u>	<u>853,417</u>
<u>OPEN SPACE ASSESSMENT DISTRICT</u>				
<u>Assets</u>				
Cash and investments	\$ 153,487	88,382	88,430	153,439
Accounts receivable	1,797	3,646	3,422	2,021
Other assets	961,701	68,760	86,486	943,975
Total assets	<u>\$ 1,116,985</u>	<u>160,788</u>	<u>178,338</u>	<u>1,099,435</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 700	2,999	2,949	750
Due to bondholders	1,116,285	-	17,600	1,098,685
Total liabilities	<u>\$ 1,116,985</u>	<u>2,999</u>	<u>20,549</u>	<u>1,099,435</u>

(Continued)

CITY OF PASADENA
Agency Funds
Combining Statements of Changes in Assets and Liabilities (Continued)
For the Fiscal Year Ended June 30, 2015

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
 <u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 1,661,423	119,273	337,478	1,443,218
Accounts receivable	592,548	854,457	591,136	855,869
Other assets	961,701	68,760	86,486	943,975
Total assets	\$ 3,215,672	1,042,490	1,015,100	3,243,062
 <u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 601,048	858,631	588,675	871,004
Due to other governments	1,498,339	25,093	250,059	1,273,373
Due to bondholders	1,116,285	-	17,600	1,098,685
Total liabilities	\$ 3,215,672	883,724	856,334	3,243,062

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Private-Purpose Trust Funds

Private-purpose trust funds are one type of the fiduciary funds reported in the prior tab.

Successor Agency to Pasadena Community Development Commission – was formed to account for receipt of incremental property tax and disbursements related to enforceable obligations (debts) of the former redevelopment agency. It will remain in place until all enforceable obligations, as approved on the Recognized Obligation Payment Schedule by California Department of Finance, are paid in full and all assets have been liquidated. It includes the following funds:

Successor Agency Administration Fund – to account for administrative costs of the Successor Agency as approved on the Recognized Obligation Payment Schedule.

Redevelopment Obligation Retirement Fund – to account for receipts and disbursements of incremental property tax.

Successor Agency Debt Service Funds – to account for debt service payments and other enforceable obligations of the former redevelopment agency. They include Old Pasadena, Lincoln, Downtown, Fair Oaks, Orange Grove, Villa Parke, and Lake/Washington project areas.

Successor Agency Debt Service Fund – Affordable Housing – to account for the 2006 Tax Allocation Revenue Bonds (housing set-aside revenues-Townhouse Project Refunding), Housing Enabled By Local Partnerships (HELP) program loans, and payment of enforceable obligations of the former Low and Moderate Income Housing Fund.

CITY OF PASADENA
Private Purpose Trust Funds
Combining Statement of Net Position
June 30, 2015

	Successor Agency Admin	Redevelopment Obligation Retirement Fund	Successor Agency Debt Service		
			Old Pasadena	Lincoln	Downtown
Assets					
Current assets:					
Cash and investments	\$ -	1,403,269	783,942	116,801	30,638
Accounts receivable	129,324	-	-	-	-
Prepays and other assets	3,111	-	-	-	-
Notes receivable	-	-	-	-	-
Due from City	-	15,322	-	428,132	-
Advances to City	-	-	1,479,568	-	1,479,568
Allowance for uncollectible long-term receivables	-	-	-	-	-
Total current assets	<u>132,435</u>	<u>1,418,591</u>	<u>2,263,510</u>	<u>544,933</u>	<u>1,510,206</u>
Noncurrent assets:					
Capital assets	-	54,778,920	-	-	-
Less accumulated depreciation	-	(16,754,420)	-	-	-
Total noncurrent assets	-	<u>38,024,500</u>	-	-	-
Total assets	<u>\$ 132,435</u>	<u>39,443,091</u>	<u>2,263,510</u>	<u>544,933</u>	<u>1,510,206</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 120,166	131,184	-	-	-
Due to City	15,322	-	-	-	-
Advances from City	-	-	5,905,000	-	-
Bonds payable - due within one year	-	-	-	-	-
Bonds payable - due in more than one year	-	-	-	-	-
Total liabilities	<u>\$ 135,488</u>	<u>131,184</u>	<u>5,905,000</u>	<u>-</u>	<u>-</u>
Net Position					
Net position held in trust	<u>\$ (3,053)</u>	<u>39,311,907</u>	<u>(3,641,490)</u>	<u>544,933</u>	<u>1,510,206</u>

Successor Agency Debt Service				Housing Successor- Debt Service	Total
Fair Oaks	Orange Grove	Villa Parke	Lake Washington		
867,478	65,351	1,173,563	1,379,379	78	5,820,499
620	-	620	620	-	131,184
-	-	-	-	-	3,111
1,858,000	-	-	-	-	1,858,000
-	-	-	-	-	443,454
-	-	-	-	-	2,959,136
(1,858,000)	-	-	-	-	(1,858,000)
<u>868,098</u>	<u>65,351</u>	<u>1,174,183</u>	<u>1,379,999</u>	<u>78</u>	<u>9,357,384</u>
-	-	-	-	-	54,778,920
-	-	-	-	-	(16,754,420)
-	-	-	-	-	38,024,500
<u>868,098</u>	<u>65,351</u>	<u>1,174,183</u>	<u>1,379,999</u>	<u>78</u>	<u>47,381,884</u>
32,983	-	620	6,668	-	291,621
-	428,132	-	-	-	443,454
-	-	-	-	-	5,905,000
170,000	-	-	80,000	-	250,000
1,190,000	-	-	180,000	-	1,370,000
<u>1,392,983</u>	<u>428,132</u>	<u>620</u>	<u>266,668</u>	<u>-</u>	<u>8,260,075</u>
<u>(524,885)</u>	<u>(362,781)</u>	<u>1,173,563</u>	<u>1,113,331</u>	<u>78</u>	<u>39,121,809</u>

CITY OF PASADENA
Private Purpose Trust Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2015

	Successor Agency Admin	Redevelopment Obligation Retirement Fund	Successor Agency Debt Service		
			Old Pasadena	Lincoln	Downtown
Additions:					
Property taxes	\$ -	1,924,885	-	-	-
Investment earnings	-	-	-	-	2,257
Miscellaneous revenues	-	-	-	-	-
Total additions	-	1,924,885	-	-	2,257
Deductions:					
Fiscal agency expenses	-	-	-	-	-
Interest expense	-	-	320,834	-	-
Lease expense	39,603	-	-	-	-
Contractual services	250,000	-	-	-	-
Depreciation	-	901,027	-	-	-
Other operating expense	-	-	-	-	-
Administrative expenses:					
Successor agency administrative cost allowance	244,339	-	-	-	-
Total deductions	533,942	901,027	320,834	-	-
Transfers:					
Transfers in	519,382	-	2,055,834	-	-
Transfers out	-	(2,580,033)	-	-	-
Change in amount held in trust	(14,560)	(1,556,175)	1,735,000	-	2,257
Amount held in trust at beginning of year, as restated (note 21)	11,507	40,868,082	(5,376,490)	544,933	1,507,949
Amount held in trust at end of year	<u>\$ (3,053)</u>	<u>39,311,907</u>	<u>(3,641,490)</u>	<u>544,933</u>	<u>1,510,206</u>

Successor Agency Debt Service				Housing		
Fair Oaks	Orange Grove	Villa Parke	Lake Washington	Successor- Debt Service		Total
-	-	-	-	-		1,924,885
6,547	-	5	2,181	11		11,001
32,867	25,567	-	-	-		58,434
39,414	25,567	5	2,181	11		1,994,320
2,195	467	2,662	2,195	2,642		10,161
64,725	-	-	12,095	-		397,654
-	-	-	-	-		39,603
-	-	-	-	-		250,000
-	-	-	-	-		901,027
-	-	-	-	377,482		377,482
-	-	-	-	-		244,339
66,920	467	2,662	14,290	380,124		2,220,266
226,476	416	2,712	89,626	283,554		3,178,000
-	(597,967)	-	-	-		(3,178,000)
198,970	(572,451)	55	77,517	(96,559)		(225,946)
(723,855)	209,670	1,173,508	1,035,814	96,637		39,347,755
(524,885)	(362,781)	1,173,563	1,113,331	78		39,121,809

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DISCRETELY PRESENTED COMPONENT UNIT

ROSE BOWL OPERATING COMPANY

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Discretely presented component units do not meet one of the two criteria for blending. The two criteria required to blend component units are 1) the board of the component unit is substantively the same as that of the City or 2) the component unit serves the City exclusively.

Rose Bowl Operating Company – incorporated on January 18, 1994, as a legally separate entity with the primary purpose of returning economic and civic value to the City by managing a world class stadium and a professional quality golf course complex in a residential open-space environment.

CITY OF PASADENA
Discretely Presented Component Units
Rose Bowl Operating Company
Combining Statement of Net Position
June 30, 2015

	Rose Bowl	Golf Course	Total
Assets			
Current assets:			
Cash and investments (note 2)	\$ 7,524,382	9,281,708	16,806,090
Cash and investments restricted (note 2)	15,933,752	-	15,933,752
Accounts receivable, net	3,194,458	524,309	3,718,767
Prepays and other assets	98,413	-	98,413
Total current assets	<u>26,751,005</u>	<u>9,806,017</u>	<u>36,557,022</u>
Noncurrent assets:			
Other receivable	523,528	-	523,528
Derivative instrument asset	25,115	-	25,115
Capital assets (note 7):			
Construction in progress	24,421,035	2,227,983	26,649,018
Other capital assets, net	178,827,937	5,143,441	183,971,378
Total noncurrent assets	<u>203,797,615</u>	<u>7,371,424</u>	<u>211,169,039</u>
Total assets	<u>230,548,620</u>	<u>17,177,441</u>	<u>247,726,061</u>
Deferred outflow of resources:			
Outflows related to net pension liability	425,011	34,780	459,791
Total deferred outflow of resources	<u>425,011</u>	<u>34,780</u>	<u>459,791</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	3,354,402	4,989	3,359,391
Deposits	279,597	-	279,597
Interest payable	3,327,109	-	3,327,109
Due to primary government	942,340	-	942,340
Current portion of compensated absences	56,591	3,347	59,938
Current portion of long-term debt (note 9)	1,715,000	-	1,715,000
Total current liabilities	<u>9,675,039</u>	<u>8,336</u>	<u>9,683,375</u>
Noncurrent liabilities:			
Compensated absences	139,293	8,237	147,530
Net pension liability	1,469,398	221,493	1,690,891
Long-term debt (note 9)	209,864,976	-	209,864,976
Total noncurrent liabilities	<u>211,473,667</u>	<u>229,730</u>	<u>211,703,397</u>
Total liabilities	<u>221,148,706</u>	<u>238,066</u>	<u>221,386,772</u>
Deferred inflow of resources:			
Accumulated increase in fair value of hedging derivatives (note 10)	25,115	-	25,115
Deferred refunding charge	2,223,062	-	2,223,062
Sales of future revenue	4,993,174	-	4,993,174
Inflows related to net pension liability	373,968	56,371	430,339
Total deferred inflow of resources	<u>7,615,319</u>	<u>56,371</u>	<u>7,671,690</u>
Net Position			
Net Investment in Capital Assets	(4,229,827)	7,371,424	3,141,597
Restricted	174,178	-	174,178
Unrestricted	6,265,255	9,546,360	15,811,615
Total net position	<u>\$ 2,209,606</u>	<u>16,917,784</u>	<u>19,127,390</u>

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Discretely Presented Component Units
Rose Bowl Operating Company
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2015

	Rose Bowl	Golf Course	Total
Operating revenues:			
Charges for services:			
Rose Bowl	\$ 29,426,219	-	29,426,219
Golf course	-	2,023,191	2,023,191
Total operating revenues	<u>29,426,219</u>	<u>2,023,191</u>	<u>31,449,410</u>
Operating expenses:			
Rose Bowl	19,874,521	-	19,874,521
Golf course	-	480,262	480,262
Depreciation	9,229,528	338,072	9,567,600
Total operating expenses	<u>29,104,049</u>	<u>818,334</u>	<u>29,922,383</u>
Operating income	<u>322,170</u>	<u>1,204,857</u>	<u>1,527,027</u>
Nonoperating revenues (expenses):			
Investment earnings	901,245	73,870	975,115
Interest expense	(10,908,416)	-	(10,908,416)
Other nonoperating revenues	<u>6,873,871</u>	<u>1,090,212</u>	<u>7,964,083</u>
Total nonoperating revenues (expenses)	<u>(3,133,300)</u>	<u>1,164,082</u>	<u>(1,969,218)</u>
Income (loss) before transfers	<u>(2,811,130)</u>	<u>2,368,939</u>	<u>(442,191)</u>
Transfers In/(Out)	<u>(1,768,590)</u>	<u>1,768,590</u>	<u>-</u>
Change in net position	<u>(4,579,720)</u>	<u>4,137,529</u>	<u>(442,191)</u>
Net position at beginning of year, as restated	<u>6,789,326</u>	<u>12,780,255</u>	<u>19,569,581</u>
Net position at end of year	<u>\$ 2,209,606</u>	<u>16,917,784</u>	<u>19,127,390</u>

See accompanying notes to the basic financial statements.

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GOVERNMENTAL FUNDS

CAPITAL ASSETS

Capital assets are land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of arts and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

CITY OF PASADENA
Capital Assets Used in the Operation of Government Funds
Comparative Schedule by Source⁽¹⁾
June 30, 2015 and June, 2014

	2015	2014
Governmental funds capital assets:		
Land	\$ 63,987,325	62,836,025
Buildings and improvements	284,082,553	281,514,117
Machinery and equipment	26,403,177	27,040,341
Infrastructure	317,649,769	315,357,615
Construction in progress	30,560,559	26,227,105
Total governmental funds capital assets	722,683,383	712,975,203
Investment in governmental funds capital assets by source:		
General Fund	163,703,603	164,827,938
Special revenue fund	22,542,190	21,779,650
Capital projects funds	536,437,590	526,367,615
Total governmental funds capital assets	\$ 722,683,383	712,975,203

⁽¹⁾ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF PASADENA
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity⁽¹⁾
June 30, 2015

Function and Activity	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure	Construction in Progress	Totals
General government:						
City Council	\$ -	-	-	-	-	-
City Manager	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-
City Prosecutor	-	-	-	-	-	-
City Clerk	-	-	12,990	-	-	12,990
Finance	-	4,952,142	490,573	-	-	5,442,715
Human Resources	-	-	-	-	-	-
Affirmative Action and Diversity	-	-	-	-	-	-
Non-departmental	58,748,482	157,541,353	-	-	-	216,289,835
Total general government	<u>58,748,482</u>	<u>162,493,495</u>	<u>503,563</u>	<u>-</u>	<u>-</u>	<u>221,745,540</u>
Public safety:						
Fire	-	5,781,181	1,711,271	-	-	7,492,452
Police	-	27,258,534	8,239,330	-	-	35,497,864
Total public safety	<u>-</u>	<u>33,039,715</u>	<u>9,950,601</u>	<u>-</u>	<u>-</u>	<u>42,990,316</u>
Transportation:						
Transportation	<u>1,492,584</u>	<u>14,950,520</u>	<u>10,875,740</u>	<u>317,649,769</u>	<u>30,560,559</u>	<u>375,529,172</u>
Health:						
Public Health	<u>-</u>	<u>11,576,442</u>	<u>95,966</u>	<u>-</u>	<u>-</u>	<u>11,672,408</u>
Culture and leisure:						
Human Services, Recreation and Neighborhoods	<u>-</u>	<u>20,808,918</u>	<u>403,318</u>	<u>-</u>	<u>-</u>	<u>21,212,236</u>
Community development:						
Planning and Permitting	-	6,927,375	1,703,038	-	-	8,630,413
Housing and Development	3,746,259	34,286,089	2,870,950	-	-	40,903,298
Total community development	<u>3,746,259</u>	<u>41,213,464</u>	<u>4,573,988</u>	<u>-</u>	<u>-</u>	<u>49,533,711</u>
Total general fixed assets	<u>\$ 63,987,325</u>	<u>284,082,554</u>	<u>26,403,176</u>	<u>317,649,769</u>	<u>30,560,559</u>	<u>722,683,383</u>

⁽¹⁾ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF PASADENA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity ⁽¹⁾
For the Period Ended June 30, 2015

	Governmental Funds Capital Assets June 30, 2014	Prior Yr Adj	Additions	Retirements	Governmental Funds Capital Assets June 30, 2015
General government:					
City Council	\$ -	-	-	-	-
City Manager	-	-	-	-	-
City Attorney	-	-	-	-	-
City Prosecutor	-	-	-	-	-
City Clerk	12,990	-	-	-	12,990
Finance	5,442,715	-	-	-	5,442,715
Human Resources	-	-	-	-	-
Affirmative Action and Diversity	-	-	-	-	-
Non-departmental	206,802,007	9,668,000	-	(180,172)	216,289,835
Total general government	<u>212,257,712</u>	<u>9,668,000</u>	<u>-</u>	<u>(180,172)</u>	<u>221,745,540</u>
Public safety:					
Fire	8,728,640	-	46,699	(1,282,887)	7,492,452
Police	35,406,776	-	501,502	(410,414)	35,497,864
Total public safety	<u>44,135,416</u>	<u>-</u>	<u>548,201</u>	<u>(1,693,301)</u>	<u>42,990,316</u>
Transportation:					
Public Works and Transportation	381,404,353	(12,747,423)	13,441,511	(6,569,269)	375,529,172
Health:					
Public Health	11,682,552	-	-	(10,144)	11,672,408
Culture and leisure:					
Human Services, Recreation and Neighborhoods	21,610,859	-	-	(398,623)	21,212,236
Community development:					
Planning and Permitting	8,630,413	-	-	-	8,630,413
Housing and Development	36,547,582	(214,261)	4,575,736	(5,759)	40,903,298
Total community development	<u>45,177,995</u>	<u>(214,261)</u>	<u>4,575,736</u>	<u>(5,759)</u>	<u>49,533,711</u>
Total governmental funds capital assets	<u>\$ 716,268,887</u>	<u>\$ (3,293,684)</u>	<u>18,565,448</u>	<u>(8,857,268)</u>	<u>722,683,383</u>

⁽¹⁾ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

STATISTICAL SECTION

(Unaudited)

This section of the City of Pasadena’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents	Page
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	238
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	248
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	258
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	271
<u>Operating Information</u> These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	276

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

CITY OF PASADENA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Net Investment in Capital Assets	\$ 221,450	284,366	318,192	325,410
Restricted	37,608	44,513	73,830	94,360
Unrestricted	52,625	15,402	(19,054)	(28,083)
Total governmental activities net position	<u>\$ 311,683</u>	<u>344,281</u>	<u>372,968</u>	<u>391,687</u>
Business-type activities				
Net Investment in Capital Assets	\$ 172,776	211,672	254,992	257,831
Restricted	191,111	191,731	153,935	158,337
Unrestricted	76,034	88,377	119,139	146,345
Total business-type activities net position	<u>\$ 439,921</u>	<u>491,780</u>	<u>528,066</u>	<u>562,513</u>
Primary government				
Net Investment in Capital Assets	\$ 394,226	496,038	573,185	583,241
Restricted	228,719	236,244	227,763	252,697
Unrestricted	128,659	103,779	104,085	118,261
Total primary government net position	<u>\$ 751,604</u>	<u>836,061</u>	<u>905,033</u>	<u>954,199</u>

Table 1

Fiscal Year					
2010	2011	2012	2013	2014	2015
364,990	375,202	382,296	430,453	419,328	408,195
87,602	97,996	37,259	63,633	60,592	44,327
(61,972)	(198,788)	36,017	(41,046)	(29,751)	(339,336)
<u>390,620</u>	<u>274,410</u>	<u>455,572</u>	<u>453,039</u>	<u>450,168</u>	<u>113,186</u>
291,079	311,054	332,781	364,493	422,610	371,526
155,458	151,872	149,763	144,017	133,791	176,248
160,885	176,307	188,164	185,593	159,948	114,512
<u>607,422</u>	<u>639,233</u>	<u>670,708</u>	<u>694,103</u>	<u>716,349</u>	<u>662,286</u>
656,069	686,256	715,077	794,946	841,938	779,721
243,060	249,868	187,022	207,649	194,383	220,575
98,913	(22,481)	224,181	144,547	130,197	(224,824)
<u>998,042</u>	<u>913,643</u>	<u>1,126,280</u>	<u>1,147,142</u>	<u>1,166,518</u>	<u>775,471</u>

CITY OF PASADENA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 38,301	45,708	44,788	43,926
Public safety	82,372	95,181	99,785	103,180
Transportation	42,277	34,109	50,035	49,979
Sanitation	3,104	3,110	3,189	4,061
Health	11,548	12,469	12,444	13,373
Culture and leisure	24,725	26,123	27,608	26,048
Community development	33,655	38,596	40,763	42,791
Interest and other fiscal charges	15,979	16,753	15,345	18,755
Total governmental activities expenses	<u>251,961</u>	<u>272,049</u>	<u>293,957</u>	<u>302,113</u>
Business-type activities:				
Electric	143,063	141,189	162,719	170,428
Water	29,424	32,886	36,394	36,877
Refuse	10,737	10,785	12,098	11,833
Parking	11,293	11,960	12,437	12,775
Telecommunication	382	364	470	457
Total business-type activities expenses	<u>194,899</u>	<u>197,184</u>	<u>224,118</u>	<u>232,370</u>
Total primary government expenses	<u><u>446,860</u></u>	<u><u>469,233</u></u>	<u><u>518,075</u></u>	<u><u>534,483</u></u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	14,786	16,161	16,679	17,899
Public safety	12,068	13,274	14,064	15,504
Transportation	10,964	12,275	13,802	13,852
Sanitation	5,358	5,593	5,583	6,685
Health	766	731	788	737
Culture and leisure	2,112	2,152	2,114	1,957
Community development	11,768	9,867	10,503	9,244
Operating grants and contributions	34,842	33,668	41,254	28,808
Capital grants and contributions	16,113	17,166	14,456	18,112
Total governmental activities program revenues	<u>108,777</u>	<u>110,887</u>	<u>119,243</u>	<u>112,798</u>
Business-type activities:				
Charges for services:				
Electric	149,985	167,538	185,043	193,158
Water	34,508	39,942	39,560	43,096
Refuse	9,136	9,627	10,012	10,285
Parking	11,878	12,282	13,867	13,124
Telecommunication	356	358	428	595
Operating grants and contributions	2,693	2,670	3,233	4,216
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>208,556</u>	<u>232,417</u>	<u>252,143</u>	<u>264,474</u>
Total primary government program revenues	<u><u>317,333</u></u>	<u><u>343,304</u></u>	<u><u>371,386</u></u>	<u><u>377,272</u></u>
Net Revenues (Expenses)				
Governmental activities	(143,184)	(161,162)	(174,714)	(189,315)
Business-type activities	13,657	35,233	28,025	32,104
Total net revenues (expenses)	<u><u>\$ (129,527)</u></u>	<u><u>(125,929)</u></u>	<u><u>(146,689)</u></u>	<u><u>(157,211)</u></u>

Table 2

Fiscal Year						
2010	2011	2012	2013	2014	2015	
38,973	43,955	35,085	54,650	53,260	38,902	
104,870	103,392	103,389	105,541	104,708	106,327	
43,905	51,134	63,839	45,045	59,581	49,526	
3,697	3,782	3,516	3,744	4,106	4,232	
11,458	12,108	11,422	14,228	14,239	13,764	
25,996	26,196	27,825	29,402	31,321	30,127	
53,845	45,937	42,169	35,156	31,669	35,248	
13,249	12,121	41,481	3,142	11,047	10,310	
<u>295,993</u>	<u>298,625</u>	<u>328,726</u>	<u>290,908</u>	<u>309,931</u>	<u>288,436</u>	
158,770	167,442	173,410	183,202	177,590	171,282	
35,920	40,101	43,771	46,484	51,054	48,462	
13,131	13,158	16,783	13,185	13,022	12,843	
11,159	11,384	11,711	12,229	14,556	13,532	
452	380	267	827	849	89	
<u>219,432</u>	<u>232,465</u>	<u>245,942</u>	<u>255,927</u>	<u>257,071</u>	<u>246,208</u>	
<u>515,425</u>	<u>531,090</u>	<u>574,668</u>	<u>546,834</u>	<u>567,003</u>	<u>534,644</u>	
17,552	16,975	17,465	17,563	17,872	18,750	
12,097	13,315	11,085	13,370	13,050	14,674	
13,248	13,215	12,863	13,784	14,253	16,059	
6,504	6,541	7,220	7,083	8,010	7,875	
902	696	666	741	797	1,022	
2,270	2,476	2,856	2,975	3,382	3,566	
7,450	7,724	9,594	9,085	12,935	12,630	
33,659	36,910	86,051	38,350	35,948	41,943	
15,289	11,090	15,665	7,116	16,504	16,197	
<u>108,971</u>	<u>108,942</u>	<u>163,465</u>	<u>110,067</u>	<u>122,751</u>	<u>132,716</u>	
183,712	186,993	185,951	190,071	188,174	203,748	
43,480	47,137	54,301	58,536	61,233	57,440	
11,050	10,918	11,291	12,057	11,925	11,959	
12,558	11,753	11,991	12,783	13,334	13,603	
629	681	670	580	816	655	
-	-	-	-	-	-	
3,962	2,481	2,317	1,933	2,828	2,905	
<u>255,391</u>	<u>259,963</u>	<u>266,521</u>	<u>275,960</u>	<u>278,310</u>	<u>290,310</u>	
<u>364,362</u>	<u>368,905</u>	<u>429,986</u>	<u>386,027</u>	<u>401,060</u>	<u>423,026</u>	
(187,022)	(189,683)	(165,261)	(180,841)	(187,180)	(155,720)	
<u>35,959</u>	<u>27,498</u>	<u>20,579</u>	<u>20,033</u>	<u>21,239</u>	<u>44,102</u>	
<u>(151,063)</u>	<u>(162,185)</u>	<u>(144,682)</u>	<u>(160,807)</u>	<u>(165,943)</u>	<u>(111,618)</u>	

(continued)

CITY OF PASADENA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property tax, levied for general purpose	\$ 51,116	61,736	63,449	69,062
Sales tax	33,992	34,634	36,519	32,913
Utility users' tax	26,766	28,063	29,640	31,162
Transient occupancy tax	8,481	8,565	8,848	7,382
Construction tax	3,223	3,828	3,984	2,367
Business license tax	5,289	5,321	5,604	5,861
Franchise tax	2,194	2,187	2,108	2,402
Other taxes	5,721	6,153	6,222	6,078
Other intergovernmental	13,478	14,145	14,565	15,094
Investment earnings	8,820	16,448	12,851	9,887
Gain on sale of assets	23	-	146	665
Miscellaneous revenues	9,429	6,361	5,329	6,121
Transfers	22,915	6,320	14,137	15,040
Extraordinary Gain	-	-	-	-
Total governmental activities	<u>191,447</u>	<u>193,761</u>	<u>203,402</u>	<u>204,034</u>
Business-type activities:				
Taxes:				
Transient occupancy tax	1,766	1,793	1,883	1,605
Franchise tax	1,659	1,957	2,215	2,128
Investment earnings	4,455	16,056	15,447	10,868
Gain on sale of assets	-	-	(149)	(188)
Miscellaneous revenues	3,906	3,139	3,004	2,970
Transfers	(22,915)	(6,320)	(14,137)	(15,040)
Extraordinary Gain	-	-	-	-
Total business-type activities	<u>(11,129)</u>	<u>16,625</u>	<u>8,263</u>	<u>2,343</u>
Total primary government	<u><u>180,318</u></u>	<u><u>210,386</u></u>	<u><u>211,665</u></u>	<u><u>206,377</u></u>
Changes in Net Position				
Governmental activities	48,263	32,599	28,688	14,719
Business-type activities	2,528	51,858	36,288	34,447
Total primary government	<u>\$ 50,791</u>	<u>84,457</u>	<u>64,976</u>	<u>49,166</u>

Table 2

Fiscal Year					
2010	2011	2012	2013	2014	2015
68,354	70,803	54,051	42,957	44,066	56,446
28,949	30,301	32,239	30,871	33,198	33,706
29,520	29,355	29,318	29,531	28,893	29,316
6,942	7,668	9,553	11,109	12,043	13,165
1,397	1,480	2,819	2,066	3,682	4,770
5,664	5,600	5,479	5,230	5,633	5,836
1,933	2,216	2,015	2,063	2,361	2,903
6,035	6,108	6,262	6,532	7,088	7,181
14,901	15,427	14,919	15,187	15,924	16,648
6,030	3,690	3,178	2,681	4,833	4,461
250	737	5,396	424	1,153	370
4,465	7,033	11,509	4,023	4,655	4,863
12,122	16,216	19,285	22,083	16,305	14,657
-	-	150,399	(2,197)	-	-
186,562	196,634	346,422	172,559	179,834	194,322
1,464	1,421	541	-	-	-
3,098	2,901	2,760	3,825	3,907	4,319
9,333	6,910	9,401	4,743	7,136	5,529
-	-	-	(92)	(1,161)	-
10,946	9,296	6,670	20,614	8,977	15,631
(17,408)	(16,215)	(19,300)	(20,974)	(16,305)	(14,657)
-	-	10,825	-	-	-
7,433	4,313	10,897	8,117	2,553	10,822
193,995	200,947	357,319	180,675	182,387	205,144
(460)	6,951	181,161	(8,282)	(7,346)	38,602
43,392	31,811	31,476	28,150	23,793	54,924
42,932	38,762	212,637	19,868	16,444	93,526

CITY OF PASADENA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	Fiscal Year			
	2006	2007	2008	2009
General Fund:				
Reserved	\$ 7,065	6,971	7,127	11,982
Unreserved	72,401	59,517	62,798	48,401
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 79,466</u>	<u>66,488</u>	<u>69,925</u>	<u>60,383</u>
All Other Governmental Funds:				
Reserved	\$ 90,640	85,131	98,390	112,237
Unreserved, reported in:				
Special revenue funds	44,033	43,025	46,593	48,859
Capital project funds	54,847	38,463	22,592	21,961
Debt service funds	(25,363)	(24,475)	(23,379)	(17,547)
Permanent funds	993	1,047	1,062	1,205
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 74,510</u>	<u>58,060</u>	<u>46,868</u>	<u>54,478</u>

* As restated.

^ Beginning in 2010, the City started reporting fund balance in conformity with GASB Statement 54, which changed how fund balance is classified.

Table 3

Fiscal Year						
2010	2011	2012	2013	2014	2015	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
404	52	8,352	8,351	8,352		8,620
-	-	-	-	-	-	400
39,201	39,321	80,043	37,380	34,868		30,951
4,794	8,583	5,510	4,249	5,043		11,087
8,778	(1,391)	(40,129)	11,965	15,015		12,140
<u>53,177</u>	<u>46,565</u>	<u>53,776</u>	<u>61,945</u>	<u>63,277</u>		<u>63,198</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
41,456	44,386	36,311	33,356	31,674		30,997
86,805	85,216	85,250	69,676	57,300		52,516
53,267	54,266	59,078	62,629	72,479		87,144
-	-	-	-	-	-	-
(42,460)	(45,102)	(6,874)	(4,265)	(7,981)		(7,482)
<u>139,068</u>	<u>138,766</u>	<u>173,765</u>	<u>161,396</u>	<u>153,472</u>		<u>163,175</u>

CITY OF PASADENA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	Fiscal Year			
	2006	2007	2008	2009
Revenues:				
Taxes	\$ 136,783	150,487	156,373	157,227
Licenses and permits	9,185	7,121	8,646	7,136
Intergovernmental revenues	56,485	60,304	57,531	61,410
Charges for services	34,653	37,892	39,088	42,783
Fines and forfeits	7,080	7,758	8,025	8,844
Investment earnings	22,874	32,450	29,350	28,423
Rental income	4,867	4,991	5,370	5,277
Miscellaneous revenues	11,336	8,756	7,894	6,570
Contributions	4,836	7,292	6,005	8,012
Forgiveness of advances	-	-	-	-
Total revenues	<u>288,099</u>	<u>317,051</u>	<u>318,282</u>	<u>325,682</u>
Expenditures:				
Current:				
General government	31,037	34,717	35,124	35,826
Public safety	81,861	92,713	96,211	102,518
Transportation	33,923	34,193	36,717	36,904
Sanitation	3,104	3,109	3,189	4,061
Health	11,430	12,247	12,124	11,471
Culture and leisure	24,293	25,518	26,821	26,936
Community development	37,059	38,052	39,682	42,652
Capital outlay	75,111	60,902	34,999	29,991
Debt service:				
Principal retirement	12,322	12,296	41,972	86,074
Interest	31,557	35,212	34,165	33,432
Bond issuance costs	-	-	-	-
Payment to refunded bond escrow agent	1,408	-	-	-
Total expenditures	<u>343,105</u>	<u>348,959</u>	<u>361,004</u>	<u>409,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(55,006)</u>	<u>(31,908)</u>	<u>(42,722)</u>	<u>(84,183)</u>
Other financing sources (uses):				
Premium (discount) on debt issued	(36)	-	836	-
Issuance of long-term debt	17,542	87	27,939	80,032
Payment to refunded bond escrow agent	(5,186)	-	-	-
Transfers in	136,498	109,124	112,228	158,735
Transfers out	(112,144)	(99,825)	(96,215)	(142,668)
Transfers to component units	-	-	-	-
Transfers from component units	-	-	-	-
Total other financing sources (uses)	<u>36,674</u>	<u>9,386</u>	<u>44,788</u>	<u>96,099</u>
Extraordinary gain (loss):				
Net change in fund balances	<u>\$ (18,332)</u>	<u>(22,522)</u>	<u>2,066</u>	<u>11,916</u>
Debt service as a percentage of noncapital expenditures	16.4%	16.5%	23.4%	31.5%

Table 4

Fiscal Year						
2010	2011	2012	2013	2014	2015	
148,794	153,532	141,736	130,356	136,965	153,323	
6,737	7,063	9,525	9,196	13,675	11,235	
63,398	61,459	64,715	58,988	61,505	63,785	
41,489	40,820	38,939	42,006	43,416	49,413	
5,135	6,362	6,796	7,453	6,768	7,329	
28,089	25,332	11,745	11,041	5,255	4,294	
4,687	4,601	4,462	4,355	4,064	3,822	
6,651	8,431	13,618	6,172	6,081	7,133	
842	2,928	5,280	1,534	7,807	11,759	
-	-	-	-	-	-	
305,822	310,528	296,816	271,101	285,538	312,093	
36,976	39,418	77,897	30,977	34,613	44,283	
101,078	100,535	100,265	99,680	99,871	106,469	
33,038	33,895	35,275	34,419	36,912	37,018	
3,697	3,782	3,517	3,744	4,106	4,274	
11,049	11,027	10,899	13,480	13,551	13,553	
25,154	25,214	27,192	28,240	30,039	30,505	
52,600	42,043	37,848	32,447	29,579	31,933	
34,374	21,612	20,645	24,907	23,571	16,855	
21,553	21,174	20,303	20,415	20,808	129,469	
37,067	40,296	16,486	10,783	9,797	8,730	
-	-	-	-	-	-	
-	-	-	-	-	-	
356,586	338,996	350,327	299,092	302,846	423,089	
(50,764)	(28,468)	(53,511)	(27,991)	(17,308)	(110,996)	
-	-	(459)	-	-	(2,283)	
-	-	51,097	841	351	119,460	
-	-	-	-	-	-	
112,078	95,951	81,635	84,444	61,085	51,606	
(96,168)	(77,238)	(63,131)	(65,045)	(50,718)	(38,028)	
-	-	-	-	-	-	
-	-	-	-	-	-	
15,910	18,713	69,142	20,240	10,718	130,755	
-	-	152,582	(2,197)	-	-	
(34,854)	(9,755)	168,213	(9,948)	(6,590)	19,759	
18.2%	19.4%	11.2%	11.4%	11.0%	34.0%	

Table 5

CITY OF PASADENA
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Secured Valuations	Homeowners Exemption	Net Secured Valuations	Unsecured Valuations	Total Assessed Valuation	Total Direct Tax Rate
2006	15,071,977	(134,405)	14,937,572	598,396	15,535,968	0.34%
2007	16,759,245	(133,112)	16,626,133	620,524	17,246,657	0.37%
2008	18,339,519	(134,380)	18,205,139	607,798	18,812,937	0.34%
2009	20,237,173	(136,262)	20,100,911	651,376	20,752,287	0.33%
2010	20,204,880	(138,631)	20,066,249	644,888	20,711,137	1.00%
2011	20,481,388	(138,275)	20,343,113	605,404	20,948,517	0.34%
2012	20,969,532	(137,843)	20,831,689	567,527	21,399,216	0.32%
2013	21,368,295	(136,241)	21,232,054	571,614	21,803,668	0.24%
2014	22,534,203	(134,257)	22,399,946	575,006	22,974,952	0.22%
2015	23,756,525	(131,813)	23,624,712	608,539	24,233,251	0.25%

NOTES:

Amounts pertaining to the Pasadena Community Development Commission and the City have been combined

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Total direct tax rate information was not available for years prior to 2003.

Source: Los Angeles County Auditor-Controller and California Municipal Statistics, Inc.

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CITY OF PASADENA
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
City Direct Rates:				
City basic rate	0.1925	0.2139	0.1926	0.1932
Pasadena Community Development Commission (PCDC)	0.1480	0.1552	0.1447	0.1396
PCDC Successor Agency	-	-	-	-
Total City Direct Rate	0.3405	0.3691	0.3373	0.3328
Overlapping Rates:				
Los Angeles County General	0.3225	0.3067	0.3277	0.3635
Pasadena School District	0.3555	0.2847	0.2993	0.2765
Pasadena Community	-	-	-	-
College District	0.0964	0.1122	0.1103	0.1018
Flood Control District	0.0001	0.0001	-	-
Metropolitan Water District	0.0052	0.0047	0.0045	0.0043
Total Direct Rate	1.1202	1.0775	1.0791	1.0789

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the various intergovernmental overlapping debt.

PCDC dissolved in January 2012, thereby, this schedule represents its seven months of enforceable obligations. The remaining five months are reported under the Successor Agency for the former PCDC.

Source: County of Los Angeles Tax Assessor and California Municipal Statistics, Inc.

Table 6

Fiscal Year						
2010	2011	2012	2013	2014	2015	
0.1920	0.1891	0.1921	0.1970	0.1918	0.2329	
0.1380	0.1489	0.0605	-	-	-	
-	-	0.0657	0.0437	0.0282	0.0219	
<u>0.3300</u>	<u>0.3380</u>	<u>0.3183</u>	<u>0.2407</u>	<u>0.2200</u>	<u>0.2548</u>	
0.2280	0.3307	0.3346	0.4266	0.4483	0.4118	
0.3908	0.4392	0.3589	0.4389	0.4379	0.4389	
-	-	-	-	-	-	
0.1273	0.1231	0.1121	0.1248	0.1247	0.1254	
-	-	-	-	-	-	
0.0043	0.0037	0.0037	0.0035	0.0035	0.0035	
<u>1.0804</u>	<u>1.2347</u>	<u>1.1276</u>	<u>1.2345</u>	<u>1.2345</u>	<u>1.2344</u>	

CITY OF PASADENA
Principal Property Taxpayers
Current Year and Nine Years Ago

Property Owner	2015		2006	
	Total Assessed Valuation	Percent of Total City Taxable Assessed Valuation	Total Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Ppf Off 100 West Walnut Street	327,779,390	1.35%	\$ -	0.00%
Kaiser Foundation Health Plan	258,454,485	1.07%	161,378,737	1.04%
Paseo Colorado Holdings Llc	201,238,273	0.83%	122,444,938	0.79%
Pr 155 North Lake Llc	183,600,000	0.76%	-	0.00%
Western Asset Plaza Llc	155,170,003	0.64%	-	0.00%
Pacific Huntington Hotel Corp	152,211,562	0.63%	-	0.00%
Tishman Speyer Archstone Smith	134,715,984	0.56%	-	0.00%
Spf 888 Walnut Pasadena Llc	127,500,000	0.53%	-	0.00%
Bcsp Pasadena Towers Property	123,775,397	0.51%	-	0.00%
Wells Reit Inc.	119,332,574	0.49%	40,392,000	0.26%
Ssr Paseo Colorado Llc	115,394,577	0.48%	101,807,238	0.66%
Tc Trio Apartment Llc	114,940,531	0.47%	-	0.00%
South Lake Avenue Investors Ll	113,306,246	0.47%	-	0.00%
Marangi Leonard M	103,932,531	0.43%	-	0.00%
Hei Pasadena Llc	96,764,644	0.40%	-	0.00%
Westgate Pasadena Apts Lp	78,647,056	0.32%	39,641,280	0.26%
Teachers Insurance Annuity Fnd	70,501,521	0.28%	-	0.00%
Har South Marengo Avenue Llc	71,118,682	0.29%	-	0.00%
One Colorado Investments Llc	66,631,893	0.27%	58,484,079	0.38%
Hastings Ranch Investment Co	64,596,382	0.27%	42,091,029	0.27%
Robles Street Llc	63,725,105	0.26%	-	0.00%
Si Viii Llc	59,622,250	0.25%	52,020,000	0.33%
301 North Lake Llc	59,210,035	0.24%	-	0.00%
Ittah Marc	57,580,009	0.24%	-	0.00%
Payne Gleeson L	54,904,741	0.23%	60,761,768	0.39%
Equity Office Properties Trust	0	0.00%	122,462,686	0.79%
Maquire Partners WAP LLC	0	0.00%	106,825,366	0.69%
Pasadena Towers LLC	0	0.00%	100,119,811	0.64%
Parfinco EWA LLC	0	0.00%	68,433,565	0.44%
Holly Street Lp	0	0.00%	67,948,326	0.44%
Operating Engineers Funds Inc	0	0.00%	61,620,947	0.40%
Total principal property taxpayers gross assessed value	<u>\$ 2,980,653,671</u>	13.67%	<u>\$ 1,206,431,770</u>	

The amounts shown above include assessed value data for both the City and the Redevelopment Agency. Data is only presented for the top ten properties in each of the two years presented.

Source: Los Angeles County Assessor data, MuniServices, LLC.

CITY OF PASADENA
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy (2)
2004	25,035,000	24,263,454	96.92%		24,256,163	96.89%
2005	25,035,000	23,473,719	93.76%		24,407,118	97.49%
2006	27,050,015	26,707,198	98.73%	395,971	27,103,169	100.20%
2007	32,496,995	31,024,296	95.47%	481,826	31,506,122	96.95%
2008	33,781,403	33,745,845	99.89%	501,424	34,247,269	101.38%
2009	37,380,921	37,340,002	99.89%	795,552	38,135,554	102.02%
2010	37,326,902	36,726,304	98.39%	626,804	37,353,107	100.07%
2011	37,774,007	36,668,527	97.07%	505,708	36,668,527	97.07%
2012	38,752,298	38,214,429	98.61%	567,546	38,214,429	98.61%
2013	39,044,561	38,331,579	98.17%	516,462	38,331,579	98.17%
2014	41,214,435	41,488,565	100.67%	626,989	41,488,565	100.67%
2015	43,784,611	53,950,721	123.22%	*	53,950,721	123.22%

(1) Excludes collections from Police Building General Obligation Bond Assessment.

(2) This percentage may exceed 100% because information provided by Tax Assessor may not clearly identify the year collected.

For fiscal years 2002-2005, insufficient data was available to determine what portion of the amount collected within the fiscal year was actually levied in another year, therefore the total taxes collected during the fiscal year are lump summed into the Total Collections.

* Collection in subsequent year information for fiscal year 2013 is not available.

As of fiscal year 2007, we recorded both secured and unsecured taxes levied in column C.

Source: County of Los Angeles Tax Assessor and California Municipal Statistics, Inc.

CITY OF PASADENA
Electricity Sold by Type of Customer
Last Ten Fiscal Years
(in Megawatt-Hours)

	Fiscal Year			
	2006	2007	2008	2009
Type of Customer:				
Residential	314,235	337,905	338,855	337,531
Commercial and Industrial	862,664	880,661	884,070	887,698
Street Lights and Traffic Signals	16,841	15,744	15,701	16,266
Wholesales to Other Utilities	27,816	122,496	315,484	118,231
Other	(6,119)	9,045	(7,212)	3,513
Total	<u>1,215,437</u>	<u>1,365,851</u>	<u>1,546,898</u>	<u>1,363,240</u>
 Total direct rate per megawatt hour ¹	 123.40	 109.81	 119.62	 141.69

¹ Rate represents average cost per megawatt hour with respect to total revenue sales from electricity.

Source: Pasadena Water and Power

Table 9

Fiscal Year					
2010	2011	2012	2013	2014	2015
328,320	319,657	316,084	334,179	316,631	324,657
883,413	813,566	783,296	776,816	783,878	768,735
16,272	15,640	15,598	15,683	13,678	13,423
164,215	168,613	199,045	185,361	36,811	30,969
(6,340)	10,697	(867)	574	-	-
<u>1,385,880</u>	<u>1,328,173</u>	<u>1,313,156</u>	<u>1,312,613</u>	<u>1,150,998</u>	<u>1,137,784</u>
132.55	140.79	141.61	144.80	163.49	179.07

CITY OF PASADENA
Electricity Rates
Last Ten Fiscal Years
(Average Rate in Dollars per Kilowatt-Hour)

Fiscal Year Ended June 30	Residential	Commercial & Industrial	Street Lights & Traffic Signals	Other
2005	0.1150	0.1050	0.0930	1.0190
2006	0.1180	0.1060	0.1010	N/A
2007	0.1310	0.1160	0.1160	N/A
2008*	0.1423	0.1235	0.1269	N/A
2009*	0.1552	0.1305	0.1379	N/A
2010*	0.1528	0.1307	0.1357	N/A
2011*	0.1554	0.1337	0.1367	N/A
2012*	0.1570	0.1362	0.1396	N/A
2013*	0.1613	0.1443	0.1313	N/A
2014*	0.1612	0.1442	0.1427	N/A
2015*	0.1784	0.1556	0.1514	N/A

* FY 2008 - FY 2015 include Public Benefit Charge (PBC)

Source: Pasadena Water and Power

**CITY OF PASADENA
Electricity Customers
Current Year**

Electricity Customer	2015	
	Electricity Charges	Percent of Operating Electric Revenues
Huntington Memorial Hospital	\$ 4,895,881	2.46%
California Institute of Technology	4,300,681	2.16%
Pasadena City College	2,324,430	1.17%
Kaiser Permanente	2,077,448	1.04%
Street Lights/Transportation Dept.	1,836,525	0.92%
Pasadena Unified School District	2,332,947	1.17%
Paseo Colorado Holdings LLC	1,360,139	0.68%
Public Works	1,418,806	0.71%
Metropolitan Transportation Authority	1,284,144	0.65%
Langham Huntington Hotel & Spa	914,495	0.46%
	\$ 22,745,496	12.09%

CITY OF PASADENA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				
	General Obligation Bonds	Revenue Bonds [^]	Pension Bonds	Certificates of Participation ¹	Tax Allocation Bonds ^{**}
2006	1,550,000	10,355,000	131,960,000	143,901,497	10,607,328
2007	-	10,355,000	128,045,000	138,963,861	9,928,550
2008	-	9,895,000	123,610,000	131,036,605	8,819,025
2009	-	9,415,000	118,365,000	124,732,976	7,656,689
2010	-	8,910,000	111,525,000	114,437,082	6,422,412
2011	-	8,405,000	103,935,000	103,651,183	5,149,000
2012	-	7,880,000	143,040,000	94,920,443	-
2013	-	6,700,000	133,905,000	85,772,925	-
2014	-	6,180,000	123,890,000	76,589,936	-
2015	-	5,640,000	119,460,000	72,349,023	-

[^] Information of Revenue Bonds under Governmental Activities was added in FY 2011

¹ Restated COP prior year data 2007 to 2011

^{***} Beginning with fiscal year 2015, the City implemented GASB 68, so the pension liability amount was removed from the long term debt section

Table 12

Capitalized Lease Obligations	Notes Payable	Other ***	Total Governmental Activities
9,291,742	8,144,865	44,239,546	360,049,978
7,812,910	7,162,835	48,425,138	350,693,294
6,527,207	7,120,623	81,945,620	368,954,080
12,499,210	6,258,463	85,195,029	364,122,367
9,992,673	4,020,056	89,836,926	345,144,149
8,196,271	3,420,722	92,795,473	325,552,649
9,494,610	685,000	61,632,939	317,652,992
8,532,705	925,642	75,837,593	311,673,865
7,542,101	561,673	89,295,467	304,059,177
6,153,430	547,411	67,172,783	271,322,647 (continued)

CITY OF PASADENA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Business-type Activities					Total Business-type Activities
	Revenue Bonds	Certificates of Participation	Capitalized Lease Obligations	Notes Payable	Other	
2006	201,535,000	31,469,000	2,353,108	2,016,981	2,243,757	239,617,846
2007	213,785,000	29,106,683	1,284,128	1,909,341	2,215,365	248,300,517
2008	262,250,000	26,530,869	740,391	1,796,485	2,244,061	293,561,806
2009	253,675,000	23,798,315	448,305	1,677,796	1,309,143	280,908,559
2010	240,655,000	20,735,016	653,215	1,552,911	3,169,698	266,765,840
2011	263,190,000	17,393,817	111,754	1,421,679	2,069,094	284,186,344
2012	251,565,000	13,764,557	78,828	1,283,965	2,641,858	269,334,208
2013	239,665,000	9,837,075	44,626	1,139,066	3,346,787	254,032,554
2014	304,245,000	8,125,064	9,096	986,804	(3,040,335)	310,325,629
2015	291,510,000	6,300,977	-	826,805	-	298,637,782

* Percentage of Personal Income and Debt Per Capital (See Table 18)

**FY 2012's balance from Tax Allocation Bonds under Governmental Activities were transferred to FY 2012's Long-Term Liabilities under Private Purpose Trust Fund

Source: City of Pasadena Notes to Financial Statements and Statistical Table 18.

Table 12

Total Primary Government	Private Purpose Long-Term Liabilities**	Percentage of Personal Income *	Debt Per Capita *
599,667,824	-	109.83	4,103
598,993,811	-	102.21	4,068
662,515,886	-	105.82	4,473
645,030,926	-	106.43	4,295
611,909,989	-	107.06	4,474
609,738,993	-	107.40	4,389
586,987,200	66,886,678	103.17	4,216
565,706,419	51,256,905	108.65	4,040
614,384,806	48,552,905	103.42	4,361
569,960,429	7,525,000	95.54	4,028

CITY OF PASADENA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Outstanding General Bonded Debt					Total
	General Obligation Bonds	Revenue Bonds	Pension Bonds	Certificates of Participation	Tax Allocation Bonds **	
2006	1,550,000	10,355,000	131,960,000	143,901,497	10,607,328	298,373,825
2007	-	10,355,000	128,045,000	138,963,861	9,928,550	287,292,411
2008	-	9,895,000	123,610,000	131,036,605	8,819,025	273,360,630
2009	-	9,415,000	118,365,000	124,732,976	7,656,689	260,169,665
2010	-	8,910,000	111,525,000	114,437,082	6,422,412	241,294,494
2011	-	8,405,000	103,935,000	103,651,183	5,149,000	221,140,183
2012	-	7,880,000	143,040,000	94,920,443	-	245,840,443
2013	-	6,700,000	133,905,000	85,772,925	-	226,377,925
2014	-	6,180,000	123,890,000	76,589,936	-	206,659,936
2015	-	5,640,000	119,460,000	72,349,023	-	197,449,023

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

**FY 2012's balance from Tax Allocation Bonds under Governmental Activities were transferred to FY 2012's Long-Term Liabilities under the Private Purpose Trust Funds

Percent of Assessed Value ¹	Per Capita
1.92%	2,042
1.67%	1,951
1.45%	1,845
1.26%	1,732
1.17%	1,764
1.06%	1,592
1.15%	1,766
1.04%	1,617
0.90%	1,467
0.81%	1,395

**CITY OF PASADENA
Direct and Overlapping Debt
June 30, 2015**

City Assessed Valuation	\$20,729,808,837
Redevelopment Agency Incremental Valuation	<u>3,503,442,163</u>
Total Assessed Valuation	<u><u>\$ 24,233,251,000</u></u>

	Percentage Applicable ¹	Outstanding Debt 6/30/14	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Los Angeles County Flood Control District	2.197%	\$ 15,105,000	\$ 331,857
Metropolitan Water District	1.052%	110,420,000	1,161,618
Pasadena Area Community College District	34.650%	91,620,000	31,746,330
La Canada Unified School District	20.100%	25,959,038	5,217,767
Pasadena Unified School District	73.202%	336,555,000	246,364,991
Los Angeles County Improvement District No. 2658-M	98.700%	2,100,000	2,072,700
Los Angeles County Regional Park and Open Space Assessment District	2.028%	<u>82,880,000</u>	<u>1,680,806</u>
Total overlapping tax and assessment debt		<u>664,639,038</u>	<u>288,576,069</u>
Overlapping Other Debt:			
Los Angeles County General Fund Obligations	2.029%	1,835,420,030	37,240,672
Los Angeles County Superintendent of Schools Certificates of Participation	2.029%	9,529,882	193,361
Los Angeles County Sanitation District Nos. 15, 16 & 17 Certificates of Participation	0.409-59.512%	37,897,628	7,457,755
Pasadena Unified School District Certificates of Participation	73.318%	1,666,665	1,221,965
Total gross overlapping other debt		<u>1,884,514,205</u>	<u>46,113,753</u>
Less: Los Angeles County Certificates of Participation (100% self-supporting from leasehold revenues on properties in Marina Del Rey)			
Total net overlapping debt		<u>\$ 2,549,153,243</u>	334,689,822
City direct debt			<u>204,149,864</u>
Total direct and overlapping debt			<u><u>\$ 538,839,686</u></u>

Notes:

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. The City Direct Debt amount does not include Business Type Activities debt.

Source: California Municipal Statistics, Inc.

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CITY OF PASADENA
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands)

	Fiscal Year			
	2006	2007	2008	2009
Assessed valuation	15,535,968	17,246,657	18,812,937	20,752,287
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	<u>3,883,992</u>	<u>4,311,664</u>	<u>4,703,234</u>	<u>5,188,072</u>
Debt limit percentage	15%	15%	15%	15%
Debt limit	<u>582,599</u>	<u>646,750</u>	<u>705,485</u>	<u>778,211</u>
Total net debt applicable to limit:	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	581,049	646,750	705,485	778,211
Total debt applicable to the limit as a percentage of debt limit	0.3%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Pasadena, Department of Finance
Los Angeles County Tax Assessor

Table 15

Fiscal Year					
2010	2011	2012	2013	2014	2015
20,711,137	20,948,517	21,399,216	21,803,668	22,974,952	24,233,251
25%	25%	25%	25%	25%	25%
5,177,784	5,237,129	5,349,804	5,450,917	5,743,738	6,058,313
15%	15%	15%	15%	15%	15%
776,668	785,569	802,471	817,638	861,561	908,747
-	-	-	-	-	-
776,668	785,569	802,471	817,638	861,561	908,747
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**CITY OF PASADENA
Pledged-Revenue Coverage
Governmental Activity Debt
Last Ten Fiscal Years
(in thousands)**

Fiscal Year Ended June 30	General Obligation Bonds				
	Property Taxes	Debt Service		Coverage	Tax Increment
		Principal	Interest		
2006	28,122	1,475	150	17.31	22,994
2007	34,969	1,550	76	21.51	26,767
2008	36,228	-	-	-	27,221
2009	40,087	-	-	-	28,975
2010	39,771	-	-	-	28,583
2011	39,608	-	-	-	31,195
2012	41,106	-	-	-	12,945
2013	42,957	-	-	-	-
2014	44,066	-	-	-	-
2015	56,446	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

*Up to January 31, 2012, the date of PCDC dissolution, tax increment was reported under Primary Government grouping.

**As of February 1, 2012, tax increment is reported under Private Purpose Trust Fund grouping.

Prior to fiscal year 2015, gross amount was reported (before deduction of Pass-through and County Administrative Cost).

Starting in fiscal year 2015, net amount is reported (post deduction of Pass-through and County Administrative Cost)

Table 16

Tax Allocation Bonds						
Primary Government*			Private Purpose Trust Fund**			
Debt Service			Tax Increment **	Debt Service		
Principal	Interest	Coverage		Principal	Interest	Coverage
963	738	13.52	-	-	-	-
678	459	23.54	-	-	-	-
1,109	383	18.24	-	-	-	-
1,162	442	18.06	-	-	-	-
1,234	380	17.71	-	-	-	-
1,273	315	19.64	-	-	-	-
455	182	20.33	14,065	500	65	24.88
-	-	-	9,537	13,433	1,187	0.65
-	-	-	6,486	2,704	725	1.89
-	-	-	1,925	2,245	409	0.73

CITY OF PASADENA
Pledged-Revenue Coverage
Business-Type Activity Debt
Last Ten Fiscal Years
(in thousands)

Light & Power Revenue Bonds						
Fiscal Year Ended June 30	Light & Power Revenue ¹	Less Operating Expenses ²	Net Available Revenue	Principal	Debt Service ³ Interest	Coverage
2006	159,104	122,899	36,205	6,740	6,040	283.29%
2007	179,700	120,616	59,084	6,940	5,969	457.70%
2008	198,231	140,503	57,728	7,205	6,454	422.64%
2009	202,612	145,971	56,641	7,210	7,908	374.66%
2010	191,927	134,035	57,892	7,510	7,604	383.04%
2011	193,049	142,962	50,087	5,320	6,261	432.49%
2012	192,542	149,327	43,215	7,945	6,181	305.93%
2013	193,400	159,351	34,049	9,060	5,885	227.83%
2014	193,701	155,663	38,038	8,695	7,190	239.46%
2015	207,745	147,810	59,935	8,950	8,715	339.29%

Water Revenue Bonds						
Fiscal Year Ended June 30	Water Revenue ¹	Less Operating Expenses ²	Net Available Revenue	Principal	Debt Service ³ Interest	Coverage
2006	34,971	24,396	10,575	1,450	2,165	292.53%
2007	40,571	27,442	13,129	1,520	2,176	355.22%
2008	40,874	30,192	10,682	1,995	2,949	216.06%
2009	43,552	30,170	13,382	2,095	2,881	268.93%
2010	43,788	28,667	15,121	2,195	2,780	303.94%
2011	47,353	31,480	15,873	2,300	3,518	272.83%
2012*	54,777	36,413	18,364	2,390	4,340	272.87%
2013	58,839	37,699	21,140	2,985	4,188	294.72%
2014	61,772	42,615	19,157	3,070	4,045	269.25%
2015	58,039	38,810	19,229	3,185	3,915	270.83%

¹ Total operating revenues including investment earnings

² Total operating expenses exclusive of depreciation

³ Requirements are reported on a cash basis, excluding premiums

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

* Amount restated

**CITY OF PASADENA
Demographic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population ⁽¹⁾	Personal Income (in thousands)	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2006	146,138	5,460,008	37,362	4.7%
2007	147,262	5,860,144	39,794	4.9%
2008	148,126	6,260,545	42,265	4.3%
2009	150,185	6,060,866	40,356	9.9%
2010	136,769	5,715,713	41,791	9.4%
2011	138,915	5,677,039	40,867	12.6%
2012	139,222	5,689,585	40,867	9.1%
2013	140,020	5,206,803	37,186	8.4%
2014	140,879	5,940,727	42,169	5.8%
2015	141,510	5,965,432	42,156	6.3%

Source:

(1) State of California, Department of Finance County Population Estimates

(2) Bureau of Economic Analysis - Includes Long Angeles - Long Beach -

Glendale Metropolitan Division: <http://www.bea.gov/regional/reis/drill.cfm>

(3) State of California Employment Development Department

<http://www.labormarketinfo.edd.ca.gov/cgi/dataAnalysis/AreaSelection.asp?tableName=labforce&geogArea=0604000037>

**CITY OF PASADENA
Principal Employers
Current Year and Nine Years Ago**

Employer	2015		2006	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
California Institute of Technology - Jet Propulsion Laboratory	5,000	5.26%	5,200	4.95%
Kaiser Permanente	4,813	5.07%	2,000	1.90%
California Institute of Technology - Campus	3,900	4.11%	3,600	3.43%
Huntington Memorial Hospital	3,328	3.50%	3,000	2.86%
The City of Pasadena	2,106	2.22%	1,825	1.74%
Pasadena Unified School District	2,037	2.14%	2,007	1.91%
Bank of America	1,883	1.98%	1,300	1.24%
Pasadena City College	2,037	2.14%	2,200	2.10%
Art Center College of Design	701	0.74%	*	*
Hathaway-Sycamores	681	0.72%	*	*
ATT (SBC IN 2006)	634	0.67%	2,525	2.40%
Parsons Corporation	547	0.58%	2,000	1.90%
The Langham Huntington Hotel (The Ritz-Carlton)	559	0.59%	*	*
Western Asset	552	0.58%	*	*
East West Bank	467	0.49%	*	*
One West Bank (IndyMac in 2006)	555	0.58%	*	*
Rusnak Pasadena	346	0.36%	*	*
Pacific Clinics Administration	280	0.29%	*	*
Avon Products	170	0.18%	*	*

The Number of Employees for the City of Pasadena includes seasonal employees.

* Data not available

"Total Employment" as used above represents the total employment of all employers located within City limits. The information was obtained from the business license division.

The number of employees data comes from several sources including individual company's HR and Payroll Departments.

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CITY OF PASADENA
Full-time and Part-time City Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2006	2007	2008	2009
General government	474.3	480.1	487.6	489.6
Public safety	564.6	575.6	591.6	594.6
Public works	357.3	360.3	372.3	373.3
Transportation	43.0	44.0	46.0	48.0
Health	103.4	104.3	108.8	103.1
Culture and leisure	147.3	146.2	147.2	148.2
Water & power	402.0	413.0	423.0	428.0
Information services	119.8	120.2	121.8	121.8
Seasonal	-	-	-	-
Total	2,211.7	2,243.7	2,298.3	2,306.6

Source: City Payroll Office

Table 20

Fiscal Year						
2010	2011	2012	2013	2014	2015	
453.9	448.4	338.0	348.5	338.0	365.0	
593.6	568.8	560.0	562.9	540.0	548.0	
357.9	340.4	292.0	306.6	293.0	315.0	
48.0	45.0	43.0	45.0	51.0	50.0	
96.8	92.0	96.0	103.9	124.0	125.0	
142.6	139.4	210.0	192.2	281.0	94.0	
430.5	434.0	371.0	422.0	355.0	426.0	
116.0	105.4	150.0	104.9	140.0	107.0	
-	-	119.0	288.0	267.0	192.0	
<u>2,239.3</u>	<u>2,173.4</u>	<u>2,179.0</u>	<u>2,374.0</u>	<u>2,389.0</u>	<u>2,222.0</u>	

CITY OF PASADENA
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
Police:				
Arrests	9,655	10,117	9,722	9,055
Transportation:				
** Parking citations issued	163,103	177,060	189,017	189,932
Fire:				
Number of emergency calls	*	11,565	16,089	15,921
Inspections	*	3,855	5,017	5,720
Water:				
New connections	84	99	61	99
Average daily consumption (thousands of gallons)	29,960	32,970	31,537	29,872

* Information was not available.

** Parking citations were originally reported under Police Dept. This category moved to Transportation Department in FY10 because a majority of parking tickets are issued by Transportation Department.

Table 21

Fiscal Year						
2010	2011	2012	2013	2014	2015	
8,535	6,481	6,031	4,906	3,852	3,966	
132,042	142,615	160,384	172,154	168,896	185,832	
15,592	15,647	16,431	16,570	17,368	14,349	
6,737	*	7,168	7,123	7,445	7,500	
85	66	42	55	57	31	
25,623	24,528	25,174	26,982	28,368	25,436	

CITY OF PASADENA
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
Police:				
Stations	1	1	1	1
Substations	3	3	3	4
Fire:				
Fire stations	8	8	8	8
Transportation:				
Streets (miles)	322	322	322	322
Streetlights	16,798	17,047	17,047	17,047
Traffic signals	312	324	340	325
Parking facilities	11	11	11	11
Culture and leisure:				
Park sites	24	24	24	24
Community centers	6	6	6	6
Libraries	10	10	10	10
Electric Utility:				
Power plants	1	1	1	1
Customers	62,256	62,793	62,902	63,576
Miles of service	640	531	525	525
Maximum capacity (megawatts)	258	197	197	197
Water:				
Water mains (miles)	508	508	508	508
Customers	37,135	37,463	37,522	37,602
Average daily consumption (mgd)	29.96	32.97	31.53	29.87

Table 22

Fiscal Year						
2010	2011	2012	2013	2014	2015	
1	1	1	1	1	1	1
4	5	5	5	5	5	3
8	7	7	8	8	8	8
322	322	322	322	357	357	
17,047	17,069	17,100	17,207	17,452	17,584	
327	327	329	329	329	330	
11	12	12	9	9	9	
24	24	24	20	20	20	
6	5	4	4	4	4	
10	10	10	10	10	10	
1	1	1	1	1	1	
63,838	63,957	64,163	64,931	65,039	65,564	
525	525	525	673	680	680	
197	175	175	174	175	174	
508	508	508	516	520	520	
37,586	38,036	38,069	37,911	37,974	37,972	
25.62	26.70	25.17	26.98	28.37	25.43	

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