

CITY OF PASADENA
Statement of Net Assets
June 30, 2005

| | <u>Primary Government</u> | | <u>Total Primary Government</u> |
|--|------------------------------------|-------------------------------------|---|
| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | |
| Assets | | | |
| Cash and investments (note 3) | \$ 298,634,946 | 81,439,092 | 380,074,038 |
| Accounts receivable (note 4) | 33,402,591 | 47,949,285 | 81,351,876 |
| Less allowance for uncollectible amounts (note 4) | (742,231) | (8,504,235) | (9,246,466) |
| Notes receivable (note 5) | 25,539,280 | - | 25,539,280 |
| Internal balances (note 6) | - | - | - |
| Inventories | 241,662 | 10,273,823 | 10,515,485 |
| Prepays and other assets | 805,911 | 15,646,560 | 16,452,471 |
| Internal advances (note 7) | 4,873,098 | (4,873,098) | - |
| Advances to (from) component units (note 7) | 1,140,709 | - | 1,140,709 |
| Allowance for uncollectible long-term receivables (notes 5 and 7) | (10,437,002) | - | (10,437,002) |
| Restricted assets - cash and investments (note 3) | 202,069 | 173,221,456 | 173,423,525 |
| Property held for resale | 4,053,669 | - | 4,053,669 |
| Capital assets (note 8): | | | |
| Land | 54,229,664 | 5,236,929 | 59,466,593 |
| Construction in progress | 87,737,935 | 32,956,941 | 120,694,876 |
| Other capital assets, net | 187,524,900 | 356,369,657 | 543,894,557 |
| Total assets | <u>687,207,201</u> | <u>709,716,410</u> | <u>1,396,923,611</u> |
| Liabilities | | | |
| Accounts payable and accrued liabilities | 24,097,805 | 17,453,858 | 41,551,663 |
| Deposits | 2,452,122 | 2,751,156 | 5,203,278 |
| Insurance claims payable (note 23) | 21,607,490 | - | 21,607,490 |
| Interest payable | 2,507,574 | - | 2,507,574 |
| Due to other governments | 27,733 | - | 27,733 |
| Unearned revenue (note 9) | 7,767,036 | 74,344 | 7,841,380 |
| Noncurrent liabilities (notes 10 to 17): | | | |
| Due within one year | 19,966,171 | 12,196,239 | 32,162,410 |
| Due in more than one year | 340,404,596 | 237,374,149 | 577,778,745 |
| Unamortized premium (discount) | (4,969,260) | 2,473,490 | (2,495,770) |
| Total liabilities | <u>413,861,267</u> | <u>272,323,236</u> | <u>686,184,503</u> |
| Net Assets | | | |
| Invested in capital assets, net of related debt | 177,709,746 | 144,993,139 | 322,702,885 |
| Restricted: | | | |
| Expendable: | | | |
| Culture and leisure | 3,068,307 | - | 3,068,307 |
| Capital projects | - | - | - |
| Community development | 6,981,617 | - | 6,981,617 |
| Restricted - Stranded investments (note 19 and 26) | - | 144,188,768 | 144,188,768 |
| Restricted - Restricted for Project/Contribution/Debt Service | - | 40,101,574 | 40,101,574 |
| Nonexpendable | 970,816 | - | 970,816 |
| Unrestricted | 84,615,448 | 108,109,693 | 192,725,141 |
| Total net assets | <u>\$ 273,345,934</u> | <u>437,393,174</u> | <u>710,739,108</u> |

See accompanying notes to the basic financial statements.

| Component Units | Total | |
|--------------------|----------------------|----------------------|
| | 2005 | 2004 |
| 6,931,247 | 387,005,285 | 371,651,745 |
| 2,468,386 | 83,820,262 | 79,051,985 |
| - | (9,246,466) | (9,701,330) |
| - | 25,539,280 | 29,250,800 |
| - | - | - |
| - | 10,515,485 | 9,662,213 |
| 75,690 | 16,528,161 | 11,981,916 |
| - | - | - |
| (1,140,709) | - | - |
| - | (10,437,002) | (14,664,516) |
| 1,523,046 | 174,946,571 | 183,547,814 |
| - | 4,053,669 | 4,053,669 |
| 2,423,473 | 61,890,066 | 61,930,790 |
| 6,847,605 | 127,542,481 | 90,936,380 |
| 39,670,255 | 583,564,812 | 605,327,108 |
| <u>58,798,993</u> | <u>1,455,722,604</u> | <u>1,423,028,574</u> |
| 2,480,954 | 44,032,617 | 47,488,461 |
| 345,290 | 5,548,568 | 4,425,809 |
| - | 21,607,490 | 21,400,577 |
| - | 2,507,574 | 2,555,277 |
| - | 27,733 | 139,558 |
| 935,589 | 8,776,969 | 9,399,133 |
| 1,742,951 | 33,905,361 | 26,494,802 |
| 20,010,734 | 597,789,479 | 604,808,839 |
| - | (2,495,770) | (2,027,546) |
| <u>25,515,518</u> | <u>711,700,021</u> | <u>714,684,910</u> |
| 27,448,998 | 350,151,883 | 319,710,003 |
| - | 3,068,307 | 2,997,840 |
| 996,958 | 996,958 | 996,958 |
| - | 6,981,617 | 328,325 |
| - | 144,188,768 | 141,677,594 |
| - | 40,101,574 | 33,328,913 |
| - | 970,816 | 946,214 |
| 4,837,519 | 197,562,660 | 208,357,817 |
| <u>33,283,475</u> | <u>744,022,583</u> | <u>708,343,664</u> |

CITY OF PASADENA
Statement of Activities
For the Fiscal Year Ended June 30, 2005

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|-----------------------------------|-----------------|-----------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 50,247,744 | 14,245,802 | 184,443 | 1,686,607 |
| Public safety | 78,920,431 | 16,496,333 | 2,156,564 | 1,604,928 |
| Transportation | 37,322,322 | 5,466,445 | 4,637,054 | 17,315,158 |
| Sanitation | 2,408,961 | 4,883,867 | - | - |
| Health | 10,833,974 | 734,333 | 7,306,014 | - |
| Culture and leisure | 23,378,691 | 2,028,932 | 1,372,537 | - |
| Community development | 31,592,887 | 11,734,806 | 16,902,962 | 1,995,478 |
| Interest and other fiscal charges | 15,739,971 | - | - | - |
| Total governmental activities | 250,444,981 | 55,590,518 | 32,559,574 | 22,602,171 |
| Business-type activities: | | | | |
| Electric | 125,858,810 | 138,641,647 | 1,966,087 | - |
| Water | 30,281,320 | 34,266,781 | 797,790 | - |
| Refuse | 9,331,267 | 8,744,404 | - | - |
| Parking | 10,727,150 | 11,075,577 | - | - |
| Telecommunication | 415,503 | 446,139 | - | - |
| Total business-type activities | 176,614,050 | 193,174,548 | 2,763,877 | - |
| Total primary government | \$ 427,059,031 | 248,765,066 | 35,323,451 | 22,602,171 |
| Component units | \$ 16,640,480 | 19,776,154 | - | - |

General revenues:

Taxes:

Property tax, levied for general purpose

Sales tax

Utility users' tax

Transient occupancy tax

Construction tax

Business license tax

Franchise tax

Other taxes

Other intergovernmental

Investment earnings

Net change in fair value of investments

Gain on sale of assets

Miscellaneous revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year, as restated (note 2)

Net assets - end of year

See accompanying notes to the basic financial statements.

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

| Primary Government | | | | | |
|------------------------------------|-------------------------------------|---|----------------------------|---------------|---------------|
| Governmental Activities | Business-type Activities | Total Primary Government | Component Units | Total | |
| | | | | 2005 | 2004 |
| (34,130,892) | - | (34,130,892) | - | (34,130,892) | (5,680,602) |
| (58,662,606) | - | (58,662,606) | - | (58,662,606) | (57,319,913) |
| (9,903,665) | - | (9,903,665) | - | (9,903,665) | (11,275,696) |
| 2,474,906 | - | 2,474,906 | - | 2,474,906 | 2,056,311 |
| (2,793,627) | - | (2,793,627) | - | (2,793,627) | (3,512,305) |
| (19,977,222) | - | (19,977,222) | - | (19,977,222) | (19,520,190) |
| (959,641) | - | (959,641) | - | (959,641) | (5,133,768) |
| (15,739,971) | - | (15,739,971) | - | (15,739,971) | (15,591,719) |
| (139,692,718) | - | (139,692,718) | - | (139,692,718) | (115,977,882) |
| - | 14,748,924 | 14,748,924 | - | 14,748,924 | 13,426,447 |
| - | 4,783,251 | 4,783,251 | - | 4,783,251 | 3,405,558 |
| - | (586,863) | (586,863) | - | (586,863) | (978,937) |
| - | 348,427 | 348,427 | - | 348,427 | 127,882 |
| - | 30,636 | 30,636 | - | 30,636 | 451,929 |
| - | 19,324,375 | 19,324,375 | - | 19,324,375 | 16,432,879 |
| (139,692,718) | 19,324,375 | (120,368,343) | - | (120,368,343) | (99,545,003) |
| - | - | - | 3,135,674 | 3,135,674 | 2,160,954 |
| 46,267,839 | - | 46,267,839 | - | 46,267,839 | 46,965,859 |
| 34,025,536 | - | 34,025,536 | - | 34,025,536 | 32,471,997 |
| 26,638,754 | - | 26,638,754 | - | 26,638,754 | 25,927,767 |
| 7,444,810 | 1,438,821 | 8,883,631 | - | 8,883,631 | 8,195,371 |
| 3,974,255 | - | 3,974,255 | - | 3,974,255 | 4,473,984 |
| 4,147,408 | - | 4,147,408 | - | 4,147,408 | 4,783,633 |
| 2,078,654 | 1,109,812 | 3,188,466 | - | 3,188,466 | 2,817,856 |
| 5,475,612 | - | 5,475,612 | - | 5,475,612 | 5,440,154 |
| 14,213,101 | - | 14,213,101 | - | 14,213,101 | 8,928,672 |
| 10,090,949 | 9,895,187 | 19,986,136 | 186,864 | 20,173,000 | 16,383,124 |
| (311,536) | 906,515 | 594,979 | - | 594,979 | (7,142,935) |
| - | 1,105,836 | 1,105,836 | - | 1,105,836 | 31,813 |
| 12,094,100 | 4,244,406 | 16,338,506 | 969,946 | 17,308,452 | 7,501,950 |
| 16,587,550 | (16,587,550) | - | - | - | - |
| 182,727,032 | 2,113,027 | 184,840,059 | 1,156,810 | 185,996,869 | 156,779,245 |
| 43,034,314 | 21,437,402 | 64,471,716 | 4,292,484 | 68,764,200 | 59,395,196 |
| 230,311,620 | 415,955,772 | 646,267,392 | 28,990,991 | 675,258,383 | 648,948,468 |
| \$ 273,345,934 | 437,393,174 | 710,739,108 | 33,283,475 | 744,022,583 | 708,343,664 |

CITY OF PASADENA
Balance Sheet
Governmental Funds
June 30, 2005

| | General | Project Management Capital Project | 2003 Variable Rate Demand Certificate of Participation Capital Project | Pasadena Community Development Commission Debt Service |
|---|----------------------|---|---|---|
| <u>Assets</u> | | | | |
| Cash and investments (note 3) | \$ 64,036,515 | 7,422,047 | 59,271,930 | 7,473,013 |
| Accounts receivable (note 4) | 13,538,166 | 7,355,586 | - | 1,280,663 |
| Less allowance for uncollectible amounts (note 4) | (712,267) | - | - | - |
| Notes receivable (note 5) | 379,584 | - | - | - |
| Due from other funds (note 6) | 3,296,481 | - | - | - |
| Prepays and other assets | 517,778 | - | - | - |
| Advances to other funds (note 7) | 15,000,001 | - | - | - |
| Advances to component units (note 7) | 1,140,709 | - | - | - |
| Allowance for uncollectible long-term receivables | (10,532,096) | - | - | - |
| Property held for resale | - | - | - | - |
| Total assets | \$ 86,664,871 | 14,777,633 | 59,271,930 | 8,753,676 |
| <u>Liabilities and Fund Balances</u> | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 8,277,126 | 4,208,712 | - | 280,667 |
| Deposits | 1,796,515 | - | - | - |
| Due to other funds (note 6) | - | - | - | 1,190,968 |
| Due to other governments | 27,733 | - | - | - |
| Unearned revenue (note 9) | 7,482,071 | 3,670,887 | - | - |
| Advances from other funds (note 7) | - | - | - | 32,068,262 |
| Total liabilities | 17,583,445 | 7,879,599 | - | 33,539,897 |
| Fund balances: | | | | |
| Reserved for: | | | | |
| Encumbrances | 579,198 | - | - | - |
| Notes receivable | 379,584 | - | - | - |
| Prepays and other assets | 517,778 | - | - | - |
| Advances to other funds | 5,608,614 | - | - | - |
| Property held for resale | - | - | - | - |
| Debt service | - | - | - | - |
| Unreserved, reported in (note 18): | | | | |
| General fund | 61,996,252 | - | - | - |
| Special revenue funds | - | - | - | - |
| Debt service funds | - | - | - | (24,786,221) |
| Capital projects funds | - | 6,898,034 | 59,271,930 | - |
| Permanent funds | - | - | - | - |
| Total fund balances | 69,081,426 | 6,898,034 | 59,271,930 | (24,786,221) |
| Total liabilities and fund balances | \$ 86,664,871 | 14,777,633 | 59,271,930 | 8,753,676 |

See accompanying notes to the basic financial statements.

| Non-Major Governmental Funds | Totals | |
|------------------------------------|--------------------|--------------------|
| | 2005 | 2004 |
| 125,751,006 | 263,954,511 | 248,151,538 |
| 6,715,389 | 28,889,804 | 23,439,118 |
| (29,964) | (742,231) | (1,337,271) |
| 25,140,496 | 25,520,080 | 29,250,800 |
| 1,664,361 | 4,960,842 | 6,039,916 |
| 17,000 | 534,778 | 807,983 |
| 23,717,782 | 38,717,783 | 39,877,862 |
| - | 1,140,709 | 1,193,237 |
| (30,851,180) | (41,383,276) | (45,692,093) |
| 4,053,669 | 4,053,669 | 4,053,669 |
| <u>156,178,559</u> | <u>325,646,669</u> | <u>305,784,759</u> |
| 4,672,221 | 17,438,726 | 18,667,422 |
| 519,004 | 2,315,519 | 2,309,042 |
| 3,769,874 | 4,960,842 | 4,398,459 |
| - | 27,733 | 139,558 |
| 1,930,651 | 13,083,609 | 11,905,912 |
| 4,365,948 | 36,434,210 | 36,999,086 |
| <u>15,257,698</u> | <u>74,260,639</u> | <u>74,419,479</u> |
| 7,527,370 | 8,106,568 | 1,720,410 |
| 13,179,998 | 13,559,582 | 11,368,978 |
| 17,000 | 534,778 | 807,983 |
| 5,713,746 | 11,322,360 | 14,142,474 |
| 4,053,669 | 4,053,669 | 231,500 |
| 36,951,516 | 36,951,516 | 40,102,783 |
| - | 61,996,252 | 49,391,042 |
| 43,104,414 | 43,104,414 | 51,443,743 |
| - | (24,786,221) | (32,774,693) |
| 29,402,332 | 95,572,296 | 93,984,846 |
| 970,816 | 970,816 | 946,214 |
| <u>140,920,861</u> | <u>251,386,030</u> | <u>231,365,280</u> |
| <u>156,178,559</u> | <u>325,646,669</u> | <u>305,784,759</u> |

CITY OF PASADENA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2005

| | | |
|---|------------------|-----------------------|
| Fund balances of governmental funds | | \$ 251,386,030 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets net of depreciation have not been included as financial resources in governmental fund activity. | | 320,302,198 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | 31,352,783 |
| Long term debt has not been included in governmental fund activity. | | |
| Notes payable | (7,811,133) | |
| Pension bonds | (135,590,000) | |
| General obligation bonds | (3,025,000) | |
| Tax allocation bonds | (12,065,364) | |
| Certificates of participation | (149,034,480) | |
| Capitalized lease obligations | (5,788,466) | |
| Net pension obligation | (36,023,278) | |
| Unamortized premium (discount) | <u>4,969,260</u> | |
| Net adjustment | | (344,368,461) |
| Accrued interest payable for the current portion of interest due on Tax Allocation Bonds has not been reported in the governmental funds. | | (2,507,574) |
| Unearned revenue related to GASB 33 requirement. | | 5,316,573 |
| Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net assets and liabilities of the internal service funds must be added to the statement of net assets. | | <u>11,864,385</u> |
| Net assets of governmental activities | | <u>\$ 273,345,934</u> |

See accompanying notes to the basic financial statements.

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CITY OF PASADENA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005

| | <u>General</u> | <u>Project Management Capital Project</u> | <u>2003 Variable Rate Demand Certificate of Participation Capital Project</u> | <u>Pasadena Community Development Commission Debt Service</u> |
|--|----------------------|---|---|---|
| Revenues: | | | | |
| Taxes | \$ 103,263,885 | - | - | 16,820,691 |
| Licenses and permits | 2,422,590 | - | - | - |
| Intergovernmental revenues | 12,513,767 | 17,532,468 | - | 558,000 |
| Charges for services | 26,212,130 | - | - | - |
| Fines and forfeits | 6,541,630 | - | - | - |
| Investment earnings | 16,527,891 | - | 1,478,772 | 234,626 |
| Net change in fair value of investments | (85,675) | - | - | (42,907) |
| Rental income | 1,632,951 | - | - | - |
| Miscellaneous revenues | 2,186,348 | 29,994 | - | - |
| Contributions | - | 376,595 | - | - |
| Forgiveness of advances | - | - | - | - |
| Total revenues | <u>171,215,517</u> | <u>17,939,057</u> | <u>1,478,772</u> | <u>17,570,410</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 26,439,776 | - | 181,616 | - |
| Public safety | 75,440,612 | - | - | - |
| Transportation | 21,886,752 | - | - | - |
| Sanitation | - | - | - | - |
| Health | - | - | - | - |
| Culture and leisure | 12,349,300 | - | - | - |
| Community development | 8,082,604 | - | - | 20,296 |
| Capital outlay | - | 38,786,274 | - | - |
| Debt service: | | | | |
| Principal retirement | 40,000,000 | - | - | 1,589,921 |
| Interest | - | - | - | 15,570,595 |
| Total expenditures | <u>184,199,044</u> | <u>38,786,274</u> | <u>181,616</u> | <u>17,180,812</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(12,983,527)</u> | <u>(20,847,217)</u> | <u>1,297,156</u> | <u>389,598</u> |
| Other financing sources (uses): | | | | |
| Issuance of long-term debt | 2,181,479 | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - |
| Transfers in (note 22) | 60,497,106 | 28,543,899 | 451,009 | 2,698,399 |
| Transfers out (note 22) | <u>(39,910,724)</u> | <u>(2,852,652)</u> | <u>(12,320,359)</u> | <u>(1,591,780)</u> |
| Total other financing sources (uses) | <u>22,767,861</u> | <u>25,691,247</u> | <u>(11,869,350)</u> | <u>1,106,619</u> |
| Change in fund balances | 9,784,334 | 4,844,030 | (10,572,194) | 1,496,217 |
| Fund balances at beginning of year | <u>59,297,092</u> | <u>2,054,004</u> | <u>69,844,124</u> | <u>(26,282,438)</u> |
| Fund balances at end of year | <u>\$ 69,081,426</u> | <u>6,898,034</u> | <u>59,271,930</u> | <u>(24,786,221)</u> |

See accompanying notes to the basic financial statements.

| Non-Major Governmental Funds | Totals | |
|------------------------------------|----------------------|---------------------|
| | 2005 | 2004 |
| 9,968,292 | 130,052,868 | 129,111,182 |
| 7,015,094 | 9,437,684 | 7,386,012 |
| 33,568,805 | 64,173,040 | 53,973,840 |
| 6,145,641 | 32,357,771 | 25,299,010 |
| - | 6,541,630 | 5,425,268 |
| 4,629,101 | 22,870,390 | 25,065,583 |
| (159,623) | (288,205) | (1,350,791) |
| 3,237,306 | 4,870,257 | 4,931,383 |
| 12,932,236 | 15,148,578 | 7,948,513 |
| 2,005,478 | 2,382,073 | 2,559,891 |
| - | - | 2,900,000 |
| <u>79,342,330</u> | <u>287,546,086</u> | <u>263,249,891</u> |
| 638,897 | 27,260,289 | 25,937,942 |
| 2,524,381 | 77,964,993 | 69,449,968 |
| 9,125,120 | 31,011,872 | 29,822,126 |
| 2,408,961 | 2,408,961 | 2,739,236 |
| 10,727,069 | 10,727,069 | 10,880,223 |
| 10,562,037 | 22,911,337 | 22,094,962 |
| 27,039,290 | 35,142,190 | 38,543,177 |
| - | 38,786,274 | 33,803,406 |
| 11,464,529 | 53,054,450 | 10,487,875 |
| 14,006,837 | 29,577,432 | 30,630,109 |
| <u>88,497,121</u> | <u>328,844,867</u> | <u>274,389,024</u> |
| <u>(9,154,791)</u> | <u>(41,298,781)</u> | <u>(11,139,133)</u> |
| 40,750,000 | 42,931,479 | 40,168,025 |
| - | - | (38,527,316) |
| 42,379,693 | 134,570,106 | 82,051,937 |
| <u>(59,506,539)</u> | <u>(116,182,054)</u> | <u>(64,034,939)</u> |
| <u>23,623,154</u> | <u>61,319,531</u> | <u>19,657,707</u> |
| 14,468,363 | 20,020,750 | 8,518,574 |
| <u>126,452,498</u> | <u>231,365,280</u> | <u>222,846,706</u> |
| <u>140,920,861</u> | <u>251,386,030</u> | <u>231,365,280</u> |

CITY OF PASADENA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2005

Net change in fund balances - total governmental funds \$ 20,020,750

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of activities because:

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. 31,430,578

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

| | | | |
|---|--|-------------------|--------------|
| Debt issued: | | | |
| Refunding certificates of participation | | (40,750,000) | |
| Capital lease obligation | | (2,181,479) | |
| Repayments: | | | |
| Changes in net pension obligations | | 19,009,432 | |
| Compensated absences | | 410,295 | |
| To bond, certificate, and note holders | | <u>13,054,450</u> | |
| Net adjustment | | | (10,457,302) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. 2,148,431

Interest payable related to debt services or long term liabilities. This is the net change in interest payable expense for the current period. 47,703

Internal service funds are used by management to charge the costs of certain activities, such as computing and communication, building maintenance, fleet maintenance, benefits, equipment leasing, workers' compensation, general liability printing services and mail services, to individual funds.
The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities. (155,846)

Change in net assets of governmental activities \$ 43,034,314

See accompanying notes to the basic financial statements.

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CITY OF PASADENA
Statement of Net Assets
Proprietary Funds
June 30, 2005

| | Light and Power | Water | Old Pasadena Parking | Paseo Colorado Parking |
|---|----------------------------|---------------------|-------------------------------------|---------------------------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and investments (note 3) | \$ 68,602,979 | 6,388,498 | 1,935,418 | - |
| Accounts receivable (note 4) | 20,855,714 | 5,085,412 | 317,493 | 388,588 |
| Less allowance for uncollectible amounts (note 4) | (679,709) | (179,187) | - | - |
| Notes receivable | - | - | - | - |
| Inventories | 4,641,644 | 5,632,179 | - | - |
| Prepays and other assets | <u>10,368,849</u> | <u>1,777,037</u> | <u>2,643,716</u> | <u>856,958</u> |
| Total current assets | <u>103,789,477</u> | <u>18,703,939</u> | <u>4,896,627</u> | <u>1,245,546</u> |
| Noncurrent assets: | | | | |
| Restricted assets - cash and investments: | | | | |
| To finance stranded investments (note 19) | 144,188,768 | - | - | - |
| Other restricted cash and investments | 11,109,892 | 11,010,391 | 2,698,006 | 1,445,639 |
| Advances to other funds (note 7) | - | - | - | - |
| Less allowance for long-term receivable (note 7) | - | - | - | - |
| Accounts receivable from Independent System Operator (ISO) | 19,604,188 | - | - | - |
| Less allowance for uncollectible amounts from ISO | (7,606,563) | - | - | - |
| Capital assets (note 8) | 460,415,410 | 130,220,981 | 21,863,610 | 30,345,347 |
| Less accumulated depreciation | <u>(206,348,635)</u> | <u>(46,892,686)</u> | <u>(5,743,568)</u> | <u>(1,973,302)</u> |
| Net property, plant and equipment | <u>254,066,775</u> | <u>83,328,295</u> | <u>16,120,042</u> | <u>28,372,045</u> |
| Total noncurrent assets | <u>421,363,060</u> | <u>94,338,686</u> | <u>18,818,048</u> | <u>29,817,684</u> |
| Total assets | <u>525,152,537</u> | <u>113,042,625</u> | <u>23,714,675</u> | <u>31,063,230</u> |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 9,972,235 | 5,928,314 | 745,969 | 339,861 |
| Deposits | 856,451 | 124,060 | 323,783 | 76,602 |
| Due to other funds (note 6) | - | - | - | - |
| Unearned revenue (note 9) | 14,364 | 59,980 | - | - |
| Notes payable - current (notes 10 and 11) | - | - | 102,435 | - |
| Revenue bonds - current (notes 10 and 15) | 6,740,000 | 1,450,000 | - | 790,000 |
| Certificates of participation - current (notes 10 and 16) | - | - | 1,119,067 | - |
| Capitalized lease obligations - current (notes 10 and 17) | <u>-</u> | <u>-</u> | <u>-</u> | <u>219,472</u> |
| Total current liabilities | <u>17,583,050</u> | <u>7,562,354</u> | <u>2,291,254</u> | <u>1,425,935</u> |
| Long-term liabilities: | | | | |
| Insurance claims payable (note 23) | - | - | - | - |
| Compensated absences | - | - | - | - |
| Advances from other funds (note 7) | - | - | 3,836,545 | 1,036,553 |
| Notes payable - long-term (notes 10 and 11) | - | - | 2,016,981 | - |
| Revenue bonds - long-term (notes 10 and 15) | 128,635,000 | 43,400,000 | - | 29,500,000 |
| Certificates of participation - long-term (notes 10 and 16) | - | - | 19,469,000 | - |
| Capitalized lease obligations - long-term (notes 10 and 17) | - | - | 656,464 | 615,165 |
| Unamortized premium (discount) | 1,761,920 | 529,201 | 414,944 | - |
| Total long-term liabilities | <u>130,396,920</u> | <u>43,929,201</u> | <u>26,393,934</u> | <u>31,151,718</u> |
| Total liabilities | <u>147,979,970</u> | <u>51,491,555</u> | <u>28,685,188</u> | <u>32,577,653</u> |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 118,691,775 | 38,478,295 | (7,243,905) | (2,752,592) |
| Restricted: | | | | |
| Restricted - Stranded investments (note 19 and 26) | 144,188,768 | - | - | - |
| Restricted - Restricted for Project/Contribution/Debt Service | 23,714,327 | 15,600,864 | 484,561 | 208,962 |
| Unrestricted | <u>90,577,697</u> | <u>7,471,911</u> | <u>1,788,831</u> | <u>1,029,207</u> |
| Total net assets | <u>\$ 377,172,567</u> | <u>61,551,070</u> | <u>(4,970,513)</u> | <u>(1,514,423)</u> |

See accompanying notes to the basic financial statements.

| Non-Major Enterprise Funds | Total Enterprise Funds | Governmental Activities- Internal Service Funds | Totals | |
|----------------------------------|------------------------------|---|----------------------|----------------------|
| | | | 2005 | 2004 |
| | | | | |
| 4,512,197 | 81,439,092 | 34,680,435 | 116,119,527 | 116,873,424 |
| 1,697,890 | 28,345,097 | 4,512,787 | 32,857,884 | 30,403,507 |
| (38,776) | (897,672) | - | (897,672) | (757,496) |
| - | - | 19,200 | 19,200 | - |
| - | 10,273,823 | 241,662 | 10,515,485 | 9,662,213 |
| - | 15,646,560 | 271,133 | 15,917,693 | 11,098,920 |
| <u>6,171,311</u> | <u>134,806,900</u> | <u>39,725,217</u> | <u>174,532,117</u> | <u>167,280,568</u> |
| - | 144,188,768 | - | 144,188,768 | 141,677,594 |
| 2,768,760 | 29,032,688 | 202,069 | 29,234,757 | 40,359,218 |
| - | - | 2,589,525 | 2,589,525 | 2,508,222 |
| - | - | (406,509) | (406,509) | (325,206) |
| - | 19,604,188 | - | 19,604,188 | 19,612,136 |
| - | (7,606,563) | - | (7,606,563) | (7,606,563) |
| 23,544,671 | 666,390,019 | 29,043,054 | 695,433,073 | 663,879,805 |
| <u>(10,868,301)</u> | <u>(271,826,492)</u> | <u>(19,852,753)</u> | <u>(291,679,245)</u> | <u>(272,740,603)</u> |
| <u>12,676,370</u> | <u>394,563,527</u> | <u>9,190,301</u> | <u>403,753,828</u> | <u>391,139,202</u> |
| <u>15,445,130</u> | <u>579,782,608</u> | <u>11,575,386</u> | <u>591,357,994</u> | <u>587,364,603</u> |
| <u>21,616,441</u> | <u>714,589,508</u> | <u>51,300,603</u> | <u>765,890,111</u> | <u>754,645,171</u> |
| 467,479 | 17,453,858 | 6,659,079 | 24,112,937 | 24,509,754 |
| 1,370,260 | 2,751,156 | 136,603 | 2,887,759 | 1,668,910 |
| - | - | - | - | 1,641,457 |
| - | 74,344 | - | 74,344 | 16,051 |
| - | 102,435 | - | 102,435 | 97,482 |
| - | 8,980,000 | - | 8,980,000 | 9,705,001 |
| 1,100,000 | 2,219,067 | - | 2,219,067 | 2,017,175 |
| <u>675,265</u> | <u>894,737</u> | <u>64,684</u> | <u>959,421</u> | <u>907,894</u> |
| <u>3,613,004</u> | <u>32,475,597</u> | <u>6,860,366</u> | <u>39,335,963</u> | <u>40,563,724</u> |
| - | - | 21,607,490 | 21,607,490 | 21,400,577 |
| - | - | 7,202,577 | 7,202,577 | 7,632,374 |
| - | 4,873,098 | - | 4,873,098 | 5,386,998 |
| - | 2,016,981 | - | 2,016,981 | 2,119,416 |
| - | 201,535,000 | - | 201,535,000 | 210,515,003 |
| 12,000,000 | 31,469,000 | - | 31,469,000 | 33,688,068 |
| 1,081,539 | 2,353,168 | 3,765,785 | 6,118,953 | 2,759,784 |
| <u>(232,575)</u> | <u>2,473,490</u> | <u>-</u> | <u>2,473,490</u> | <u>2,603,224</u> |
| <u>12,848,964</u> | <u>244,720,737</u> | <u>32,575,852</u> | <u>277,296,589</u> | <u>286,105,444</u> |
| <u>16,461,968</u> | <u>277,196,334</u> | <u>39,436,218</u> | <u>316,632,552</u> | <u>326,669,168</u> |
| (2,180,434) | 144,993,139 | 5,359,832 | 150,352,971 | 129,329,379 |
| - | 144,188,768 | - | 144,188,768 | 141,677,594 |
| 92,860 | 40,101,574 | 2,470,984 | 42,572,558 | 33,328,913 |
| <u>7,242,047</u> | <u>108,109,693</u> | <u>4,033,569</u> | <u>112,143,262</u> | <u>123,640,117</u> |
| <u>5,154,473</u> | <u>437,393,174</u> | <u>11,864,385</u> | <u>449,257,559</u> | <u>427,976,003</u> |

CITY OF PASADENA
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2005

| | <u>Light and Power</u> | <u>Water</u> | <u>Old Pasadena Parking</u> | <u>Paseo Colorado Parking</u> | <u>Non-Major Enterprise Funds</u> |
|--|----------------------------|--------------------|-------------------------------------|---------------------------------------|---|
| Operating revenues: | | | | | |
| Charges for services: | | | | | |
| Utilities | \$ 138,641,647 | 34,266,781 | - | - | - |
| Plaza Las Fuentes parking | - | - | - | - | 1,666,792 |
| Refuse collection | - | - | - | - | 8,744,404 |
| Old Pasadena parking | - | - | 4,742,925 | - | - |
| Paseo Colorado parking | - | - | - | 4,665,860 | - |
| Telecommunication | - | - | - | - | 446,139 |
| Computing and communication services | - | - | - | - | - |
| Building maintenance | - | - | - | - | - |
| Fleet maintenance | - | - | - | - | - |
| Employee benefits | - | - | - | - | - |
| Insurance | - | - | - | - | - |
| Printing | - | - | - | - | - |
| Mail | - | - | - | - | - |
| Other operating revenues | - | - | - | - | - |
| Total operating revenues | <u>138,641,647</u> | <u>34,266,781</u> | <u>4,742,925</u> | <u>4,665,860</u> | <u>10,857,335</u> |
| Operating expenses: | | | | | |
| Utility production | 82,382,773 | 15,676,729 | - | - | - |
| Utility transmission and distribution | 8,926,122 | 3,981,395 | - | - | - |
| Utility commercial and general | 14,391,703 | 5,843,889 | - | - | - |
| Plaza Las Fuentes parking | - | - | - | - | 1,467,822 |
| Refuse collection | - | - | - | - | 8,525,393 |
| Old Pasadena parking | - | - | 2,377,448 | - | - |
| Paseo Colorado parking | - | - | - | 3,049,669 | - |
| Telecommunications | - | - | - | - | 415,503 |
| Computing and communication services | - | - | - | - | - |
| Building maintenance | - | - | - | - | - |
| Fleet maintenance | - | - | - | - | - |
| Depreciation | 13,857,995 | 2,544,644 | 443,249 | 646,337 | 1,015,152 |
| Benefits | - | - | - | - | - |
| Insurance | - | - | - | - | - |
| Printing | - | - | - | - | - |
| Mail | - | - | - | - | - |
| Total operating expenses | <u>119,558,593</u> | <u>28,046,657</u> | <u>2,820,697</u> | <u>3,696,006</u> | <u>11,423,870</u> |
| Operating income (loss) | <u>19,083,054</u> | <u>6,220,124</u> | <u>1,922,228</u> | <u>969,854</u> | <u>(566,535)</u> |
| Nonoperating revenues (expenses): | | | | | |
| Taxes | - | - | - | - | 2,548,633 |
| Intergovernmental revenues | 1,508,929 | - | - | - | 75,297 |
| Investment earnings | 8,703,913 | 741,443 | 221,965 | 16,432 | 211,434 |
| Net change in fair value of investments | 951,798 | (42,343) | 3,557 | (5,637) | (860) |
| Interest expense | (6,300,217) | (2,234,663) | (1,360,877) | (764,999) | (407,471) |
| Gain (loss) on disposal of assets | 1,157,793 | (51,957) | - | - | - |
| Miscellaneous revenues | - | - | 40,992 | - | 24,684 |
| Other nonoperating revenues (expenses) | <u>974,112</u> | <u>1,572,583</u> | <u>(182,321)</u> | <u>534</u> | <u>229,596</u> |
| Total nonoperating revenues (expenses) | <u>6,996,328</u> | <u>(14,937)</u> | <u>(1,276,684)</u> | <u>(753,670)</u> | <u>2,681,313</u> |
| Income (loss) before transfers and contributions | 26,079,382 | 6,205,187 | 645,544 | 216,184 | 2,114,778 |
| Capital contributions | 1,966,087 | 797,790 | - | - | - |
| Transfers in (note 22) | 2,838,638 | - | - | 14,014 | - |
| Transfers out (note 22) | <u>(16,657,844)</u> | <u>(2,508,118)</u> | <u>-</u> | <u>-</u> | <u>(274,240)</u> |
| Net income (loss) | 14,226,263 | 4,494,859 | 645,544 | 230,198 | 1,840,538 |
| Net assets at beginning of year | <u>362,946,304</u> | <u>57,056,211</u> | <u>(5,616,057)</u> | <u>(1,744,621)</u> | <u>3,313,935</u> |
| Net assets at end of year | <u>\$ 377,172,567</u> | <u>61,551,070</u> | <u>(4,970,513)</u> | <u>(1,514,423)</u> | <u>5,154,473</u> |

See accompanying notes to the basic financial statements.

| Total Enterprise Funds | Governmental Activities- Internal Service Funds | Totals | |
|------------------------------|---|--------------------|--------------------|
| | | 2005 | 2004 |
| | | 172,908,428 | - |
| 1,666,792 | - | 1,666,792 | 1,581,441 |
| 8,744,404 | - | 8,744,404 | 7,996,232 |
| 4,742,925 | - | 4,742,925 | 4,708,989 |
| 4,665,860 | - | 4,665,860 | 4,045,975 |
| 446,139 | - | 446,139 | 451,929 |
| - | 7,417,195 | 7,417,195 | 6,363,142 |
| - | 7,582,023 | 7,582,023 | 7,568,314 |
| - | 7,331,236 | 7,331,236 | 7,498,774 |
| - | 22,675,674 | 22,675,674 | 21,217,054 |
| - | 9,594,772 | 9,594,772 | 8,134,003 |
| - | 898,224 | 898,224 | 884,040 |
| - | 327,035 | 327,035 | 319,980 |
| - | - | - | 337,370 |
| <u>193,174,548</u> | <u>55,826,159</u> | <u>249,000,707</u> | <u>241,497,648</u> |
| 98,059,502 | - | 98,059,502 | 104,466,834 |
| 12,907,517 | - | 12,907,517 | 11,779,537 |
| 20,235,592 | - | 20,235,592 | 19,822,100 |
| 1,467,822 | - | 1,467,822 | 1,456,577 |
| 8,525,393 | - | 8,525,393 | 8,138,637 |
| 2,377,448 | - | 2,377,448 | 2,114,924 |
| 3,049,669 | - | 3,049,669 | 3,079,586 |
| 415,503 | - | 415,503 | - |
| - | 6,883,404 | 6,883,404 | 6,114,366 |
| - | 6,168,482 | 6,168,482 | 6,695,022 |
| - | 5,978,934 | 5,978,934 | 5,464,480 |
| 18,507,377 | 1,856,225 | 20,363,602 | 15,373,245 |
| - | 24,180,822 | 24,180,822 | 21,484,692 |
| - | 9,016,901 | 9,016,901 | 9,459,582 |
| - | 963,547 | 963,547 | 883,636 |
| - | 308,414 | 308,414 | 266,297 |
| <u>165,545,823</u> | <u>55,356,729</u> | <u>220,902,552</u> | <u>216,599,515</u> |
| <u>27,628,725</u> | <u>469,430</u> | <u>28,098,155</u> | <u>24,898,133</u> |
| 2,548,633 | - | 2,548,633 | 1,965,439 |
| 1,584,226 | - | 1,584,226 | 70,064 |
| 9,895,187 | 1,020,693 | 10,915,880 | 10,105,203 |
| 906,515 | (23,331) | 883,184 | (5,792,144) |
| (11,068,227) | (10,376) | (11,078,603) | (10,801,281) |
| 1,105,836 | 70,070 | 1,175,906 | 11,755 |
| 65,676 | 118,170 | 183,846 | 49,221 |
| <u>2,594,504</u> | - | <u>2,594,504</u> | <u>2,186,933</u> |
| <u>7,632,350</u> | <u>1,175,226</u> | <u>8,807,576</u> | <u>(2,204,810)</u> |
| 35,261,075 | 1,644,656 | 36,905,731 | 22,693,323 |
| 2,763,877 | - | 2,763,877 | 2,495,174 |
| 2,852,652 | 184,805 | 3,037,457 | 828,779 |
| (19,440,202) | (1,985,307) | (21,425,509) | (18,845,777) |
| 21,437,402 | (155,846) | 21,281,556 | 7,171,499 |
| <u>415,955,772</u> | <u>12,020,231</u> | <u>427,976,003</u> | <u>420,804,504</u> |
| <u>437,393,174</u> | <u>11,864,385</u> | <u>449,257,559</u> | <u>427,976,003</u> |

CITY OF PASADENA
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2005

| | Light and Power | Water | Old Pasadena Parking |
|--|----------------------------|---------------------|-------------------------------------|
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 139,177,405 | 34,148,601 | 4,691,040 |
| Cash payments to suppliers for goods and services | (96,242,709) | (17,110,889) | (2,154,798) |
| Cash payments to employees for services | (17,722,854) | (6,857,737) | (41,033) |
| Cash payments to other funds for services | (1,415,573) | (949,117) | (10,590) |
| Cash payments from other funds for services | 140,052 | 75,413 | - |
| Other nonoperating revenues (expenses) | 834,060 | 1,497,167 | (141,329) |
| Net cash provided by (used for) operating activities | <u>24,770,381</u> | <u>10,803,438</u> | <u>2,343,290</u> |
| Cash flows from noncapital financing activities: | | | |
| Transfers from other funds | 2,838,638 | - | - |
| Transfers to other funds | (16,657,844) | (2,508,118) | - |
| Cash received (paid) on loans from other funds | - | - | - |
| Cash received (paid) on loans to other funds | - | - | (350,000) |
| Taxes received | - | - | - |
| Intergovernmental revenues | 1,508,929 | - | - |
| Net cash provided by (used for) noncapital financing activities | <u>(12,310,277)</u> | <u>(2,508,118)</u> | <u>(350,000)</u> |
| Cash flows from capital and related financing activities: | | | |
| Proceeds from long-term debt | - | - | - |
| Acquisition and construction of capital assets | (20,220,704) | (10,055,277) | (93,394) |
| Proceed from sale of capital assets | 1,201,300 | - | - |
| Cash received from (paid to) developers | 1,966,087 | 797,790 | - |
| Principal paid on debt | (7,575,000) | (1,385,003) | (458,194) |
| Interest paid on debt | (6,300,217) | (2,234,663) | (1,360,877) |
| Net cash used for capital and related financing activities | <u>(30,928,534)</u> | <u>(12,877,153)</u> | <u>(1,912,465)</u> |
| Cash flows from investing activities: | | | |
| Purchase of investment | (45,403,813) | - | - |
| Proceeds from sale of investment | 42,892,639 | - | - |
| Investment earnings | 9,655,712 | 699,102 | 225,522 |
| Net cash provided by investing activities | <u>7,144,538</u> | <u>699,102</u> | <u>225,522</u> |
| Net increase (decrease) in cash and cash equivalents | (11,323,892) | (3,882,731) | 306,347 |
| Cash and cash equivalents at beginning of year | <u>91,036,763</u> | <u>21,281,620</u> | <u>4,327,077</u> |
| Cash and cash equivalents at end of year | <u>\$ 79,712,871</u> | <u>17,398,889</u> | <u>4,633,424</u> |

| Paseo Colorado Parking | Non-Major Enterprise Funds | Total Enterprise Funds | Governmental | Totals | |
|------------------------------|----------------------------------|------------------------------|------------------------------|---------------------|---------------------|
| | | | Activities- | 2005 | 2004 |
| | | | Internal Service Funds | | |
| 4,778,084 | 10,793,564 | 193,588,694 | - | 193,588,694 | 189,598,584 |
| (2,725,487) | (4,391,268) | (122,625,151) | (12,411,540) | (135,036,691) | (141,430,735) |
| (91,392) | (3,284,721) | (27,997,737) | (39,056,231) | (67,053,968) | (56,714,017) |
| (68,498) | (1,602,673) | (4,046,451) | (1,884,059) | (5,930,510) | (5,460,059) |
| - | - | 215,465 | 55,445,390 | 55,660,855 | 53,409,256 |
| 534 | 254,280 | 2,444,712 | 118,003 | 2,562,715 | 2,027,392 |
| <u>1,893,241</u> | <u>1,769,182</u> | <u>41,579,532</u> | <u>2,211,563</u> | <u>43,791,095</u> | <u>41,430,421</u> |
| 14,014 | - | 2,852,652 | 184,805 | 3,037,457 | 828,779 |
| - | (274,240) | (19,440,202) | (1,985,307) | (21,425,509) | (18,845,778) |
| (163,900) | - | (163,900) | - | (163,900) | (299,036) |
| - | (1,641,457) | (1,991,457) | - | (1,991,457) | (943,437) |
| - | 2,548,633 | 2,548,633 | - | 2,548,633 | 1,965,439 |
| - | 75,297 | 1,584,226 | - | 1,584,226 | 70,064 |
| <u>(149,886)</u> | <u>708,233</u> | <u>(14,610,048)</u> | <u>(1,800,502)</u> | <u>(16,410,550)</u> | <u>(17,223,969)</u> |
| - | - | - | 3,662,057 | 3,662,057 | 34,442,300 |
| (118,978) | (535,847) | (31,024,201) | (2,055,501) | (33,079,702) | (44,003,446) |
| - | - | 1,201,300 | 56,879 | 1,258,179 | 140,119 |
| - | - | 2,763,877 | - | 2,763,877 | 2,495,174 |
| (950,637) | (1,621,607) | (11,990,441) | (61,384) | (12,051,825) | (13,034,882) |
| <u>(764,999)</u> | <u>(407,471)</u> | <u>(11,068,227)</u> | <u>(10,376)</u> | <u>(11,078,603)</u> | <u>(10,801,281)</u> |
| <u>(1,834,614)</u> | <u>(2,564,925)</u> | <u>(50,117,691)</u> | <u>1,591,675</u> | <u>(48,526,016)</u> | <u>(30,762,016)</u> |
| - | - | (45,403,813) | - | (45,403,813) | (113,460,909) |
| - | - | 42,892,639 | - | 42,892,639 | 121,052,559 |
| 10,798 | 210,574 | 10,801,708 | 976,579 | 11,778,287 | 4,313,059 |
| 10,798 | 210,574 | 8,290,534 | 976,579 | 9,267,113 | 11,904,709 |
| (80,461) | 123,064 | (14,857,673) | 2,979,315 | (11,878,358) | 5,349,145 |
| <u>1,526,100</u> | <u>7,157,893</u> | <u>125,329,453</u> | <u>31,903,189</u> | <u>157,232,642</u> | <u>151,883,497</u> |
| <u>1,445,639</u> | <u>7,280,957</u> | <u>110,471,780</u> | <u>34,882,504</u> | <u>145,354,284</u> | <u>157,232,642</u> |

CITY OF PASADENA
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2005

| | <u>Light and Power</u> | <u>Water</u> | <u>Old Pasadena Parking</u> |
|---|----------------------------|-------------------|-------------------------------------|
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | \$ 19,083,054 | 6,220,124 | 1,922,228 |
| Adjustments to reconcile operating income (loss) to net | | | |
| Depreciation | 13,857,995 | 2,544,644 | 443,249 |
| Gain (loss) on disposal of assets | - | - | - |
| Other non-operating revenues (expenses) | 974,112 | 1,572,580 | (141,329) |
| (Increase) decrease in accounts receivable | 435,691 | (214,775) | (13,875) |
| Increase (decrease) in allowance for uncollectible accounts | 101,737 | 36,634 | - |
| (Increase) decrease in other deferred debits | (6,138,640) | - | - |
| (Increase) decrease in inventories | (1,266,272) | 409,404 | - |
| (Increase) decrease in prepaids and other assets | - | 12,337 | 305,602 |
| Increase (decrease) in accounts payable and accrued liabilities | (2,229,264) | 212,227 | (129,055) |
| Increase (decrease) in insurance claims payable | - | - | - |
| Increase (decrease) in deferred charges | (1,670) | 59,963 | - |
| Increase (decrease) in compensated absences | - | - | - |
| Increase (decrease) in deposits payable | 56,272 | (21,847) | (5,520) |
| Increase (decrease) in amortized discount | (102,634) | (27,853) | (38,010) |
| Total adjustments | <u>5,687,327</u> | <u>4,583,314</u> | <u>421,062</u> |
| Net cash provided by (used for) operating activities | <u>\$ 24,770,381</u> | <u>10,803,438</u> | <u>2,343,290</u> |
| Non-cash investing, capital and financing related activity | | | |
| Non-cash changes in fair value of investments | <u>\$ 951,798</u> | <u>(42,343)</u> | <u>3,557</u> |

See accompanying notes to the basic financial statements

| Paseo Colorado Parking | Non-Major Enterprise Funds | Total Enterprise Funds | Governmental Activities- Internal Service Funds | Totals | |
|---------------------------------------|---|---------------------------------------|--|-------------------|--------------------|
| | | | | 2005 | 2004 |
| <u>969,854</u> | <u>(566,535)</u> | <u>27,628,725</u> | <u>469,430</u> | <u>28,098,155</u> | <u>24,898,133</u> |
| 646,337 | 1,015,153 | 18,507,378 | 1,856,225 | 20,363,603 | 15,373,245 |
| - | - | - | - | - | (87,985) |
| 534 | 254,279 | 2,660,176 | 118,003 | 2,778,179 | 2,236,320 |
| 112,224 | (65,577) | 253,688 | (370,769) | (117,081) | 58,019 |
| - | 1,805 | 140,176 | - | 140,176 | (193,598) |
| - | - | (6,138,640) | - | (6,138,640) | 394,869 |
| - | - | (856,868) | 3,596 | (853,272) | (484,865) |
| 53,996 | - | 371,935 | 783,509 | 1,155,444 | (813,573) |
| 97,009 | (95,363) | (2,144,446) | (415,547) | (2,559,993) | (382,657) |
| - | - | - | 206,913 | 206,913 | (272,771) |
| - | - | 58,293 | - | 58,293 | (75,510) |
| - | - | - | (429,797) | (429,797) | 164,756 |
| 13,287 | 1,186,657 | 1,228,849 | (10,000) | 1,218,849 | 129,020 |
| <u>-</u> | <u>38,763</u> | <u>(129,734)</u> | <u>-</u> | <u>(129,734)</u> | <u>487,018</u> |
| <u>923,387</u> | <u>2,335,717</u> | <u>13,950,807</u> | <u>1,742,133</u> | <u>15,692,940</u> | <u>16,532,288</u> |
| <u>1,893,241</u> | <u>1,769,182</u> | <u>41,579,532</u> | <u>2,211,563</u> | <u>43,791,095</u> | <u>41,430,421</u> |
| <u>(5,637)</u> | <u>(860)</u> | <u>906,515</u> | <u>(23,331)</u> | <u>883,184</u> | <u>(5,792,139)</u> |

CITY OF PASADENA
Statement of Net Assets
Fiduciary Funds
June 30, 2005

| | Pension Trust Funds | Agency Funds |
|---|--------------------------------|---------------------|
| Assets | | |
| Cash and cash equivalents (note 3) | \$ 124,177,490 | 1,009,021 |
| Receivables: | | |
| Accounts receivable | - | 519,089 |
| Interest | 340,016 | - |
| Total receivables | 340,016 | 519,089 |
| Prepays and other assets | - | 3,472 |
| Investments, at fair value (note 3): | | |
| Government and agencies | 12,736,097 | - |
| Corporate obligations | 22,621,136 | - |
| Corporate stocks | 93,772,972 | - |
| Total investments | 129,130,205 | - |
| Total assets | 253,647,711 | 1,531,582 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 117,901 | 634,245 |
| Due to other governments | - | 897,337 |
| Total liabilities | 117,901 | 1,531,582 |
| Net assets reserved in trust for employees' pension benefits | \$ 253,529,810 | - |

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Statement of Changes in Net Assets
Fiduciary Funds
June 30, 2005

| | Pension Trust | |
|--|-----------------------|--------------------|
| | 2005 | 2004 |
| Additions: | | |
| Contributions: | | |
| Employer | \$ 29,068 | 40,127,211 |
| Plan members | 12,548,619 | 10,404,849 |
| Total contributions | <u>12,577,687</u> | <u>50,532,060</u> |
| Net investment income: | | |
| Net change in fair value of investments | 16,826,223 | 23,483,817 |
| Interest | 1,920,060 | 2,183,691 |
| Dividends | 1,020,766 | 908,788 |
| Gross investment income (loss) | 19,767,049 | 26,576,296 |
| Less investment expenses | <u>(456,685)</u> | <u>(524,311)</u> |
| Net investment income (loss) | <u>19,310,364</u> | <u>26,051,985</u> |
| Total additions | <u>31,888,051</u> | <u>76,584,045</u> |
| Deductions: | | |
| Benefits paid to participants | 20,687,950 | 16,676,947 |
| Administrative expenses | 228,638 | 301,711 |
| Individual Retirement Account rollover | - | 645,858 |
| Payment to Public Employees Retirement System | <u>-</u> | <u>4,040,779</u> |
| Total deductions | <u>20,916,588</u> | <u>21,665,295</u> |
| Net increase (decrease) | 10,971,463 | 54,918,750 |
| Net assets reserved in trust for employees' pension benefits: | | |
| Beginning of year | <u>242,558,347</u> | <u>187,639,598</u> |
| End of year | <u>\$ 253,529,810</u> | <u>242,558,348</u> |

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Discretely Presented Component Units
Statement of Net Assets
June 30, 2005

| | <u>Rose Bowl Operating Company</u> | <u>Pasadena Center Operating Company</u> | <u>Totals</u> | |
|---|--|--|-------------------|-------------------|
| | | | <u>2005</u> | <u>2004</u> |
| Assets | | | | |
| Current assets: | | | | |
| Cash and investments (note 3) | \$ 2,813,893 | 4,117,354 | 6,931,247 | 6,626,783 |
| Accounts receivable, net | 1,852,927 | 615,459 | 2,468,386 | 3,287,057 |
| Due from other funds | - | - | - | 2,473,198 |
| Prepays and other assets | - | 75,690 | 75,690 | 75,013 |
| Total current assets | <u>4,666,820</u> | <u>4,808,503</u> | <u>9,475,323</u> | <u>12,462,051</u> |
| Noncurrent assets: | | | | |
| Restricted assets - cash and investments (note 3) | 1,523,046 | - | 1,523,046 | 1,511,002 |
| Capital assets (note 8): | | | | |
| Land | - | 2,423,473 | 2,423,473 | 2,423,473 |
| Construction in progress | 1,816,663 | 5,030,942 | 6,847,605 | 3,724,017 |
| Other capital assets, net | 35,903,743 | 3,766,512 | 39,670,255 | 39,574,409 |
| Total noncurrent assets | <u>39,243,452</u> | <u>11,220,927</u> | <u>50,464,379</u> | <u>47,232,901</u> |
| Total assets | <u>43,910,272</u> | <u>16,029,430</u> | <u>59,939,702</u> | <u>59,694,952</u> |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 1,200,707 | 1,280,247 | 2,480,954 | 2,001,118 |
| Deposits | 41,134 | 304,156 | 345,290 | 447,857 |
| Due to other funds | - | - | - | 2,473,198 |
| Unearned revenue (note 9) | 935,589 | - | 935,589 | 1,269,036 |
| Advances from primary government - current (note 7) | - | 55,187 | 55,187 | 52,528 |
| Certificates of participation - current (notes 10 and 16) | 1,742,951 | - | 1,742,951 | 1,640,960 |
| Total current liabilities | <u>3,920,381</u> | <u>1,639,590</u> | <u>5,559,971</u> | <u>7,884,697</u> |
| Noncurrent liabilities: | | | | |
| Compensated absences | 104,066 | - | 104,066 | 77,354 |
| Advances from primary government - long-term (note 7) | - | 1,085,522 | 1,085,522 | 1,140,709 |
| Certificates of participation - long-term (notes 10 and 16) | 19,906,668 | - | 19,906,668 | 21,601,201 |
| Total noncurrent liabilities | <u>20,010,734</u> | <u>1,085,522</u> | <u>21,096,256</u> | <u>22,819,264</u> |
| Total liabilities | <u>23,931,115</u> | <u>2,725,112</u> | <u>26,656,227</u> | <u>30,703,961</u> |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 17,593,833 | 9,855,165 | 27,448,998 | 21,074,944 |
| Restricted for construction | - | 1,163,096 | 1,163,096 | 996,958 |
| Unrestricted | 2,385,324 | 2,286,057 | 4,671,381 | 6,919,089 |
| Total net assets | <u>\$ 19,979,157</u> | <u>13,304,318</u> | <u>33,283,475</u> | <u>28,990,991</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 Assets
For the Fiscal Year Ended June 30, 2005

| | <u>Rose Bowl Operating Company</u> | <u>Pasadena Center Operating Company</u> | <u>Totals</u> | |
|--|--|--|-------------------|-------------------|
| | | | <u>2005</u> | <u>2004</u> |
| Operating revenues: | | | | |
| Charges for services: | | | | |
| Golf course | \$ 2,320,094 | - | 2,320,094 | 2,035,192 |
| Rose Bowl | 7,486,737 | - | 7,486,737 | 6,150,303 |
| Pasadena Center Operating Company | - | 9,969,323 | 9,969,323 | 9,290,670 |
| Total operating revenues | <u>9,806,831</u> | <u>9,969,323</u> | <u>19,776,154</u> | <u>17,476,165</u> |
| Operating expenses: | | | | |
| Golf course | 727,665 | - | 727,665 | 459,447 |
| Rose Bowl | 6,163,212 | - | 6,163,212 | 5,703,892 |
| Pasadena Center Operating Company | - | 6,625,877 | 6,625,877 | 6,808,974 |
| Depreciation | 1,878,028 | 377,123 | 2,255,151 | 1,894,605 |
| Total operating expenses | <u>8,768,905</u> | <u>7,003,000</u> | <u>15,771,905</u> | <u>14,866,918</u> |
| Operating income | <u>1,037,926</u> | <u>2,966,323</u> | <u>4,004,249</u> | <u>2,609,247</u> |
| Nonoperating revenues (expenses): | | | | |
| Investment earnings | 136,815 | 50,049 | 186,864 | 34,352 |
| Interest expense | (628,736) | (58,001) | (686,737) | (377,670) |
| Pre-expansion expenses | (181,838) | - | (181,838) | (70,623) |
| Other nonoperating revenues (expenses) | 969,946 | - | 969,946 | 466,923 |
| Total nonoperating revenues (expenses) | <u>296,187</u> | <u>(7,952)</u> | <u>288,235</u> | <u>52,982</u> |
| Income (loss) before operating transfers | <u>1,334,113</u> | <u>2,958,371</u> | <u>4,292,484</u> | <u>2,662,229</u> |
| Transfers from (to) other funds: | | | | |
| Total transfers from (to) other funds | - | - | - | - |
| Change in net assets | 1,334,113 | 2,958,371 | 4,292,484 | 2,662,229 |
| Net assets at beginning of year | <u>18,645,044</u> | <u>10,345,947</u> | <u>28,990,991</u> | <u>26,328,762</u> |
| Net assets at end of year | <u>\$ 19,979,157</u> | <u>13,304,318</u> | <u>33,283,475</u> | <u>28,990,991</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, 2005

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CITY OF PASADENA

Notes to the Basic Financial Statements

Year Ended June 30, 2005

(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 eight-member council.

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 government's operations; data from these units are combined with data of the City. Component units that do not meet one of the two 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.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2005

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

(a) Reporting Entity, (Continued)

Blended Component Units

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

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 Authority is reported as an Enterprise Fund.

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 volunteer directors: a President, Vice-President, and Secretary/Treasurer. PCIC's financial data and transactions are blended with the Debt Service and Capital Projects fund types.

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 25.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2005

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

(a) Reporting Entity, (Continued)

Blended Component Units, (Continued)

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. The Housing Authority's financial data and transactions are blended as a Special Revenue Fund.

Pasadena Community Development Commission (PCDC)

PCDC was established on April 27, 1981 to succeed the Pasadena Redevelopment Agency (the Agency). All obligations and assets of the Agency were transferred to PCDC, which adopted the by-laws of the Agency. PCDC was established to eliminate deterioration of the community and promote economic revitalization within the City. The City provides management assistance to PCDC, and the members of the City Council also act as the governing body. PCDC's financial data and transactions are reported in a separate Special Revenue, Debt Service, and Capital Projects Fund.

Complete financial statements are only prepared for FPRS and PCDC, which can be obtained from the Department of Finance at the City of Pasadena, 117 East Colorado Boulevard, Pasadena, California 91105.

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 of Pasadena by managing a world class stadium and a professional quality golf course complex in a residential open-space environment. RBOC is governed by a twelve-member board. Ten members are appointed by the City Council, while the University of California, Los Angeles (UCLA) and the Tournament of Roses appoint one each.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2005

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

(a) Reporting Entity, (Continued)

Discretely Presented Component Units, (Continued)

RBOC operations are discretely presented in the accompanying financial statements since neither of the two criteria for a blended component unit, 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.

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.

(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