

# PASADENA

CALIFORNIA

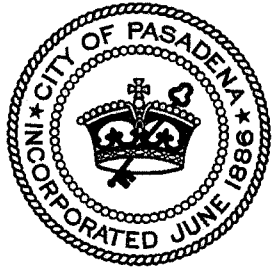
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT



YEAR ENDED JUNE 30

# 2009

# City of Pasadena, California



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

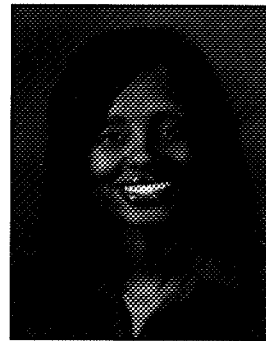
Year Ended June 30, 2009



Bill Bogaard  
Mayor



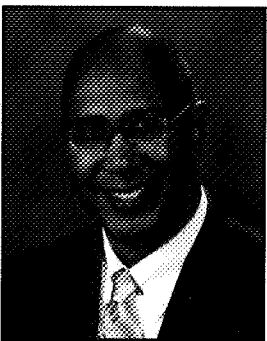
Victor Gordo  
Vice Mayor  
District 5



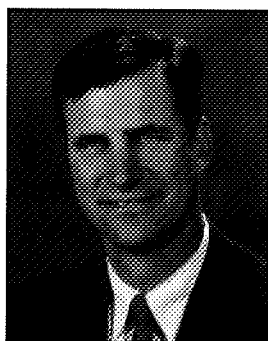
Jacque Robinson  
Council Member  
District 1



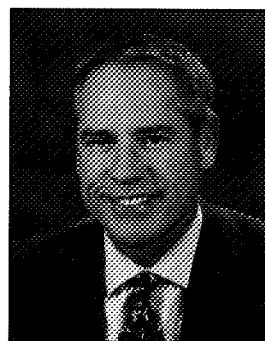
Margaret McAustin  
Council Member  
District 2



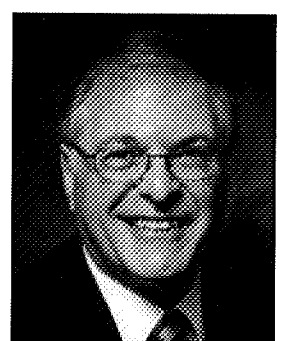
Chris Holden  
Council Member  
District 3



Steve Haderlein  
Council Member  
District 4



Steve Madison  
Council Member  
District 6



Terry Tornek  
Council Member  
District 7

MICHAEL J. BECK, CITY MANAGER  
ANDREW GREEN, DIRECTOR OF FINANCE  
PREPARED BY THE DEPARTMENT OF FINANCE, CITY OF PASADENA

**CITY OF PASADENA**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2009**

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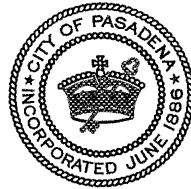
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# INTRODUCTORY SECTION



YEAR ENDED JUNE 30

2009



DEPARTMENT OF FINANCE

December 24, 2009

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, 2009. 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 that it contains 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 independent 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 Mayer Hoffman McCann PC, 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, 2009, are free of material misstatement. 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 unqualified opinion that the City of Pasadena's financial statements for the fiscal year ended June 30, 2009, 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.

In addition to meeting the requirements set forth in the City Charter, the independent audit was also part of the broader, federally mandated Single Audit Act of 1984, as amended in 1996, and the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* to meet the

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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 the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Pasadena's separately issued Single Audit Report.

GAAP 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 a 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.

The City Council is responsible, among other things, for setting policies, passing ordinances, adopting the budget, appointing committees and hiring the City's Manager, City Attorney/City Prosecutor, and Clerk. The City Manager is responsible for carrying out policies and ordinances of the City Council, appointing the heads of the City's departments 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 population of 150,185, 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.

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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), the Pasadena Fire and Police Retirement System (FPRS), and the Pasadena Community Development Commission (PCDC) are reported as part of the City. 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) and the Pasadena Center Operating Company (PCOC) are the 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 and power utilities, sewer utilities, library, culture and recreation, public improvements, planning and zoning, health services, housing and community development, 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 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.

## **MAJOR GOALS AND ACCOMPLISHMENTS**

In the face of declining resources and ever increasing expectations from the public for services, we as a community are faced with making difficult decisions as to the achievable level of services that can be afforded over the next few years. During the first half of 2009, the City Council and the Executive Leadership Team participated in a number of strategic planning sessions designed to focus on the key priorities for the City in the coming year. The six goals that resulted from that process are:

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- 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

In recognition of these goals, the City continues to promote strong public safety, cohesive neighborhoods, economic development and effective government. Major and noteworthy accomplishments during fiscal year 2009 are as follows:

- The Pasadena Convention Center \$148 million expansion was completed on schedule and under budget and offers 60,000 square feet of exhibit space and 25,000 square feet of ballroom. This state of the art center is expected to receive Silver Certification from the United States Building Council's Leadership in Energy and Environmental Design (LEED) program. Its inaugural event hosted the California Chief's of Police Training Symposium.
- Purchased Annandale Canyon Estates to serve as open space, partially funded by area residents and grants.
- Initiated the update of the General Plan and submitted the Draft Housing Element to the State.
- The City continued its investment in police and fire services and stressed the importance of disaster preparedness. The City participated in the statewide "Great Shakeout" Emergency Preparedness drill and coordinated two multi-agency drills. The Fire Department trained over 350 residents and 75 Pasadena Unified School District employees through a program entitled Pasadena Emergency Response Team (PERT).
- The Police Department's multi-faceted Divisions continued having great success in numerous areas including its: Youth Accountability Board, Special Enforcement Section, Crimes Against Persons, Crimes Against Property, Fugitive Apprehension Unit, Foothill Air Support Team, Criminal Investigation Division, and Safe Schools Team. Overall crime was reduced six percent and violent crimes were reduced 22 percent.
- The City's effort to improve efficiencies and modernize processes continued with Human Resources processing of 16,000 applications, the major portion received online. Citizens can complete crime reports on-line. The City website

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and the Citizens of the City of Pasadena, California  
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has been upgraded. Records Management imported 5,000 Workers Compensation files, 250 Tax Assessor Books, and over 6,000 building permits to the Citywide Imaging System, eliminating the storage of 527 boxes of records.

- The City Library system of ten Libraries received national Five Star rating.
- The Planning and Development Department plan checked and inspected \$150 million in construction activity, issued 2,500 building permits and performed 31,000 building inspections.
- The City's Public Health Department continued to provide world-class model of public health practices despite significant cut backs in State funding.
- The City continued working with Huntington Memorial Hospital, the Community Alliance of Pasadena (CHAP), and other local health care and social service providers to open a much needed urgent care center. The urgent care center project has been put out to bid with construction expected to be completed by the end of 2010.
- The Arroyo Parkway Enhancement roadway improvement and landscape project was completed and received the 2008 Project of the Year Award from the Southern California Chapter of the American Public Works Association. These enhancements create a welcoming gateway to Pasadena that incorporates Green elements. The project incorporates date palms, non-spray, low water median island irrigation, energy efficient LED lighting, and rubberized asphalt concrete for street resurfacing. Numerous mobility improvements were incorporated.
- Robinson Park's implementation of Master Plan construction has begun, with completion expected in January 2010. Restroom construction was completed at McDonald and Jefferson Parks. Turf renovation was completed at Brenner, Brookside, Jefferson, Vina Vieja, Victory, and Villa Parke.
- The Transportation Department completed the Rose Bowl Access Management Plan, Goldline Crossing Traffic Battery Backup System, Metro Rapid Bus Project, and Lake and Del Mar Intelligent Transportation System (ITS) Projects.
- Pasadena Water and Power (PWP) successfully defeased \$80 million in Intermountain Power Authority (IPA) bonds.



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- Pasadena Water and Power provided more than \$5 million in cash rebates to non-residential customers for retrofits that will save over 4.5 GWh and reduce load by 1.2MW annually.
- In March 2009 City Council approved PWP's 2009 Integrated Resource Plan (IRP), which is a blueprint for providing our customers with reliable, environmentally responsible electric service, competitive rates and energy independence over the next two decades.
- PWP developed a comprehensive water conservation program that has resulted in a 10 percent reduction in consumption during FY 2009.
- PWP completed numerous maintenance or upgrade projects including: negotiating terms with City of Burbank for a share of the Magnolia Power Plant output, converted multiple 4kV circuit segments to 17kV, replaced 8,000 electric meters with Automatic Meter Reading meters, replaced 5,000 water meters, and added 2.5MW of wind energy to our energy portfolio.
- Construction has begun for a new PWP Yards Administrative Building, which will house PWP Field Administration and the City Emergency Operations Center.
- In Fiscal Year 2009 the Capital Improvement Program included appropriations of \$90,659,860 to 104 projects. The 2009 to 2014 six year Capital Improvement Program included 211 active projects, 15 new projects, and 52 fully funded projects.

## **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 specific environment within which the City of Pasadena operates.

### **Local Economy**

Pasadena has been able to maintain a comparative advantage relative to other municipalities, but recent trends have re-enforced the fact that the City is not immune to the economic downturn. Permits for new construction have dropped off considerably, commercial vacancy rates have increased and curtailed consumer spending has significantly decreased sales tax revenues. Results from the first quarter of calendar 2009

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reflect a 14.2 percent decline in sales tax revenue when compared to the same period in the prior year. Not surprisingly, new auto sales saw significant reduction, down 28 percent as compared to the first quarter of calendar 2008. If the current trend continues, sales tax revenue could be as much as \$3 million below original budget estimates for FY 2010.

Median home prices in Pasadena have consistently exceeded those of Los Angeles County as a whole and over the past several years Pasadena has been a county leader in assessed valuation growth. Recently, however, the county assessor decided to review county assessed values under the authority provided by Prop 8, which was enacted in 1978. The result of this review was that Pasadena assessed values would decline 0.2 percent when compared to the prior year. This correction in the real estate market will certainly reduce the rate of growth in this key revenue source.

Other key revenues such as Transient Occupancy Tax, the majority of which is dedicated to cover debt service on the newly completed Pasadena Conference Center expansion, are also down considerably as compared to last year.

### **Long-term Financial Planning**

The General Fund five-year financial plan continues to be the mechanism by which the long-term financial health of the City is monitored and has lead to extended discussions and definitive action. Even under the best of circumstances, elimination of the deficit in the General Fund will be a multi-year effort. Fortunately, in addition to a reserve equal to 10 percent of current year budget appropriations, roughly \$23 million, the City has undesignated fund balance totaling approximately \$20 million. At the time the FY 2009 budget was adopted, it anticipated that expenses would exceed revenues by \$15.4 million thus resulting in a draw on fund balance. As a result of midyear reductions, only \$9.5 million (\$9.1 million in the general fund and \$.4 million in the other funds considered part of the general fund) was required this year, leaving \$20 million to help offset projected future shortfalls. This remaining fund balance will enable the City to undertake a more gradual approach to resolving the structural deficit. The proposed comprehensive plan to right-size the General Fund judiciously uses existing fund balance to partially offset the direct service impacts to the community over the next few years while expenses and revenues are brought back into alignment. Absent the implementation of the five year balanced budget plan presented to City Council in January 2009, these reserve funds would have been depleted by 2011.

### **City Council Financial Policies**

The City has an important responsibility to its citizens to carefully account for public funds, manage municipal finances wisely and plan the adequate funding of services desired

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by the public, including the provision and maintenance of public facilities. The following are the primary policies that guide the preparation of the City's annual budget:

1. The City's budget will be balanced with estimated revenues, other financing sources and fund balances sufficient to finance recommended spending.
2. Maintain a designated General Fund working capital reserve equivalent to 10 percent of the General Funds operating budget.
3. Maintain a diversified and stable revenue base to protect the City from short-term fluctuations in any one revenue source.
4. Maintain a long-range fiscal perspective through the use of five and/or ten-year financial projections of revenues and expenditures for the City's major funds.
5. Maintain a 75 percent cash reserve to cover projected claims and long-term payable obligations in the General Liability, Worker's Compensation, and Benefits Internal Service Funds. In addition, the Benefits Internal Service Fund shall maintain a 100 percent cash reserve to cover short-term payables.
6. Require that the Light and Power, Water, and Refuse Enterprise Funds maintain a 30-day cash reserve.
7. Require that the Fleet Maintenance and Computing and Communications Internal Service Funds maintain a \$250,000 and \$650,000 cash reserve balance, respectively.
8. Require that the Building Maintenance Internal Service Fund maintain a cash working capital reserve equivalent to 10 percent of its operating budget.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

During the fiscal year, the economy of the United States fell into its deepest recession since the Great Depression. Across the nation more than 15.4 million Americans are out of work as of November 2009 and many corporations, which were previously thought emblematic of American economic strength, are struggling to survive. Consumer confidence is at an all time low.

Recently there have been signs that the downturn has reached its nadir and the economy may be slowly moving towards recovery as housing prices have stabilized and claims for unemployment have slowed. In an effort to stimulate economic growth, this past February Congress passed the American Recovery and Reinvestment Act (ARRA). This act established an economic stimulus package of approximately \$787 billion to be used for housing, infrastructure, education, environmental, and healthcare projects across the county. The City of Pasadena expects to receive only a fraction of these funds, which are expected to be targeted for specific purposes and as such would not be available to cover the shortfall in the General Fund. Specifically, the City will receive \$4.3 million for

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Transportation for resurfacing projects; \$308,548 in Byrne Justice Assistance Grant for police; \$593,497 for Housing and Development CDBG; \$908,395 for Homeless Prevention; and \$1.5 million for Energy Efficient Block Grants. Moreover, preliminary indications are that states will receive and control the majority of stimulus funds.

The recession has had a significant impact on California, where unemployment is currently 12.1 percent, 2.4 percent above the national average and expected to rise further. California is also one of four states hardest hit by home foreclosures and currently has the lowest bond rating of any state.

In July 2009, the State of California concluded its most lengthy budget process in history as it struggled to close a roughly \$60 billion two-year budget gap. After extensive negotiation a plan was developed to address the deficit through a combination of borrowing and taking from local government, revenue increases, program reductions, and the issuance of additional debt.

The City FY 2010 Operating Budget minimizes impacts to Public Safety services, which constitute nearly 60 percent of the total General Fund operating expenses. In response to the City Council's direction over the course of the current year, the FY2010 spending plan encompasses both operating and capital expenses, which will:

- Implement the second phase of the five year plan to balance the budget
- Replace aging fire equipment
- Complete installation of ICIS emergency communications system
- Fund more than \$13.1 million in transportation projects to improve traffic flow
- Complete installation of state-of-the-art synthetic turf fields at Robinson Park
- Install synthetic turf soccer field at Villa Parke and initiate remodel of Villa Parke Community Center
- Begin construction on Urgent Care facility
- Replace aging water infrastructure and undertake an Integrated Resource Process for water to address future supply challenges
- Expand environmental stewardship through implementation of the Power Integrated Resource Plan
- Initiate the design for new more reliable and environmentally compatible power generation units
- Continue important community and social services, such as youth violence prevention, after school programs, WIC, and pre-natal clinic.
- Provide enhanced services to support individuals and families in their transition from homelessness
- Implement the Heritage Square senior housing project

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- Invest in career training programs and opportunities through the Foothill Training and Employment Connection, Rapid Response Downsizing Program, MASH, Local Hire Program, and the Summer Rose Internship Program.
- Appropriate \$64 million to 87 projects in FY 2010. Please refer to the 2010 to 2014 Capital Improvement Program budget for details on 322 projects over five years.

### **AWARDS AND ACKNOWLEDGEMENTS**

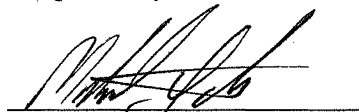
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pasadena for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Staff believes this current report continues to conform to the program requirements and will submit it to the GFOA award program for consideration.

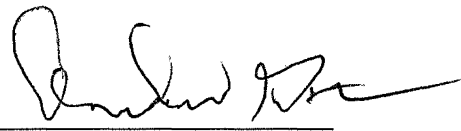
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Department of Finance staff.

The Mayor and City Council should also be acknowledged for their leadership, support and continuing efforts to maintain the City's strong fiscal health.

Respectfully submitted,



Michael J. Beck  
City Manager



Andrew Green  
Director of Finance

# CITY OF PASADENA

## Principal City Officials

### CITY COUNCIL

Mayor	Bill Bogaard
Vice-Mayor	Victor Gordo (District 5)
Council Member	Jacque Robinson (District 1)
Council Member	Margaret McAustin (District 2)
Council Member	Chris Holden (District 3)
Council Member	Steve Haderlein (District 4)
Council Member	Steve Madison (District 6)
Council Member	Terry Tornek (District 7)

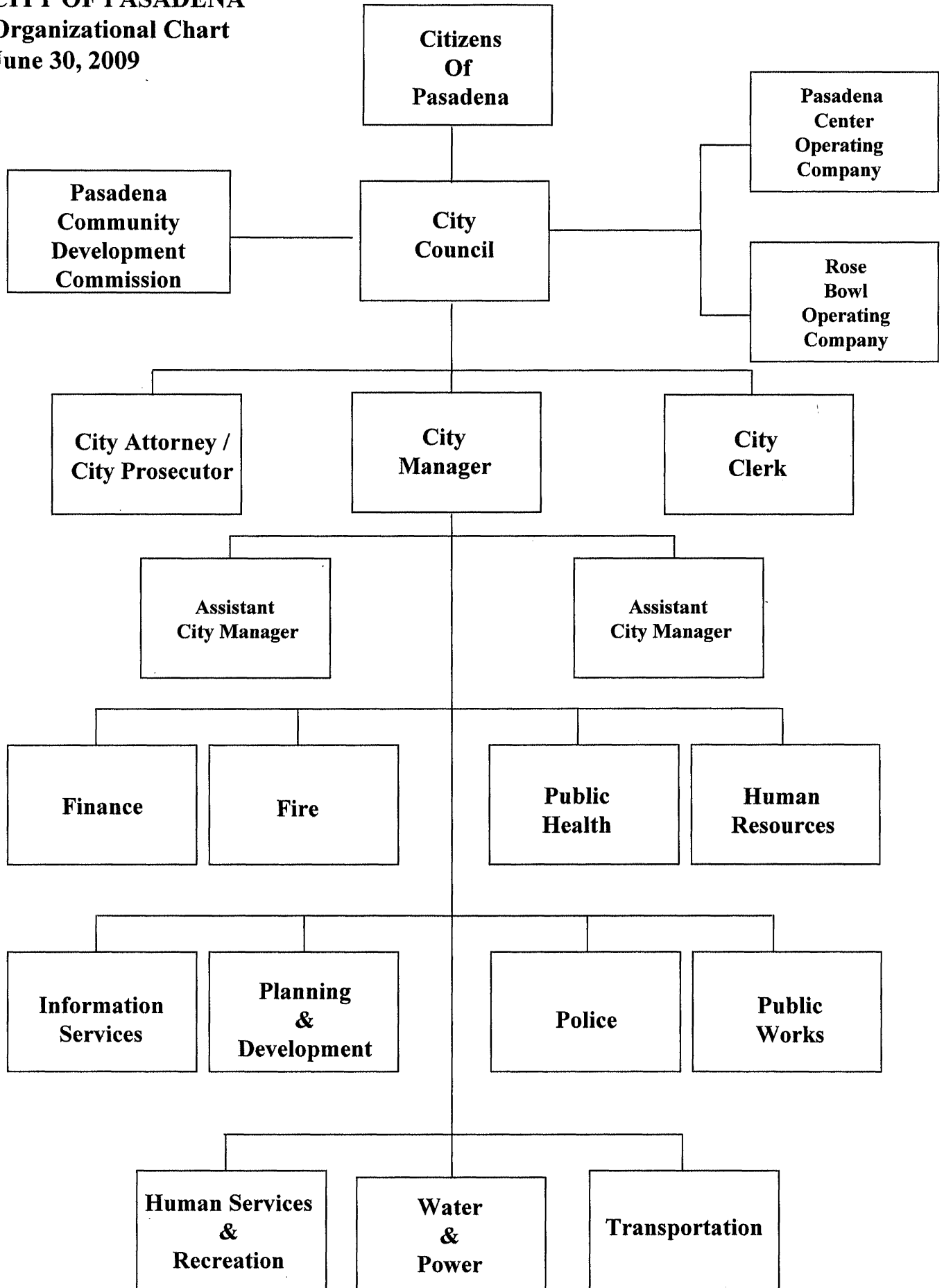
### APPOINTED OFFICIALS

City Manager	Michael J. Beck
City Attorney / City Prosecutor	Michele Beal Bagneris
City Clerk	Mark Jomsky

### EXECUTIVE STAFF

Assistant City Manager	Julie Gutierrez
Assistant City Manager	Steve Mermell
Director of Finance	Andrew Green
Fire Chief	Dennis J. Downs
Director of Human Resources	Karyn S. Ezell
Director of Human Services and Recreation	Patricia Lane
Director of Information Services	Jan Sanders
Chief Information Technology Officer	John Pratt
Chief Prosecutor	Constance Orozco-Morgan
Director of Planning and Development	Richard J. Bruckner
Acting Police Chief	Christopher O. Vicino
Director of Public Health/Health Officer	Takashi Wada, M.D.
Director of Public Works	Martin Pastucha
Director of Transportation	Fred Dock
General Manager of Water and Power	Phyllis Currie
Chief Executive Officer of Pasadena Center Operating Company	Michael Ross
General Manager, Rose Bowl Operating Company	Darryl Dunn

**CITY OF PASADENA  
Organizational Chart  
June 30, 2009**



**CITY OF PASADENA**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2009**

**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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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, 2008.

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.



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# FINANCIAL SECTION



YEAR ENDED JUNE 30

2009



Mayer Hoffman McCann P.C.

An Independent CPA Firm

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Irvine, California 92612  
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949-263-5520 fx  
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City Council  
City of Pasadena  
Pasadena, California

## **INDEPENDENT AUDITOR'S REPORT**

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 the City of Pasadena, California, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the City of Pasadena. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Fire and Police Retirement System Pension Trust Fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for that fund, is based solely on the report of the other auditors. The prior year partial comparative information has been derived from the financial statements of the City of Pasadena for the year ended June 30, 2008 and, in our report dated December 12, 2008, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, 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, 2009, and the respective changes in financial position and cash flows, where applicable, of the City of Pasadena, California for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information identified in the accompanying table of contents as *management's discussion and analysis* and *required supplementary information* is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

City Council  
City of Pasadena  
Pasadena, California

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pasadena's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables 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 budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2009 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Mayer Hoffman McCann P.C.*

Irvine, California  
December 17, 2009

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pasadena, we offer readers of the City of Pasadena's financial statements this narrative overview and analysis of the financial activities of the City of Pasadena for the fiscal year ended June 30, 2009. 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 1-10 of this report.

## FINANCIAL HIGHLIGHTS

- The primary government assets of the City of Pasadena exceeded liabilities at the close of fiscal year 2009 by \$954,199,439 (*net assets*). Of this amount, \$118,261,490 (*unrestricted net assets*) is for unrestricted uses in accordance with finance-related legal requirements reflected in the City's fund structure.
- The primary government's total net assets increased by \$49,166,110. Approximately 29.9 percent of this increase is attributable to the increase of the Governmental Activities and 70.1 percent is attributable to the increase of the Business Type Activities.
- As of the close of fiscal year 2009, the City of Pasadena's governmental funds reported combined ending fund balances of \$227,098,472, an increase of \$11,915,651 in comparison with the prior year. While approximately 45 percent of the total amount, or \$102,880,148, is labeled as Unreserved Fund Balance, \$53,686,313 of this has been designated for specific purposes by City Council.
- At the end of 2009, unreserved fund balance for the General Fund was \$48,401,466 or 20.8 percent of total general fund expenditures and transfers out.
- Of the unreserved general fund balance of \$48,401,466, \$20,010,387 is undesignated and is \$10.5 million less than was available from the prior year.
- The City of Pasadena's total debt had a net decrease of \$17,484,960 or 2.6 percent during fiscal year 2009. Business Activity debt decreased \$12,653,247 and Governmental Activity debt decreased \$4,831,713.

## 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 in addition to the basic financial statements themselves.

### 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 assets* presents information on all of the City of Pasadena's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 information to show how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 of Pasadena 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 34-37 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 of Pasadena 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 forty six 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, Community

Development Commission Debt Service Fund, 2003 Certificates of Participation Debt Service Fund, 2008 Series C Refunding COP Debt Service Fund, and the Project Management Capital Project Fund, all of which are considered to be major funds. Data from the other forty one 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 38-44 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 of Pasadena 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 of Pasadena'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, Old Pasadena Parking, and Paseo Colorado 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 three 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 46-53 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 accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 54-55 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 60-181 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Pasadena's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 187-190 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 188-189 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Pasadena, assets exceeded liabilities by \$954,199,439 at the close of the most recent fiscal year.

Approximately 61.1 percent or \$583,240,520 of the City of Pasadena's net assets reflect its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is 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.

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**City of Pasadena's Net Assets**

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Current and other assets	\$ 326,811,986	329,612,457	365,916,568	379,611,852	692,728,554	709,224,309
Capital assets	468,492,221	456,656,027	501,844,671	471,474,890	970,336,892	928,130,917
<b>Total Assets</b>	<b>795,304,207</b>	<b>786,268,484</b>	<b>867,761,239</b>	<b>851,086,742</b>	<b>1,663,065,446</b>	<b>1,637,355,226</b>
Long-term debt outstanding	364,122,367	368,954,080	280,908,559	293,561,806	645,030,926	662,515,886
Other liabilities	39,495,206	40,346,757	24,339,875	29,459,254	63,835,081	69,806,011
<b>Total Liabilities</b>	<b>403,617,573</b>	<b>409,300,837</b>	<b>305,248,434</b>	<b>323,021,060</b>	<b>708,866,007</b>	<b>732,321,897</b>
Net assets:						
Invested in capital assets, net of debt	325,409,503	318,192,342	257,831,017	254,992,476	583,240,520	573,184,818
Restricted	94,360,444	73,828,814	158,336,985	153,934,648	252,697,429	227,763,462
Unrestricted	(28,083,313)	(15,053,509)	146,344,803	119,138,558	118,261,490	104,085,049
<b>Total Net Assets</b>	<b>\$ 391,686,634</b>	<b>376,967,647</b>	<b>562,512,805</b>	<b>528,065,682</b>	<b>954,199,439</b>	<b>905,033,329</b>

An additional portion of the City of Pasadena's net assets \$252,697,429 or 26.5 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$118,261,490 or 12.4 percent is for unrestricted uses in accordance with finance-related legal requirements reflected in the City's fund structure. The *unrestricted net assets* of the City increased by approximately \$18.2 million from the prior year.

At the end of the 2009 fiscal year, the City of Pasadena is able to report positive balances in all three categories of net assets for the government as a whole.

During the 2009 fiscal year, the primary government's net assets increased by \$49.2 million. Approximately 29.9 percent of this increase is represented in the City's Governmental Activities and 70.1 percent of this increase is in the City Business-Type Activities.

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**City of Pasadena's Changes in Net Assets**

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 65,877,495	63,531,767	260,257,875	248,909,901	326,135,370	312,441,668
Operating grants and contributions	28,807,606	41,253,570	-	-	28,807,606	41,253,570
Capital grants and contributions	18,112,591	14,456,090	4,215,749	3,232,710	22,328,340	17,688,800
General revenues:						
Taxes:						
Property taxes, levied for						
general purpose	69,062,088	63,448,585	-	-	69,062,088	63,448,585
Sales taxes	32,912,733	36,519,422	-	-	32,912,733	36,519,422
Utility users' tax	31,162,427	29,639,754	-	-	31,162,427	29,639,754
Transient occupancy tax	7,382,354	8,847,757	1,605,237	1,883,314	8,987,591	10,731,071
Construction tax	2,366,386	3,984,216	-	-	2,366,386	3,984,216
Business license tax	5,860,722	5,604,340	-	-	5,860,722	5,604,340
Franchise taxes	2,401,933	2,107,758	2,127,786	2,214,588	4,529,719	4,322,346
Other taxes	6,078,298	6,221,615	-	-	6,078,298	6,221,615
Other intergovernmental	15,094,109	14,565,392	-	-	15,094,109	14,565,392
Investment earnings	8,618,605	11,688,396	9,771,531	11,917,854	18,390,136	23,606,250
Net change in fair value						
of investments	1,268,197	1,163,374	1,096,797	3,528,728	2,364,994	4,692,102
Gain on sale of assets	664,706	146,000	(188,098)	(148,686)	476,608	(2,686)
Miscellaneous revenues	6,121,204	5,328,752	2,970,263	3,003,493	9,091,467	8,332,245
<b>Total revenues</b>	<b>301,791,454</b>	<b>308,506,788</b>	<b>281,857,140</b>	<b>274,541,902</b>	<b>583,648,594</b>	<b>583,048,690</b>
<b>Expenses:</b>						
General government	43,926,189	44,788,005	-	-	43,926,189	44,788,005
Public safety	103,179,805	99,785,175	-	-	103,179,805	99,785,175
Transportation	49,978,832	50,035,200	-	-	49,978,832	50,035,200
Sanitation	4,060,775	3,189,090	-	-	4,060,775	3,189,090
Health	13,373,270	12,443,757	-	-	13,373,270	12,443,757
Culture and leisure	26,047,551	27,607,998	-	-	26,047,551	27,607,998
Community development	42,791,218	40,763,393	-	-	42,791,218	40,763,393
Interest and other fiscal charges	18,755,177	15,345,023	-	-	18,755,177	15,345,023
Electric	-	-	170,428,008	162,718,930	170,428,008	162,718,930
Water	-	-	36,877,111	36,394,330	36,877,111	36,394,330
Refuse	-	-	11,832,652	12,097,942	11,832,652	12,097,942
Parking	-	-	12,775,056	12,437,181	12,775,056	12,437,181
Telecommunication	-	-	456,840	470,463	456,840	470,463
<b>Total expenses</b>	<b>302,112,817</b>	<b>293,957,641</b>	<b>232,369,667</b>	<b>224,118,846</b>	<b>534,482,484</b>	<b>518,076,487</b>
Increase (decrease) in net						
assets, before transfers	(321,363)	14,549,147	49,487,473	50,423,056	49,166,110	64,972,203
<b>Transfers</b>	<b>15,040,350</b>	<b>14,137,078</b>	<b>(15,040,350)</b>	<b>(14,137,078)</b>	<b>-</b>	<b>-</b>
Increase (decrease) in net assets	14,718,987	28,686,225	34,447,123	36,285,978	49,166,110	64,972,203
<b>Net assets at beginning of year,</b>						
<b>as restated</b>	<b>376,967,647</b>	<b>348,281,422</b>	<b>528,065,682</b>	<b>491,779,704</b>	<b>905,033,329</b>	<b>840,061,126</b>
<b>Net assets at end of year</b>	<b>\$ 391,686,634</b>	<b>376,967,647</b>	<b>562,512,805</b>	<b>528,065,682</b>	<b>954,199,439</b>	<b>905,033,329</b>

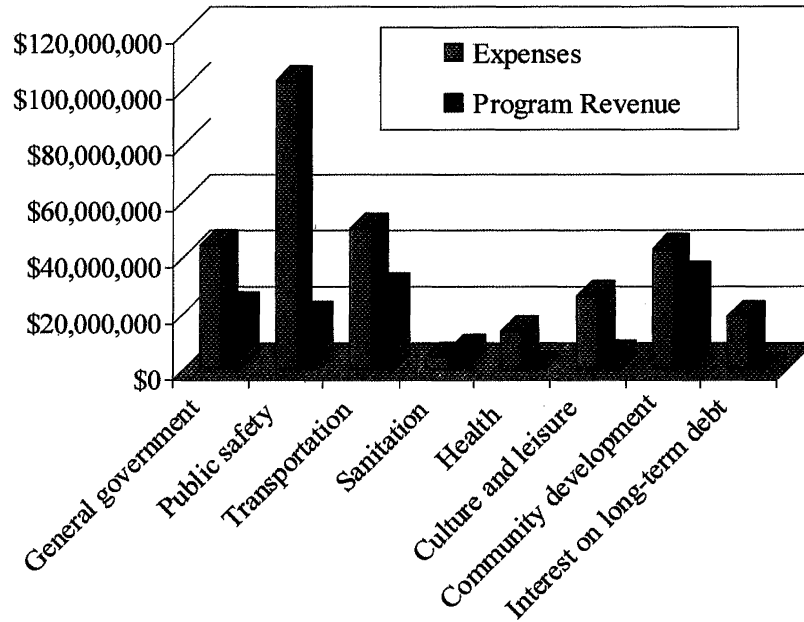
## Governmental Activities

Governmental activities increased City of Pasadena's net assets by \$14.7 million, a 3.9 percent increase in the primary government's net assets. Key elements of this increase are as follows:

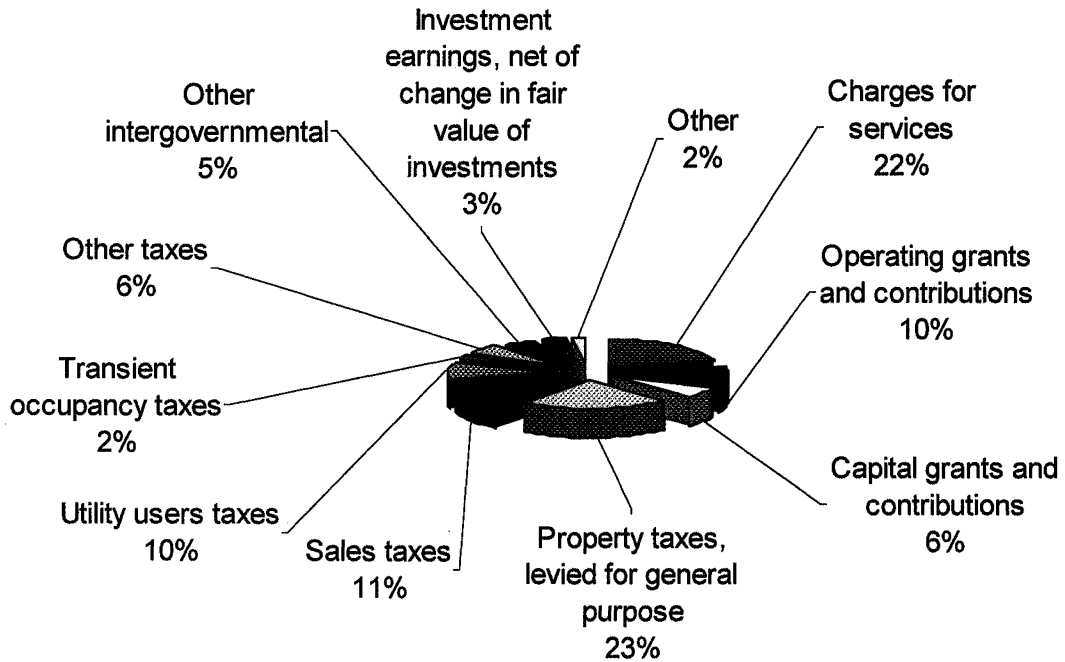
- Total Program Revenues (Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions) decreased by \$6.4 million or 5.4 percent from the prior year. Capital Grants and Contributions decreased \$12.4 million or 30.2 percent. This decrease was offset by increases in Charges for Services and Operating Grants and Contributions, which increased \$2.3 million or 3.7 percent and \$3.7 million or 25.3 percent, respectively. These reflect the continued use of City services and grant contributions required of Developers
- Tax revenue increased by \$.9 million or .5 percent increase from fiscal year 2008. This change was due primarily to increases in property taxes (\$5.6 million), utility users' tax (\$1.5 million), and offset by decreases in sales taxes (\$3.6 million), transient occupancy tax (\$1.5 million), and construction tax (\$1.6 million). Property taxes are expected to be flat or lower as the economy continues to soften. All other categories (except utility users' tax) reflect declining economic trends.
- Investment earnings decreased 26.3 percent from \$11.7 million to \$8.6 million. The decrease reflects both lower market yields and investment gains generated by the portfolio.
- Total expenses increased from fiscal year 2008 by \$8.2 million or 2.8 percent. This is primarily driven by an increase in Interest and other fiscal charges expenses by \$3.4 million or 22.2 percent compared to the prior fiscal year, primarily related to increased internal service costs. Public Safety also increased by \$3.4 million or 3.4 percent reflecting 7 additional Police positions and 3 vacancies filled, increased personnel and benefit costs in Fire and Police, and increased material and supplies costs. Community Development expenses increased \$2.0 million primarily due to \$1.7 million increase in interest expense. Culture and Leisure decreased \$1.6 million or 5.7 percent. General Government decreased by \$.9 million or 2.0 percent due to deliberate reductions in spending

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## Expenses and Program Revenues - Governmental Activities



## Revenues by Sources - Governmental Activities



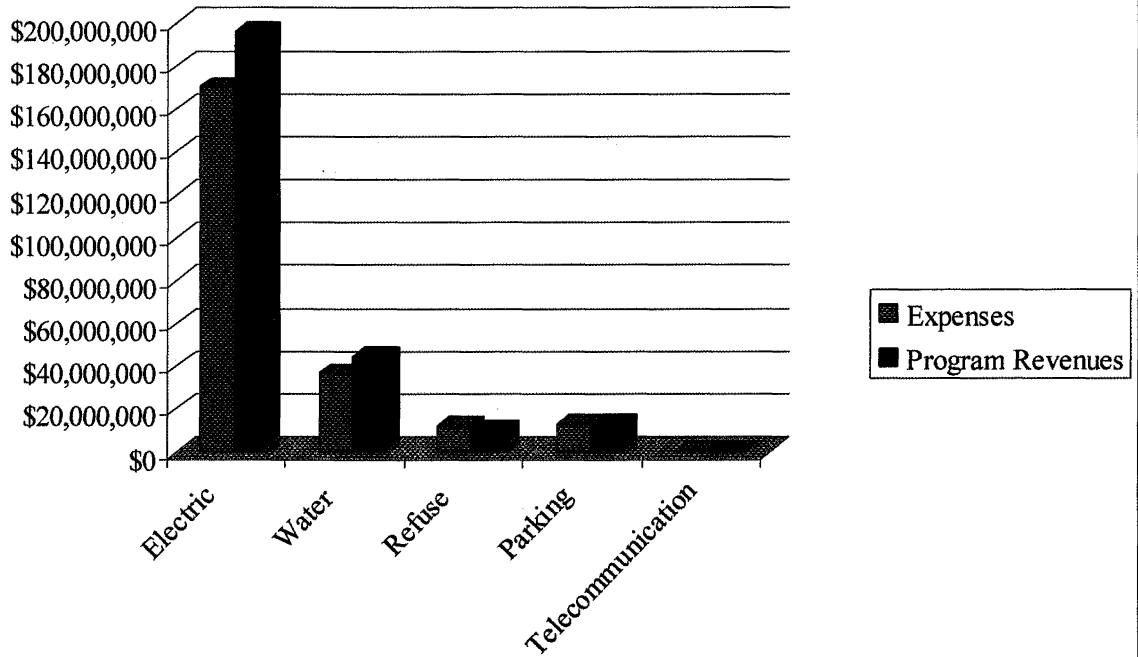
## **Business-Type Activities**

Business-type activities increased the City of Pasadena's net assets by \$34.4 million, accounting for 70.1 percent of the total change in net assets. The net assets of business type activities increased by \$36.3 in the prior year. Key elements of this year's increase are as follows:

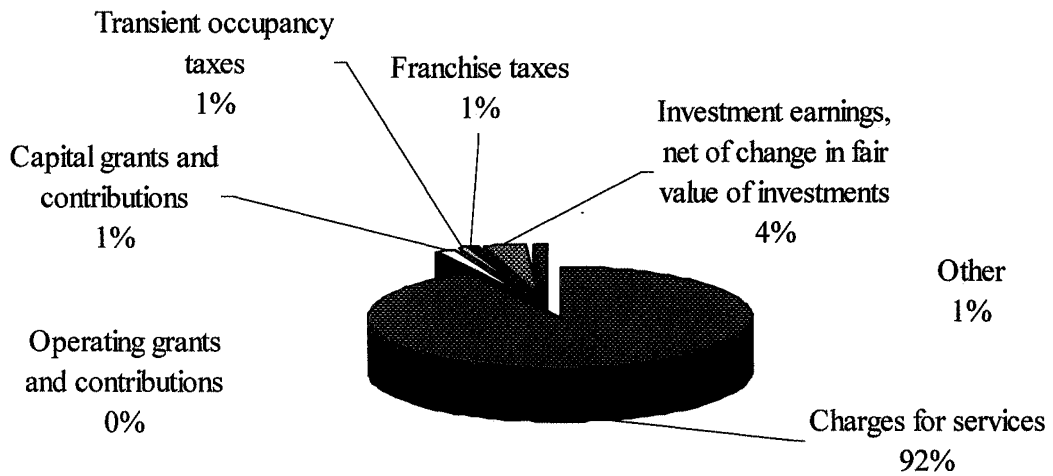
- Electric revenues increased \$8.1 million or 4.4 percent above the prior year primarily due to increased retail consumption and rate increases.
- Water revenues increased \$3.5 million or 8.9 percent above the prior year mainly due to rate adjustments applied to the Distribution and Customer Charges and the Purchased Water Adjustment Charge.
- The Water Fund also received \$1.0 million from NASA-JPL for the construction of the Monk Hill Water Treatment Plant.
- Investment earnings decreased \$2.1 million or 18.0 percent from the prior year due to slightly lower balances and reduced investment returns.
- The market value of investments had a smaller but positive change from prior year of \$1.1 million, down \$2.4 million from prior year.
- Electric expenses increased \$7.7 million or 4.7 percent from \$162.7 million to \$170.4 million due to reallocation of overhead cost and increases in depreciation and interest expenses related to new debt.
- Water expenses increased \$.5 million or 1.3 percent from \$36.4 million to \$36.9 million. Operating expenses increased \$1.5 million while decreased consumption reduced water purchase costs by \$1.0 million. This reflects successful conservation efforts.

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### Expenses and Program Revenues - Business-type Activities



### Revenue by Sources - Business-type Activities



## 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 of Pasadena'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, *unreserved 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 *reserved* and *unreserved* portions. The function of *reserved fund balance* is simply to isolate the portion of fund balance that is unavailable for the following period's budget. The *unreserved fund balance* can serve as a measure of current available financial resources. City Council may commit a portion of the *unreserved fund balance* by *designation* of fund balance to an intended future use.

At the end of the 2009 fiscal year, the City's governmental funds reported combined ending fund balances of \$227,098,472, an increase of \$11.9 million in comparison with the prior year. About 55% of this total amount or \$124,218,324 is reserved to indicate funds are not available for new spending because it has already been committed for a variety of restricted purposes. The remainder of the fund balance, or \$102,880,148, is unreserved, meaning it is available for spending at the City's discretion. Subtracting from \$102,880,148 the unreserved fund balance of the Special Revenue Funds of \$48,859,373, Debt Service Funds of (\$17,547,005), Capital Projects Fund of \$21,961,473, and the Permanent Fund of \$1,204,841, results in the General Fund unreserved fund balance of \$48,401,466. This unreserved General Fund balance has had \$28,391,077 designated by City Council for the following: City Hall seismic retrofit (\$5,603,009), and emergency/capital improvements (\$22,788,068). This leaves a General Fund *undesignated, unreserved* fund balance of \$20,010,389.

The General Fund is the chief operating fund of the City of Pasadena. At the end of the 2009 fiscal year, total fund balance equaled \$60,383,043 in comparison to \$69,925,131 in the prior year.

The fund balance of the City of Pasadena's General Fund decreased by \$9,542,088 or 13.6 percent, during 2009 fiscal year. Key factors in this decrease are as follows:

- Total expenditures increased \$6.1 million or 3.4%. The largest component of this increase was \$5.2 million in Public Safety. The Police Department spent \$3.9 million more than in the prior year mostly due to salary and benefit rate increases. Police added seven positions and filled three previously vacant positions. The Fire Department spending increased \$1.3 million in personnel costs, equipment, and disposable emergency medical supplies. General government increased \$.7 million largely due to personnel and benefit costs.



- Total revenues increased \$2.0 million, driven largely by charges for services delivered by the City. Most revenues which are sensitive to the economy experienced declines.
- Taxes decreased by a net \$1.4 million as a number of revenues have declined and continue to decline in this economy. Sales tax revenue led the decline, down \$3.6 million, followed by decreases in construction taxes of \$1.6 million, and transient occupancy tax of \$1.5 million. Property tax revenue increased \$5.6 million along with a utility user tax increase of \$1.5 million.
- Charges for services increased \$2.3 million or 8.1 percent from the prior year. Services to other funds increased by \$.6 million, Emergency Medical Aid Response increased by \$.3 million, Fire and Public Works charges for services both increase \$.2 million. Charges for specific projects increased \$1.3 million.
- Fines and Forfeitures increased \$.8 due to increased parking and traffic safety citations. Investment earning also had a modest increase of \$.7 largely reflecting modest market value recovery.
- General Fund Transfers out increased \$4.6 million and Transfers in decreased \$.5 million for a combined reduction of \$5.1 million. The largest portions of these Transfer out were \$2.5 for the costs of the Robinson Park Master Plan implementation, \$1.2 million of additional general fund support of the Health Department to make up some of the State cuts in funding, \$1.3 million for various Transportation and Parking projects, and \$.7 in increased support of the City Libraries.
- Total Governmental Funds Transfer out increased \$46.4 million and Transfers in increased \$46.5 million. The largest component of these variances relates to the issuance of the 2008 Series C Refunding bonds and the corresponding transfer reflecting the refunding of the 2003 COPS.

The Community Development Commission Debt Service Fund has a total fund deficit of \$22,559,085. The deficit exists since GAAP requires the debt service funds to record advances from other funds as a liability. At June 30, 2009, the balance in advances from other funds is \$34,896,497. The net change in fund balance during the current year in the debt service fund is \$.8 million or 3.5 percent increase from the prior year deficit balance of \$23,378,954.

Shown as major Governmental Funds are the 2003 Certificates of Participation Debt Service Fund and the 2008 Series C Refunding COP Debt Service; which was issued to refund the 2003 Certificates of Participation. Please refer to footnote 14 for additional information.

The Project Management Capital Project Fund has a fund balance of \$(2,128,922), which is a decrease of \$.8 million or 66.2 percent from the prior year. The key factors contributing to this decrease are as follows:

- A decrease of \$3.6 million in revenues related to the tracking of revenues in separate funds for Proposition 1B and Sewer Facility charges beginning FY 2009.

- Total expenditures decreased \$4.9 million or 14.0 percent due to decrease of expenditures incurred on various municipal building projects which came to ending phase of the projects.
- Other financing sources increased by \$51.3 million or 114.6 percent from \$44.8 million in 2008 to \$96.1 million in 2009. Other financing sources are budgetary 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 assets of the Light and Power Fund at the end of the year amounted to \$134,535,425 and those for the Water, Old Pasadena Parking, and Paseo Colorado Parking Funds amounted to \$7,348,356, \$1,838,524, and (\$3,579,394) respectively. The total net income (loss) for each fund was \$23,886,404, \$7,183,496, \$1,562,916, and (\$551,458) respectively.

Light and Power total revenues increased \$8.1 million over prior year due to increased retail consumption of 6,572 MWH and rate increases. Total operating expenses increased \$6.5 million or 4.2 percent to \$162.7 million and are largely attributable to a \$5.1 million increase in the Public Benefit Program in the form of energy efficiency programs, rebates, and other Public Benefit Programs.

Water Fund revenues increased \$3.5 million while operating expenses increased \$.6 million. Water Fund purchased water expenses were \$1.0 less reflecting reduced consumption and 11.3% less water purchased from the Metropolitan Water District. Both reflect successful water conservation efforts.

Old Pasadena Parking Fund net income decreased \$481,443 to \$1,562,916 due to declining revenues and a very modest increase in expenses.

Paseo Colorado Parking Funds net income decreased \$.6 million from a net income of \$78,522 in 2008 to a loss of \$551,458 in 2009. Net income decreased due to a decrease in revenues of \$.4 million and a \$.2 increase in operating and non operating expenses. Both parking funds revenue declines reflect our current economic climate.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund final budgeted appropriations increased by \$3.0 million or 1.6 percent from the original budget. The primary reasons for the increase from the original budget to the final budget came from Non-Department of \$1.2 million which consists of \$.9 million for the City's payment of its pension obligation to the Fire and Police Retirement System, and \$150,000 for the 2010 Census. Excluding non-departmental expenditures, the Police Department budget had the largest increase which was \$.7 million or 1.2 percent related to reappropriation of prior year items and various Safety related Grants, the largest being \$183,000 for DUI and speed enforcement and education. Community Development, Planning and Permitting budget increased \$359,000 for prior year reappropriations and \$97,000 for preparation of a Greenhouse Gas Emissions

Reduction Plan. Overall, the differences between the original budget and the final amended budget were relatively minor.

The General Fund actual total expenditures did not exceed final budgeted appropriations. The favorable variance between actual total expenditures and the final appropriation was \$6.4 million or 3.3 percent. The largest negative variance occurred in the Non-departmental expenditures which exceeded the final budget by \$.3 million. Achieving \$6.4 million savings was a deliberate and managed effort to partially offset anticipated declining revenues.

## **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, 2009 amounts to \$970,336,892, 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 4.5 percent (a 2.6 percent increase for governmental activities and a 6.4 percent increase for business-type activities).

Major capital asset events during the 2009 fiscal year included the following:

- Improvement of city-owned facilities continues to be a priority. Work continues this year in the area of historic preservation, design services, preparation of construction and bidding documents and construction of four major projects: City Hall Seismic Retrofit and Exterior Restoration, Seismic Retrofit of Glenarm Power Plant, and Installation of time-fill/fast-fill Refueling System at city yards and Urgent Care and Public Safety Training Facility. Approximately \$2,078,148 was spent on these projects during fiscal year 2009. Major construction on the City Hall Seismic Retrofit and Exterior Restoration project was completed in 2007; however, modifications and improvements continued during fiscal year 2009. The total project cost as of June 30, 2009 was \$118,612,025.
- In the area of technology upgrade project, the City spent \$2,907,186 in the Implementation of Interagency Communications Interoperability System (ICIS), a digital radio system that allows intercity and interagency communications.
- A variety of street maintenance and construction, electrical system undergrounding, traffic control and parks and landscape projects continue Citywide. Some of the major projects in these categories this fiscal year include: Arroyo Parkway Capacity Enhancement, Playhouse District and South Lake Streetscape Improvements, Avenue 64 La Loma Street Lighting, Traffic Control and Monitoring System (ITS), Lake Avenue Light Rail Enhancement, Replace Restroom Buildings at various parks and Acquisition of Parkland-Annandale Canyon Park. Work on these projects during the 2009 fiscal year reached \$12,269,058. Construction in Progress for the governmental activities as of June 30, 2009 is \$101,001,412.
- As of June 30, 2009, the Water and Power utility plant amounted to \$447,330,424 (net of accumulated depreciation), an increase of 7.8 percent or \$32,423,429. During the fiscal year,

the City spent \$52,328,790 on various water and power projects and capitalized \$41,080,885 for projects completed. Some of the major Power projects completed are related to utility undergrounding, public right of way, electromechanical meter replacement, distribution system expansion, concrete oil containment structure, wood utility pole replacement, distribution line and geographic information system. Water meter installation, distribution mains, fire protection system improvement and water system improvement are some of the major Water projects completed during FY 2009.

### City of Pasadena's Capital Assets

(Net of Depreciation)

	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$55,467,474	55,467,474	5,458,724	5,243,331	60,926,198	60,710,805
Buildings and improvements	185,350,425	191,216,548	89,515,025	90,691,288	274,865,450	281,907,836
Machinery and equipment	17,083,040	15,789,533	337,340,487	317,257,741	354,423,527	333,047,274
Infrastructure	109,589,870	100,376,074	-	-	109,589,870	100,376,074
Construction in progress	<u>101,001,412</u>	<u>93,806,398</u>	<u>69,530,435</u>	<u>58,282,530</u>	<u>170,531,847</u>	<u>152,088,928</u>
Totals	<u>\$468,492,221</u>	<u>456,656,027</u>	<u>501,844,671</u>	<u>471,474,890</u>	<u>970,336,892</u>	<u>928,130,917</u>

Additional information on the City of Pasadena's capital assets can be found in note 7 on pages 113-116 of this report.

### Long-Term Debt

At year-end, the City has a number of debt issues outstanding. These include \$118.4 million of taxable pension bonds, \$7.7 million of tax allocation bonds applicable to PCDC, \$263.1 million of revenue bonds, \$148.5 million of certificates of participation, \$7.9 million of notes payable and \$12.9 million of capitalized lease obligations. Long-term debt decreased by a net amount of \$17,484,960 as a result of new debt issuance, normal scheduled principal maturities, decreased arbitrage rebate liability, compensated absences, Other Post Employment Benefits (OPEB), decreased insurance claims payable, and increased net pension obligation. The City was assigned an AAA issuer credit rating and AA+ rating on COPs, Pension Bonds, and refunding bonds from Standard and Poor's.

The new issues include: 2008 Refunding Certificates of Participation Series C, \$71,450,000, and 2008 Paseo Colorado Taxable Revenue Refunding Bonds, \$28,800,000.

## City of Pasadena's Outstanding Debt

	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
Notes payable	\$ 6,258,463	7,120,623	1,677,796	1,796,485	7,936,259	8,917,108
Pension bonds	118,365,000	123,610,000	-	-	118,365,000	123,610,000
Tax allocation bonds	7,656,689	8,819,025	-	-	7,656,689	8,819,025
Certificates of participation	124,732,976	131,036,605	23,798,315	26,530,869	148,531,291	157,567,474
Revenue bonds	9,415,000	9,895,000	253,675,000	262,250,000	263,090,000	272,145,000
Capitalized lease obligations	12,499,210	6,527,207	448,305	740,391	12,947,515	7,267,598
Unamortized premium (discount)	(1,565,221)	(2,631,878)	1,309,143	2,244,061	(256,078)	(387,817)
Arbitrage Rebate Liability	250,132	745,765	-	-	250,132	745,765
Compensated absences	9,683,534	8,721,272	-	-	9,683,534	8,721,272
OPEB	4,304,912	2,142,822	-	-	4,304,912	2,142,822
Insurance Claims Payable	23,987,736	27,108,020	-	-	23,987,736	27,108,020
Net pension obligation	48,533,936	45,859,619	-	-	48,533,936	45,859,619
Totals	\$ <u>364,122,367</u>	<u>368,954,080</u>	<u>280,908,559</u>	<u>293,561,806</u>	<u>645,030,926</u>	<u>662,515,886</u>

Additional information on the City of Pasadena's long-term debt can be found in notes 9 through 16 on pages 118 to 144 of this report. Information on Insurance Claims Payable can be found in note 22 on pages 153 to 155 and Other Post Employment Benefits can be found in note 28 on pages 173 to 178.

### 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 S310, Pasadena, California, 91109.

**CITY OF PASADENA**  
**Statement of Net Assets**  
**June 30, 2009**

	<b>Primary Government</b>		<b>Total Primary Government</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>Assets</b>			
Cash and investments (note 2)	\$ 248,992,916	109,529,765	358,522,681
Accounts receivable (note 3)	37,060,804	48,981,770	86,042,574
Less allowance for uncollectible amounts (note 3)	(1,376,077)	(8,396,230)	(9,772,307)
Notes receivable (note 4)	34,301,221	70,020,000	104,321,221
Internal balances (note 5)	143,062	(143,062)	-
Inventories	213,983	19,336,678	19,550,661
Prepays and other assets	1,612,503	35,915,014	37,527,517
Internal advances (note 6)	6,616,552	(6,616,552)	-
Advances to (from) component units (note 6)	902,624	-	902,624
Allowance for uncollectible long-term receivables (notes 4 and 6)	(13,075,837)	-	(13,075,837)
Restricted assets - cash and investments (note 2)	266,867	97,289,185	97,556,052
Property held for resale	11,153,368	-	11,153,368
Capital assets (note 7):			
Land	55,467,474	5,458,724	60,926,198
Construction in progress	101,001,412	69,530,435	170,531,847
Other capital assets, net	312,023,335	426,855,512	738,878,847
Total assets	<u>795,304,207</u>	<u>867,761,239</u>	<u>1,663,065,446</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	26,256,963	17,830,864	44,087,827
Deposits	2,195,117	4,453,815	6,648,932
Interest payable	3,671,545	-	3,671,545
Due to other governments	28,787	-	28,787
Unearned revenue (note 8)	7,342,794	2,055,196	9,397,990
Advances from primary government (note 6)	-	-	-
Other post employment benefits liability (note 9)	4,304,912	-	4,304,912
Noncurrent liabilities (notes 9 to 15):			
Due within one year	39,709,379	13,559,218	53,268,597
Due in more than one year	320,108,076	267,349,341	587,457,417
Total liabilities	<u>403,617,573</u>	<u>305,248,434</u>	<u>708,866,007</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	325,409,503	257,831,017	583,240,520
Restricted:			
Expendable:			
Culture and leisure	3,429,642	-	3,429,642
Capital projects	-	-	-
Community development	1,207,769	-	1,207,769
Contribution	-	16,000,789	16,000,789
Debt service	44,714,908	-	44,714,908
Low Moderate Housing	33,780,255	-	33,780,255
Stranded investments (note 18 and 25)	-	140,041,800	140,041,800
Transportation	10,023,029	-	10,023,029
Other purposes	-	2,294,396	2,294,396
Nonexpendable:	1,204,841	-	1,204,841
Unrestricted	(28,083,313)	146,344,803	118,261,490
Total net assets	<u>\$ 391,686,634</u>	<u>562,512,805</u>	<u>954,199,439</u>

See accompanying notes to the basic financial statements.

<b>Component Units</b>			
<b>Rose Bowl Operating Company</b>	<b>Pasadena Center Operating Company</b>	<b>Total</b>	
		<b>2009</b>	<b>2008</b>
9,953,801	2,339,878	370,816,360	331,194,935
1,155,098	851,746	88,049,418	100,072,645
-	-	(9,772,307)	(9,740,785)
-	-	104,321,221	30,689,759
-	-	-	-
-	-	19,550,661	20,353,302
376,348	616,402	38,520,267	27,688,146
-	-	-	-
-	-	902,624	966,624
-	-	(13,075,837)	(8,558,407)
2,952,249	22,890,069	123,398,370	304,373,553
-	-	11,153,368	12,844,456
-	2,423,473	63,349,671	63,134,278
2,367,624	-	172,899,471	251,436,291
48,001,894	162,548,180	949,428,921	778,140,946
<u>64,807,014</u>	<u>191,669,748</u>	<u>1,919,542,208</u>	<u>1,902,595,743</u>
2,065,926	1,245,667	47,399,420	66,913,665
108,800	537,510	7,295,242	7,529,625
582,501	417,277	4,671,323	1,808,701
-	-	28,787	235,728
1,439,237	966,602	11,803,829	9,387,143
-	902,624	902,624	966,624
-	-	4,304,912	2,142,822
1,845,808	415,000	55,529,405	49,279,328
<u>31,752,075</u>	<u>165,893,023</u>	<u>785,102,515</u>	<u>808,969,256</u>
<u>37,794,347</u>	<u>170,377,703</u>	<u>917,038,057</u>	<u>947,232,892</u>
19,871,578	12,619,887	615,731,985	607,510,029
-	-	3,429,642	3,209,541
-	1,762,982	1,762,982	1,563,658
-	-	1,207,769	1,265,297
-	-	16,000,789	14,258,422
-	-	44,714,908	30,110,796
-	-	33,780,255	30,043,988
-	-	140,041,800	136,587,277
-	-	10,023,029	8,137,062
-	-	2,294,396	3,088,949
-	-	1,204,841	1,062,130
<u>7,141,089</u>	<u>6,909,176</u>	<u>132,311,755</u>	<u>118,525,702</u>
<u>27,012,667</u>	<u>21,292,045</u>	<u>1,002,504,151</u>	<u>955,362,851</u>

**CITY OF PASADENA**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2009**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 43,926,189	17,898,637	287,973	3,354,928
Public safety	103,179,805	15,503,719	3,172,728	-
Transportation	49,978,832	13,851,984	4,411,798	10,037,632
Sanitation	4,060,775	6,684,563	-	-
Health	13,373,270	736,748	-	-
Culture and leisure	26,047,551	1,957,481	2,175,225	-
Community development	42,791,218	9,244,363	18,759,882	4,720,031
Interest and other fiscal charges	18,755,177	-	-	-
Total governmental activities	302,112,817	65,877,495	28,807,606	18,112,591
<b>Business-type activities:</b>				
Electric	170,428,008	193,158,187	-	2,985,547
Water	36,877,111	43,095,822	-	1,230,202
Refuse	11,832,652	10,285,103	-	-
Parking	12,775,056	13,123,598	-	-
Telecommunication	456,840	595,165	-	-
Total business-type activities	232,369,667	260,257,875	-	4,215,749
Total primary government	\$ 534,482,484	326,135,370	28,807,606	22,328,340
<b>Component units</b>				
Rose Bowl Operating Company	\$ 12,854,880	11,774,171	-	2,000,000
Pasadena Center Operating Company	15,994,269	3,433,010	-	1,597,331
Total component units	\$ 28,849,149	15,207,181	-	3,597,331

**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  
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 30)**

**Net assets - end of year**

See accompanying notes to the basic financial statements.



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

<b>Primary Government</b>			<b>Component Units</b>		<b>Total</b>	
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>	<b>Rose Bowl Operating Company</b>	<b>Pasadena Center Operating Company</b>	<b>2009</b>	<b>2008</b>
(22,384,651)	-	(22,384,651)	-	-	(22,384,651)	(22,193,937)
(84,503,358)	-	(84,503,358)	-	-	(84,503,358)	(82,913,283)
(21,677,418)	-	(21,677,418)	-	-	(21,677,418)	(24,435,471)
2,623,788	-	2,623,788	-	-	2,623,788	2,394,071
(12,636,522)	-	(12,636,522)	-	-	(12,636,522)	714,318
(21,914,845)	-	(21,914,845)	-	-	(21,914,845)	(21,353,616)
(10,066,942)	-	(10,066,942)	-	-	(10,066,942)	(11,583,273)
(18,755,177)	-	(18,755,177)	-	-	(18,755,177)	(15,345,023)
(189,315,125)	-	(189,315,125)	-	-	(189,315,125)	(174,716,214)
-	25,715,726	25,715,726	-	-	25,715,726	25,010,853
-	7,448,913	7,448,913	-	-	7,448,913	3,711,560
-	(1,547,549)	(1,547,549)	-	-	(1,547,549)	(2,086,307)
-	348,542	348,542	-	-	348,542	1,429,708
-	138,325	138,325	-	-	138,325	(42,049)
-	32,103,957	32,103,957	-	-	32,103,957	28,023,765
(189,315,125)	32,103,957	(157,211,168)	-	-	(157,211,168)	(146,692,449)
-	-	-	919,291	-	919,291	(56,165)
-	-	-	-	(10,963,928)	(10,963,928)	(5,213,102)
-	-	-	919,291	(10,963,928)	(10,044,637)	(5,269,267)
69,062,088	-	69,062,088	-	-	69,062,088	63,448,585
32,912,733	-	32,912,733	-	-	32,912,733	36,519,422
31,162,427	-	31,162,427	-	-	31,162,427	29,639,754
7,382,354	1,605,237	8,987,591	-	4,559,501	13,547,092	16,284,985
2,366,386	-	2,366,386	-	-	2,366,386	3,984,216
5,860,722	-	5,860,722	-	-	5,860,722	5,604,340
2,401,933	2,127,786	4,529,719	-	-	4,529,719	4,322,346
6,078,298	-	6,078,298	-	2,131,649	8,209,947	8,764,286
15,094,109	-	15,094,109	-	-	15,094,109	15,338,029
8,618,605	9,771,531	18,390,136	363,975	339,189	19,093,300	24,616,518
1,268,197	1,096,797	2,364,994	-	-	2,364,994	4,692,102
664,706	(188,098)	476,608	-	-	476,608	(2,686)
6,121,204	2,970,263	9,091,467	426,190	199,323	9,716,980	8,736,509
15,040,350	(15,040,350)	-	-	-	-	-
204,034,112	2,343,166	206,377,278	790,165	7,229,662	214,397,105	221,948,406
14,718,987	34,447,123	49,166,110	1,709,456	(3,734,266)	47,141,300	69,986,690
376,967,647	528,065,682	905,033,329	25,303,211	25,026,311	955,362,851	885,376,161
<b>\$ 391,686,634</b>	<b>562,512,805</b>	<b>954,199,439</b>	<b>27,012,667</b>	<b>21,292,045</b>	<b>1,002,504,151</b>	<b>955,362,851</b>

**CITY OF PASADENA**

**Balance Sheet  
Governmental Funds  
June 30, 2009**

	<u>General</u>	<u>Pasadena Community Development Commission Debt Service</u>	<u>2003 Certificates of Participation</u>	<u>2008 Series C Refunding COP Debt Service</u>
<b><u>Assets</u></b>				
Cash and investments (note 2)	\$ 48,512,851	12,425,141	5,007,048	5,032
Accounts receivable (note 3)	17,135,513	852,093	-	-
Less allowance for uncollectible amounts (note 3)	(1,346,986)	-	-	-
Notes receivable (note 4)	398,403	-	-	-
Due from other funds (note 5)	4,781,495	-	-	-
Prepays and other assets	25,042	-	-	-
Advances to other funds (note 6)	15,878,806	-	-	-
Advances to component units (note 6)	902,624	-	-	-
Allowance for uncollectible long-term receivables (note 4 and 6)	(8,151,520)	-	-	-
Property held for resale	-	-	-	-
<b>Total assets</b>	<b><u>\$ 78,136,228</u></b>	<b><u>13,277,234</u></b>	<b><u>5,007,048</u></b>	<b><u>5,032</u></b>
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 11,565,569	251,985	-	-
Deposits	1,885,384	-	-	-
Due to other funds (note 5)	-	687,837	-	-
Due to other governments	28,787	-	-	-
Deferred revenue (note 8)	4,273,445	-	-	-
Advances from other funds (note 6)	-	34,896,497	-	-
<b>Total liabilities</b>	<b><u>17,753,185</u></b>	<b><u>35,836,319</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund balances:				
Reserved for:				
Encumbrances	2,928,222	-	-	-
Notes receivable	398,403	-	-	-
Prepays and other assets	25,042	-	-	-
Advances to other funds	8,629,910	-	-	-
Property held for resale	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in (note 17):				
General fund	48,401,466	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	-	(22,559,085)	5,007,048	5,032
Capital projects funds	-	-	-	-
Permanent funds	-	-	-	-
<b>Total fund balances</b>	<b><u>60,383,043</u></b>	<b><u>(22,559,085)</u></b>	<b><u>5,007,048</u></b>	<b><u>5,032</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 78,136,228</u></b>	<b><u>13,277,234</u></b>	<b><u>5,007,048</u></b>	<b><u>5,032</u></b>

See accompanying notes to the basic financial statements.

<b>Project Management Capital Project</b>	<b>Non-Major Governmental Funds</b>	<b>Totals</b>	
		<b>2009</b>	<b>2008</b>
-	158,940,991	224,891,063	214,600,606
5,940,452	6,887,703	30,815,761	37,116,126
-	(29,091)	(1,376,077)	(1,310,220)
-	33,902,818	34,301,221	30,689,759
-	1,421,701	6,203,196	7,833,084
-	-	25,042	553,261
-	28,126,737	44,005,543	43,574,063
-	-	902,624	966,624
-	(33,926,293)	(42,077,813)	(40,696,867)
-	7,438,977	7,438,977	9,130,065
<u>5,940,452</u>	<u>202,763,543</u>	<u>305,129,537</u>	<u>302,456,501</u>
1,898,517	4,142,134	17,858,205	21,507,601
-	309,733	2,195,117	2,514,554
1,343,047	3,581,723	5,612,607	5,000,022
-	-	28,787	235,728
4,827,810	3,047,007	12,148,262	18,533,519
-	5,291,590	40,188,087	39,482,256
<u>8,069,374</u>	<u>16,372,187</u>	<u>78,031,065</u>	<u>87,273,680</u>
-	8,808,781	11,737,003	6,862,078
-	33,902,818	34,301,221	30,689,759
-	-	25,042	553,261
-	8,232,924	16,862,834	13,358,873
-	7,438,977	7,438,977	9,130,065
-	53,853,247	53,853,247	44,922,382
-	-	48,401,466	62,798,199
-	48,859,373	48,859,373	46,593,444
-	-	(17,547,005)	(23,378,954)
(2,128,922)	24,090,395	21,961,473	22,591,584
-	1,204,841	1,204,841	1,062,130
<u>(2,128,922)</u>	<u>186,391,356</u>	<u>227,098,472</u>	<u>215,182,821</u>
<u>5,940,452</u>	<u>202,763,543</u>	<u>305,129,537</u>	<u>302,456,501</u>

**CITY OF PASADENA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
**June 30, 2009**

Fund balances of governmental funds		\$ 227,098,472
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.		457,771,739
Allowance for advances		29,733,685
Long term debt has not been included in governmental fund activity.		
Arbitrage Rebate Liability	(250,132)	
Notes payable	(6,258,463)	
Pension bonds	(118,365,000)	
Tax allocation bonds	(7,656,689)	
Revenue bonds	(9,415,000)	
Certificates of participation	(124,732,976)	
Capitalized lease obligations	(11,272,314)	
Other post employment benefits liability	(4,304,912)	
Net pension obligation	(48,533,936)	
Unamortized premium (discount)	<u>1,565,221</u>	
Net adjustment		(329,224,201)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(3,671,545)
Unearned revenue related to GASB 33 requirement, which consisted primarily of intergovernmental receivables not collected within the availability period.		
Revenues not available		
Project Management Capital Projects Fund	2,296,774	
Non-Major Governmental Funds	<u>2,508,694</u>	
Total revenues not available		4,805,468
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>5,173,016</u>
Net assets of governmental activities		<u>\$ 391,686,634</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, 2009**

	<b>General</b>	<b>Pasadena Community Development Commission Debt Service</b>	<b>2003 Certificates of Participation</b>	<b>2008 Series C Refunding COP Debt Service</b>
<b>Revenues:</b>				
Taxes	\$ 119,771,602	24,231,930	-	-
Licenses and permits	2,360,182	-	-	-
Intergovernmental revenues	13,745,985	558,000	-	-
Charges for services	34,523,301	-	-	-
Fines and forfeits	8,844,377	-	-	-
Investment earnings	21,922,550	337,460	203,014	159,716
Net change in fair value of investments	167,106	27,888	-	-
Rental income	1,425,723	-	-	-
Miscellaneous revenues	2,394,249	244,525	-	-
Contributions	-	-	-	-
Total revenues	<u>205,155,075</u>	<u>25,399,803</u>	<u>203,014</u>	<u>159,716</u>
<b>Expenditures:</b>				
Current:				
General government	34,809,501	-	-	501,689
Public safety	99,457,043	-	-	-
Transportation	26,337,739	-	-	-
Sanitation	-	-	-	-
Health	-	-	-	-
Culture and leisure	14,228,573	-	-	-
Community development	9,990,270	629,431	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	1,996,876	72,295,000	2,500,000
Interest	-	21,125,074	364,278	1,815,485
Total expenditures	<u>184,823,126</u>	<u>23,751,381</u>	<u>72,659,278</u>	<u>4,817,174</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,331,949</u>	<u>1,648,422</u>	<u>(72,456,264)</u>	<u>(4,657,458)</u>
<b>Other financing sources (uses):</b>				
Issuance of long-term debt	331,944	-	-	72,057,398
Other financing use-bond discount	-	-	-	-
Transfers in (note 21)	18,007,072	1,096,237	72,419,495	4,950,092
Transfers out (note 21)	<u>(48,213,053)</u>	<u>(1,924,790)</u>	<u>(634,607)</u>	<u>(72,345,000)</u>
Total other financing sources (uses)	<u>(29,874,037)</u>	<u>(828,553)</u>	<u>71,784,888</u>	<u>4,662,490</u>
Change in fund balances	(9,542,088)	819,869	(671,376)	5,032
<b>Fund balances (deficits) at beginning of year, as restated (note 30)</b>	<u>69,925,131</u>	<u>(23,378,954)</u>	<u>5,678,424</u>	<u>-</u>
<b>Fund balances (deficits) at end of year</b>	<u>\$ 60,383,043</u>	<u>(22,559,085)</u>	<u>5,007,048</u>	<u>5,032</u>

See accompanying notes to the basic financial statements.

Project Management Capital Project	Non-Major Governmental Funds	Totals	
		2009	2008
-	13,223,409	157,226,941	156,373,447
-	4,775,737	7,135,919	8,645,584
7,661,424	39,444,490	61,409,899	57,531,306
6,153	8,253,545	42,782,999	39,087,790
-	-	8,844,377	8,024,617
-	4,765,994	27,388,734	28,310,782
-	839,123	1,034,117	1,038,666
-	3,851,461	5,277,184	5,370,005
7	3,930,833	6,569,614	7,893,964
3,154,731	4,857,081	8,011,812	6,004,935
<u>10,822,315</u>	<u>83,941,673</u>	<u>325,681,596</u>	<u>318,281,096</u>
-	515,148	35,826,338	35,123,617
-	3,061,260	102,518,303	96,211,330
-	10,566,182	36,903,921	36,716,663
-	4,060,775	4,060,775	3,189,090
-	11,471,282	11,471,282	12,123,825
-	12,707,289	26,935,862	26,821,451
-	32,125,596	42,745,297	39,681,887
29,951,656	39,320	29,990,976	34,998,501
-	9,189,040	85,980,916	41,971,912
-	10,126,723	33,431,560	34,164,709
<u>29,951,656</u>	<u>93,862,615</u>	<u>409,865,230</u>	<u>361,002,985</u>
<u>(19,129,341)</u>	<u>(9,920,942)</u>	<u>(84,183,634)</u>	<u>(42,721,889)</u>
-	7,642,601	80,031,943	27,939,303
-	-	-	835,801
19,311,751	42,917,132	158,701,779	112,227,856
<u>(1,030,299)</u>	<u>(18,486,688)</u>	<u>(142,634,437)</u>	<u>(96,214,702)</u>
<u>18,281,452</u>	<u>32,073,045</u>	<u>96,099,285</u>	<u>44,788,258</u>
(847,889)	22,152,103	11,915,651	2,066,369
<u>(1,281,033)</u>	<u>164,239,253</u>	<u>215,182,821</u>	<u>213,116,452</u>
<u>(2,128,922)</u>	<u>186,391,356</u>	<u>227,098,472</u>	<u>215,182,821</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, 2009**

Net change in fund balances - total governmental funds \$ 11,915,651

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.

Capital outlay	29,990,976
Depreciation	(6,290,092)
Capital Projects Completed	13,920,633

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (26,185,482)

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:

Certificates of Participation	(71,450,000)
Notes Payable	(232,380)
Capitalized lease obligations	(7,742,165)
Bond discount	(607,398)

Repayments:

Changes in net pension obligations	(2,674,317)
To bond, certificate, and note holders	<u>86,522,968</u>

Net adjustment 3,816,708

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. (7,361,295)

Bond issuance costs, premiums, discounts, and similar items are recorded as expenditures in governmental funds when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net offset of the differences. 36,374

Interest payable related to debt services or long term liabilities. This is the net change in interest payable expense for the current period. (4,965,905)

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. (158,581)

Change in net assets of governmental activities \$ 14,718,987

See accompanying notes to the basic financial statements.



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**CITY OF PASADENA**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2009**

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>	<u>Paseo Colorado Parking</u>
<b>Assets</b>				
<b>Current assets:</b>				
Cash and investments (note 2)	\$ 95,223,517	3,539,469	2,941,673	-
Accounts receivable (note 3)	19,743,734	6,060,284	814,261	698,629
Less allowance for uncollectible amounts (note 3)	(591,005)	(155,803)	-	-
Notes receivable (note 4)	4,065,000	-	-	-
Due from other funds (note 5)	4,000,000	-	-	-
Inventories	9,632,228	9,704,450	-	-
Prepays and other assets	914,653	393,977	227,946	233,756
<b>Total current assets</b>	<u>132,988,127</u>	<u>19,542,377</u>	<u>3,983,880</u>	<u>932,385</u>
<b>Noncurrent assets:</b>				
Restricted assets - cash and investments:				
To finance stranded investments (note 18)	60,385,938	-	-	-
Other restricted cash and investments	24,456,941	4,807,888	2,900,578	1,978,480
Advances to other funds (note 6)	-	-	-	-
Less allowance for long-term receivable (note 6)	-	-	-	-
Accounts receivable from Independent System Operator (ISO)	19,591,119	-	-	-
Less allowance for uncollectible amounts from ISO	(7,606,563)	-	-	-
Notes receivable (note 4)	65,955,000	-	-	-
Property held for resale	-	-	-	-
Prepaid long term assets	31,065,301	1,385,704	1,404,037	289,640
Capital assets (note 7)	581,581,608	188,868,173	23,320,030	30,811,369
Less accumulated depreciation	(264,808,429)	(58,310,926)	(7,885,242)	(4,635,019)
Net property, plant and equipment	<u>316,773,179</u>	<u>130,557,247</u>	<u>15,434,788</u>	<u>26,176,350</u>
<b>Total noncurrent assets</b>	<u>510,620,915</u>	<u>136,750,839</u>	<u>19,739,403</u>	<u>28,444,470</u>
<b>Total assets</b>	<u>643,609,042</u>	<u>156,293,216</u>	<u>23,723,283</u>	<u>29,376,855</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	9,222,515	6,868,888	801,516	259,180
Deposits	763,274	184,706	311,332	49,972
Insurance claims payable - current (note 22)	-	-	-	-
Due to other funds (note 5)	-	4,000,000	-	143,062
Unearned revenue (note 8)	2,055,196	-	-	-
Compensated absences	-	-	-	-
Notes payable - current (notes 9 and 10)	-	-	124,885	-
Revenue bonds - current (notes 9 and 13)	7,510,000	2,195,000	-	500,000
Certificates of participation - current (notes 9 and 14)	-	-	1,363,299	-
Capitalized lease obligations - current (notes 9 and 15)	-	-	135,525	-
<b>Total current liabilities</b>	<u>19,550,985</u>	<u>13,248,594</u>	<u>2,736,557</u>	<u>952,214</u>
<b>Long-term liabilities:</b>				
Insurance claims payable - long-term (note 22)	-	-	-	-
OPEB liability - long-term (note 9 and 28)	-	-	-	-
Advances from other funds (note 6)	-	-	2,436,545	4,349,205
Notes payable - long-term (notes 9 and 10)	-	-	1,552,911	-
Revenue bonds - long-term (notes 9 and 13)	158,325,000	57,145,000	-	28,000,000
Certificates of participation - long-term (notes 9 and 14)	-	-	14,435,016	-
Capitalized lease obligations - long-term (notes 9 and 15)	-	-	138,877	-
Unamortized premium (discount)	1,568,038	419,132	202,884	(803,387)
<b>Total long-term liabilities</b>	<u>159,893,038</u>	<u>57,564,132</u>	<u>18,766,233</u>	<u>31,545,818</u>
<b>Total liabilities</b>	<u>179,444,023</u>	<u>70,812,726</u>	<u>21,502,790</u>	<u>32,498,032</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	173,818,740	75,606,003	381,969	458,217
<b>Restricted:</b>				
Contribution	13,474,658	2,526,131	-	-
Stranded investments (note 18 and 25)	140,041,800	-	-	-
Other purposes	2,294,396	-	-	-
Unrestricted	<u>134,535,425</u>	<u>7,348,356</u>	<u>1,838,524</u>	<u>(3,579,394)</u>
<b>Total net assets</b>	<u>\$ 464,165,019</u>	<u>85,480,490</u>	<u>2,220,493</u>	<u>(3,121,177)</u>

See accompanying notes to the basic financial statements.

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds	Totals	
			2009	2008
7,825,106	109,529,765	24,101,853	133,631,618	108,800,192
2,073,743	29,390,651	6,245,043	35,635,694	40,938,214
(42,859)	(789,667)	-	(789,667)	(824,002)
-	4,065,000	-	4,065,000	-
-	4,000,000	-	4,000,000	4,800
-	19,336,678	213,983	19,550,661	20,353,302
-	1,770,332	223,461	1,993,793	3,475,034
<u>9,855,990</u>	<u>167,302,759</u>	<u>30,784,340</u>	<u>198,087,099</u>	<u>172,747,540</u>
-	60,385,938	-	60,385,938	136,587,277
2,759,360	36,903,247	266,867	37,170,114	78,303,342
4,376,705	4,376,705	4,163,096	8,539,801	4,318,534
-	-	(731,709)	(731,709)	(650,409)
-	19,591,119	-	19,591,119	19,591,119
-	(7,606,563)	-	(7,606,563)	(7,606,563)
-	65,955,000	-	65,955,000	-
-	-	3,714,391	3,714,391	3,714,391
-	34,144,682	-	34,144,682	22,704,189
25,972,932	850,554,112	29,022,932	879,577,044	833,222,539
<u>(13,069,825)</u>	<u>(348,709,441)</u>	<u>(18,302,450)</u>	<u>(367,011,891)</u>	<u>(351,427,325)</u>
<u>12,903,107</u>	<u>501,844,671</u>	<u>10,720,482</u>	<u>512,565,153</u>	<u>481,795,214</u>
<u>20,039,172</u>	<u>715,594,799</u>	<u>18,133,127</u>	<u>733,727,926</u>	<u>738,757,094</u>
<u>29,895,162</u>	<u>882,897,558</u>	<u>48,917,467</u>	<u>931,815,025</u>	<u>911,504,634</u>
678,765	17,830,864	8,398,758	26,229,622	31,243,796
3,144,531	4,453,815	-	4,453,815	4,547,875
-	-	9,595,095	9,595,095	10,843,208
-	4,143,062	447,527	4,590,589	2,837,862
-	2,055,196	-	2,055,196	1,628,879
-	-	9,683,534	9,683,534	8,721,272
-	124,885	-	124,885	118,846
-	10,205,000	-	10,205,000	10,260,000
1,700,000	3,063,299	-	3,063,299	2,732,554
30,509	166,034	605,891	771,925	1,007,352
<u>5,553,805</u>	<u>42,042,155</u>	<u>28,730,805</u>	<u>70,772,960</u>	<u>73,941,644</u>
-	-	14,392,641	14,392,641	16,264,812
-	-	4,304,912	4,304,912	2,142,822
4,207,507	10,993,257	-	10,993,257	8,410,341
-	1,552,911	-	1,552,911	1,677,639
-	243,470,000	-	243,470,000	251,990,000
6,300,000	20,735,016	-	20,735,016	23,798,315
143,394	282,271	621,005	903,276	1,942,634
(77,524)	1,309,143	-	1,309,143	2,244,061
<u>10,573,377</u>	<u>278,342,598</u>	<u>19,318,558</u>	<u>297,661,156</u>	<u>308,470,624</u>
<u>16,127,182</u>	<u>320,384,753</u>	<u>48,049,363</u>	<u>368,434,116</u>	<u>382,412,268</u>
7,566,088	257,831,017	9,760,453	267,591,470	268,033,296
-	16,000,789	-	16,000,789	14,258,422
-	140,041,800	-	140,041,800	136,587,277
-	2,294,396	-	2,294,396	3,088,949
<u>6,201,892</u>	<u>146,344,803</u>	<u>(8,892,349)</u>	<u>137,452,454</u>	<u>107,124,422</u>
<u>13,767,980</u>	<u>562,512,805</u>	<u>868,104</u>	<u>563,380,909</u>	<u>529,092,366</u>

**CITY OF PASADENA**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>	<u>Paseo Colorado Parking</u>
<b>Operating revenues:</b>				
Charges for services:				
Utilities	\$ 193,158,187	43,095,822	-	-
Plaza Las Fuentes parking	-	-	-	-
Refuse collection	-	-	-	-
Old Pasadena parking	-	-	5,576,840	-
Paseo Colorado parking	-	-	-	5,346,698
Telecommunication	-	-	-	-
Del Mar Goldline Parking Garage	-	-	-	-
Computing and communication services	-	-	-	-
Building maintenance	-	-	-	-
Fleet maintenance	-	-	-	-
Employee benefits	-	-	-	-
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating revenues	<u>193,158,187</u>	<u>43,095,822</u>	<u>5,576,840</u>	<u>5,346,698</u>
<b>Operating expenses:</b>				
Utility production	109,171,507	18,134,160	-	-
Utility transmission and distribution	12,504,915	5,421,095	-	-
Utility commercial and general	24,294,333	6,615,150	-	-
Plaza Las Fuentes parking	-	-	-	-
Refuse collection	-	-	-	-
Old Pasadena parking	-	-	2,495,802	-
Paseo Colorado parking	-	-	-	3,397,459
Telecommunications	-	-	-	-
Del Mar Goldline Parking Garage	-	-	-	-
Computing and communication services	-	-	-	-
Building maintenance	-	-	-	-
Fleet maintenance	-	-	-	-
Depreciation	16,737,214	3,853,919	583,632	674,154
Benefits	-	-	-	-
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating expenses	<u>162,707,969</u>	<u>34,024,324</u>	<u>3,079,434</u>	<u>4,071,613</u>
Operating income (loss)	<u>30,450,218</u>	<u>9,071,498</u>	<u>2,497,406</u>	<u>1,275,085</u>
<b>Nonoperating revenues (expenses):</b>				
Taxes	-	-	-	-
Intergovernmental revenues	-	-	-	-
Investment earnings	8,406,273	457,698	297,382	101,605
Net change in fair value of investments	1,047,152	(1,212)	21,113	(368)
Miscellaneous revenues	-	-	59,713	-
Interest expense	(7,720,039)	(2,852,787)	(1,111,990)	(1,710,309)
Gain (loss) on disposal of assets	(42,145)	(131,582)	-	-
Other nonoperating revenues (expenses)	<u>721,690</u>	<u>2,281,637</u>	<u>(200,708)</u>	<u>(217,471)</u>
Total nonoperating revenues (expenses)	<u>2,412,931</u>	<u>(246,246)</u>	<u>(934,490)</u>	<u>(1,826,543)</u>
Income (loss) before transfers and contributions	32,863,149	8,825,252	1,562,916	(551,458)
Capital contributions	2,985,547	1,230,202	-	-
Transfers in (note 21)	959,269	-	-	-
Transfers out (note 21)	<u>(12,921,561)</u>	<u>(2,871,958)</u>	<u>-</u>	<u>-</u>
Net income (loss)	23,886,404	7,183,496	1,562,916	(551,458)
Net assets (deficit) at beginning of year	<u>440,278,615</u>	<u>78,296,994</u>	<u>657,577</u>	<u>(2,569,719)</u>
Net assets (deficit) at end of year	<u>\$ 464,165,019</u>	<u>85,480,490</u>	<u>2,220,493</u>	<u>(3,121,177)</u>

See accompanying notes to the basic financial statements.

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities-		Totals		
		Internal Service Funds			2009	2008
-	236,254,009	-		236,254,009	224,602,963	
1,848,915	1,848,915	-		1,848,915	1,921,365	
10,285,103	10,285,103	-		10,285,103	10,011,635	
-	5,576,840	-		5,576,840	6,003,138	
-	5,346,698	-		5,346,698	5,777,700	
595,165	595,165	-		595,165	428,414	
351,145	351,145	-		351,145	164,686	
-	-	8,400,526		8,400,526	8,613,905	
-	-	8,490,638		8,490,638	8,319,674	
-	-	9,458,819		9,458,819	9,901,098	
-	-	30,545,078		30,545,078	28,575,284	
-	-	13,738,192		13,738,192	11,967,587	
-	-	1,122,800		1,122,800	1,071,794	
-	-	421,816		421,816	420,288	
<u>13,080,328</u>	<u>260,257,875</u>	<u>72,177,869</u>		<u>332,435,744</u>	<u>317,779,531</u>	
-	127,305,667	-		127,305,667	130,034,866	
-	17,926,010	-		17,926,010	16,799,726	
-	30,909,483	-		30,909,483	23,860,885	
1,685,731	1,685,731	-		1,685,731	1,717,685	
11,191,618	11,191,618	-		11,191,618	11,140,297	
-	2,495,802	-		2,495,802	2,446,098	
-	3,397,459	-		3,397,459	3,290,355	
456,840	456,840	-		456,840	470,463	
485,248	485,248	-		485,248	201,370	
-	-	8,437,894		8,437,894	8,502,857	
-	-	9,474,708		9,474,708	8,817,319	
-	-	7,494,851		7,494,851	7,811,484	
1,036,341	22,885,260	2,055,535		24,940,795	23,375,783	
-	-	34,806,225		34,806,225	32,836,204	
-	-	8,717,577		8,717,577	14,634,615	
-	-	1,106,241		1,106,241	1,057,096	
-	-	471,275		471,275	471,144	
<u>14,855,778</u>	<u>218,739,118</u>	<u>72,564,306</u>		<u>291,303,424</u>	<u>287,468,247</u>	
<u>(1,775,450)</u>	<u>41,518,757</u>	<u>(386,437)</u>		<u>41,132,320</u>	<u>30,311,284</u>	
3,733,023	3,733,023	-		3,733,023	4,097,902	
181,354	181,354	-		181,354	157,241	
508,573	9,771,531	923,204		10,694,735	13,225,294	
30,112	1,096,797	234,080		1,330,877	3,653,436	
-	59,713	-		59,713	85,601	
(235,424)	(13,630,549)	(51,044)		(13,681,593)	(12,828,276)	
(14,371)	(188,098)	(66,210)		(254,308)	(128,675)	
144,048	2,729,196	214,819		2,944,015	2,976,461	
<u>4,347,315</u>	<u>3,752,967</u>	<u>1,254,849</u>		<u>5,007,816</u>	<u>11,238,984</u>	
2,571,865	45,271,724	868,412		46,140,136	41,550,268	
-	4,215,749	-		4,215,749	3,232,710	
85,000	1,044,269	1,062,353		2,106,622	1,402,142	
<u>(291,100)</u>	<u>(16,084,619)</u>	<u>(2,089,345)</u>		<u>(18,173,964)</u>	<u>(17,415,296)</u>	
2,365,765	34,447,123	(158,580)		34,288,543	28,769,824	
<u>11,402,215</u>	<u>528,065,682</u>	<u>1,026,684</u>		<u>529,092,366</u>	<u>500,322,542</u>	
<u>13,767,980</u>	<u>562,512,805</u>	<u>868,104</u>		<u>563,380,909</u>	<u>529,092,366</u>	

**CITY OF PASADENA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2009**

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 198,118,855	43,198,878	5,256,778
Cash payments to suppliers for goods and services	(123,990,796)	(15,951,197)	(2,219,905)
Cash payments to employees for services	(33,988,661)	(13,187,044)	(36,431)
Cash payments to other funds for services	(1,879,109)	(1,213,428)	(20,201)
Cash payments from other funds for services	172,934	-	-
Other nonoperating revenues (expenses)	721,690	2,281,637	(140,995)
Net cash provided by (used for) operating activities	<u>39,154,913</u>	<u>15,128,846</u>	<u>2,839,246</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers from other funds	959,269	-	-
Transfers to other funds	(12,921,561)	(2,871,958)	-
Cash received (paid) on loans from other funds	-	4,000,000	-
Cash received (paid) on loans to other funds	(4,000,000)	-	(350,000)
Taxes received	-	-	-
Intergovernmental revenues	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(15,962,292)</u>	<u>1,128,042</u>	<u>(350,000)</u>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from long-term debt	-	-	-
Acquisition and construction of capital assets	(35,889,810)	(17,298,482)	(200,303)
Proceeds from sale of capital assets	-	-	-
Cash received from developers	2,985,547	1,230,202	-
Principal paid on debt	(7,210,000)	(2,095,000)	(1,482,597)
Interest paid on debt	(7,908,038)	(2,880,640)	(1,111,990)
Net cash used for capital and related financing activities	<u>(48,022,301)</u>	<u>(21,043,920)</u>	<u>(2,794,890)</u>
<b>Cash flows from investing activities:</b>			
Purchase of investments	(64,666,040)	-	-
Proceeds from sale of investments	76,802,232	2,878,249	-
Investment earnings	9,453,425	456,486	329,956
Loans made to suppliers	(70,020,000)	-	-
Net cash provided by investing activities	<u>(48,430,383)</u>	<u>3,334,735</u>	<u>329,956</u>
Net increase (decrease) in cash and cash equivalents	(73,260,063)	(1,452,297)	24,312
<b>Cash and cash equivalents at beginning of year</b>	<u>192,179,769</u>	<u>5,119,973</u>	<u>5,817,939</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 118,919,706</u>	<u>3,667,676</u>	<u>5,842,251</u>
<b>Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Assets:</b>			
Cash and investments	\$ 95,223,517	3,539,469	2,941,673
Stranded investments	60,385,938	-	-
Other restricted cash and investments	24,456,941	4,807,888	2,900,578
Less non-cash equivalents	(61,146,690)	(4,679,681)	-
Cash and cash equivalents at end of year	<u>\$ 118,919,706</u>	<u>3,667,676</u>	<u>5,842,251</u>

Paseo Colorado Parking	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental	Totals	
			Activities- Internal	2009	2008
			Service Funds		
5,174,406	13,044,764	264,793,681	-	264,793,681	246,920,939
(3,990,763)	(6,881,175)	(153,033,836)	(20,195,465)	(173,229,301)	(167,082,824)
(82,665)	(5,024,873)	(52,319,674)	(47,704,220)	(100,023,894)	(85,068,011)
(83,745)	(2,009,321)	(5,205,804)	(2,229,880)	(7,435,684)	(6,886,429)
-	-	172,934	72,126,363	72,299,297	68,235,121
(217,471)	144,048	2,788,909	214,819	3,003,728	(652,330)
<u>799,762</u>	<u>(726,557)</u>	<u>57,196,210</u>	<u>2,211,617</u>	<u>59,407,827</u>	<u>55,466,466</u>
-	85,000	1,044,269	1,062,353	2,106,622	4,361,278
-	(291,100)	(16,084,619)	(2,089,345)	(18,173,964)	(17,415,296)
3,114,654	-	7,114,654	-	7,114,654	(42,641)
(2,359,933)	(4,508,243)	(11,218,176)	536,294	(10,681,882)	(354,800)
-	3,733,023	3,733,023	-	3,733,023	4,097,902
-	181,354	181,354	-	181,354	157,241
<u>754,721</u>	<u>(799,966)</u>	<u>(15,229,495)</u>	<u>(490,698)</u>	<u>(15,720,193)</u>	<u>(9,196,316)</u>
28,800,000	-	28,800,000	32,203	28,832,203	58,555,000
(54,543)	-	(53,443,138)	(2,553,856)	(55,996,994)	(55,051,734)
-	-	-	31,952	31,952	29,799
-	-	4,215,749	-	4,215,749	3,232,710
(28,201,363)	(1,529,369)	(40,518,329)	(1,014,902)	(41,533,231)	(14,051,109)
<u>(1,710,309)</u>	<u>(235,424)</u>	<u>(13,846,401)</u>	<u>(51,044)</u>	<u>(13,897,445)</u>	<u>(12,828,276)</u>
<u>(1,166,215)</u>	<u>(1,764,793)</u>	<u>(74,792,119)</u>	<u>(3,555,647)</u>	<u>(78,347,766)</u>	<u>(20,113,610)</u>
-	-	(64,666,040)	-	(64,666,040)	(54,961,106)
-	-	79,680,481	-	79,680,481	105,721,627
93,325	577,924	10,911,116	1,265,875	12,176,991	16,903,055
-	-	(70,020,000)	-	(70,020,000)	-
<u>93,325</u>	<u>577,924</u>	<u>(44,094,443)</u>	<u>1,265,875</u>	<u>(42,828,568)</u>	<u>67,663,576</u>
481,593	(2,713,392)	(76,919,847)	(568,853)	(77,488,700)	93,820,116
1,496,887	13,297,858	217,912,426	24,937,573	242,849,999	149,029,883
<u>1,978,480</u>	<u>10,584,466</u>	<u>140,992,579</u>	<u>24,368,720</u>	<u>165,361,299</u>	<u>242,849,999</u>
-	7,825,106	109,529,765	24,101,853	133,631,618	108,800,192
-	-	60,385,938	-	60,385,938	136,587,277
1,978,480	2,759,360	36,903,247	266,867	37,170,114	78,303,342
-	-	(65,826,371)	-	(65,826,371)	(80,840,812)
<u>1,978,480</u>	<u>10,584,466</u>	<u>140,992,579</u>	<u>24,368,720</u>	<u>165,361,299</u>	<u>242,849,999</u>

(continued)

**CITY OF PASADENA**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**Year Ended June 30, 2009**

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 30,450,218	9,071,498	2,497,406
Adjustments to reconcile operating income (loss) to net			
Depreciation	16,737,214	3,853,919	583,632
Amortization of premium and discount	-	-	(32,750)
Other non-operating revenues (expenses)	721,690	2,281,637	(140,995)
(Increase) decrease in accounts receivable	5,593,302	110,457	(287,312)
Increase (decrease) in allowance for uncollectible accounts	(28,076)	(7,401)	-
(Increase) decrease in due to other funds	-	-	-
(Increase) decrease in inventories	1,803,454	(1,054,646)	-
(Increase) decrease in prepaids and other assets	(857,941)	(15,003)	1,626,635
(Increase) decrease in prepaid long term assets	(9,931,168)	92,176	(1,404,037)
Increase (decrease) in accounts payable and accrued liabilities	(5,553,108)	614,863	(7,908)
Increase (decrease) in insurance claims payable	-	-	-
Increase (decrease) in deferred charges	426,317	-	-
Increase (decrease) in compensated absences	-	-	-
Increase (decrease) in deposits payable	(206,989)	181,346	4,575
	<u>8,704,695</u>	<u>6,057,348</u>	<u>341,840</u>
Net cash provided by (used for) operating activities	<u>\$ 39,154,913</u>	<u>15,128,846</u>	<u>2,839,246</u>
<b>Non-cash investing, capital and financing related activity</b>			
Non-cash changes in fair value of investments	<u>\$ 1,099,198</u>	<u>(6,162)</u>	<u>21,113</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	
				2009	2008
<u>1,275,085</u>	<u>(1,775,450)</u>	<u>41,518,757</u>	<u>(386,437)</u>	<u>41,132,320</u>	<u>30,311,284</u>
674,154	1,036,341	22,885,260	2,055,535	24,940,795	23,375,783
(803,387)	38,763	(797,374)	-	(797,374)	28,696
(217,471)	144,048	2,788,909	214,819	3,003,728	(652,326)
(172,292)	(36,706)	5,207,449	(56,306)	5,151,143	(3,278,390)
-	1,142	(34,335)	-	(34,335)	32,997
-	-	-	(232,296)	(232,296)	334,867
-	-	748,808	53,833	802,641	(4,093,377)
698,786	-	1,452,477	120,940	1,573,417	556,453
(289,640)	-	(11,532,669)	-	(11,532,669)	(1,444,555)
(362,285)	(64,891)	(5,373,329)	437,461	(4,935,868)	3,790,287
-	-	-	(3,120,284)	(3,120,284)	2,869,736
-	-	426,317	2,162,090	2,588,407	2,657,705
-	-	-	962,262	962,262	862,924
<u>(3,188)</u>	<u>(69,804)</u>	<u>(94,060)</u>	<u>-</u>	<u>(94,060)</u>	<u>114,382</u>
<u>(475,323)</u>	<u>1,048,893</u>	<u>15,677,453</u>	<u>2,598,054</u>	<u>18,275,507</u>	<u>25,155,182</u>
<u>799,762</u>	<u>(726,557)</u>	<u>57,196,210</u>	<u>2,211,617</u>	<u>59,407,827</u>	<u>55,466,466</u>
<u>(368)</u>	<u>30,112</u>	<u>1,143,893</u>	<u>1,053,738</u>	<u>2,197,631</u>	<u>3,898,801</u>

**CITY OF PASADENA**  
**Statement of Net Assets**  
**Fiduciary Funds**  
**June 30, 2009**

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and cash equivalents (note 2)	\$ 156,389,530	2,961,425
Receivables:		
Accounts receivable	-	945,631
Interest	<u>231,541</u>	<u>-</u>
Total receivables	<u>231,541</u>	<u>945,631</u>
Other assets	-	905
Investments, at fair value (note 2):		
Government and agencies	11,043,617	-
Corporate obligations	17,842,253	-
Real estate investment trust (REIT)	4,035,853	-
Corporate stocks	<u>42,402,656</u>	<u>-</u>
Total investments	<u>75,324,379</u>	<u>-</u>
Total assets	<u>231,945,450</u>	<u>3,907,961</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	46,810	1,066,022
Due to other governments	<u>-</u>	<u>2,841,939</u>
Total liabilities	<u>46,810</u>	<u>3,907,961</u>
<b>Net assets reserved in trust for employees' pension benefits</b>	<u>\$ 231,898,640</u>	<u>-</u>

See accompanying notes to the basic financial statements.

**CITY OF PASADENA**  
**Statement of Changes in Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u><b>Pension Trust Funds</b></u>
<b>Additions:</b>	
Contributions:	
Employer	\$ 956,097
Plan members	<u>14,692,855</u>
Total contributions	<u>15,648,952</u>
Net investment income:	
Net change in fair value of investments	(39,697,257)
Interest	2,052,803
Dividends	<u>1,248,986</u>
Gross investment income (loss)	(36,395,468)
Less investment expenses	<u>(465,746)</u>
Net investment income (loss)	<u>(36,861,214)</u>
Total additions	<u>(21,212,262)</u>
<b>Deductions:</b>	
Benefits paid to participants	25,145,657
Administrative expenses	<u>210,829</u>
Total deductions	<u>25,356,486</u>
Net increase (decrease)	(46,568,748)
<b>Net assets reserved in trust for employees' pension benefits:</b>	
<b>Beginning of year</b>	<u>278,467,388</u>
<b>End of year</b>	<u>\$ 231,898,640</u>

See accompanying notes to the basic financial statements.

**CITY OF PASADENA**  
**Discretely Presented Component Units**  
**Statement of Net Assets**  
**June 30, 2009**

	<u>Rose Bowl</u>	<u>Pasadena Center</u>	<u>Totals</u>	
	<u>Operating</u>	<u>Operating</u>	<u>2009</u>	<u>2008</u>
	<u>Company</u>	<u>Company</u>		
<b>Assets</b>				
Current assets:				
Cash and investments (note 2)	\$ 9,953,801	2,339,878	12,293,679	7,794,137
Accounts receivable, net	1,155,098	851,746	2,006,844	2,427,186
Prepays and other assets	28,530	23,589	52,119	10,995
Other receivable	55,397	-	55,397	55,397
Total current assets	<u>11,192,826</u>	<u>3,215,213</u>	<u>14,408,039</u>	<u>10,287,715</u>
Noncurrent assets:				
Restricted assets - cash and investments (note 2)	2,952,249	22,890,069	25,842,318	89,482,934
Other receivable	64,631	-	64,631	120,028
Unamortized bond issuance costs	227,790	588,813	816,603	765,242
Deposits	-	4,000	4,000	4,000
Capital assets (note 7):				
Land	-	2,423,473	2,423,473	2,423,473
Construction in progress	2,367,624	-	2,367,624	99,347,363
Other capital assets, net	48,001,894	162,548,180	210,550,074	62,809,762
Total noncurrent assets	<u>53,614,188</u>	<u>188,454,535</u>	<u>242,068,723</u>	<u>254,952,802</u>
Total assets	<u>64,807,014</u>	<u>191,669,748</u>	<u>256,476,762</u>	<u>265,240,517</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	2,065,926	1,245,667	3,311,593	14,162,267
Deposits	108,800	537,510	646,310	467,196
Interest payable	582,501	417,277	999,778	47,880
Unearned revenue (note 8)	1,439,237	966,602	2,405,839	1,391,508
Advances from primary government - current (note 6)	-	67,240	67,240	64,000
Certificates of participation - current (notes 9 and 14)	50,808	415,000	465,808	48,817
Revenue bonds-current (notes 9 and 13)	1,795,000	-	1,795,000	1,720,000
Total current liabilities	<u>6,042,272</u>	<u>3,649,296</u>	<u>9,691,568</u>	<u>17,901,668</u>
Noncurrent liabilities:				
Compensated absences	147,694	-	147,694	147,597
Advances from primary government - long-term (note 6)	-	835,384	835,384	902,624
Certificates of participation - long-term (notes 9 and 14)	52,903	166,288,407	166,341,310	163,087,778
Revenue bonds-long-term (notes 9 and 13)	31,790,000	-	31,790,000	33,585,000
Unamortized premium (discount)	(238,522)	(395,384)	(633,906)	(713,672)
Total noncurrent liabilities	<u>31,752,075</u>	<u>166,728,407</u>	<u>198,480,482</u>	<u>197,009,327</u>
Total liabilities	<u>37,794,347</u>	<u>170,377,703</u>	<u>208,172,050</u>	<u>214,910,995</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	19,871,578	12,619,887	32,491,465	34,325,211
Restricted for construction	-	1,762,982	1,762,982	1,563,658
Unrestricted	7,141,089	6,909,176	14,050,265	14,440,653
Total net assets	<u>\$ 27,012,667</u>	<u>21,292,045</u>	<u>48,304,712</u>	<u>50,329,522</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, 2009**

	<b>Rose Bowl</b>	<b>Pasadena Center</b>	<b>Totals</b>	
	<b>Operating Company</b>	<b>Operating Company</b>	<b>2009</b>	<b>2008</b>
<b>Operating revenues:</b>				
Charges for services:				
Golf course	\$ 9,065,547	-	9,065,547	8,762,911
Rose Bowl	2,708,624	-	2,708,624	2,849,362
Pasadena Center Operating Company	-	3,433,010	3,433,010	3,062,136
Total operating revenues	<u>11,774,171</u>	<u>3,433,010</u>	<u>15,207,181</u>	<u>14,674,409</u>
<b>Operating expenses:</b>				
Golf course	7,431,021	-	7,431,021	7,110,097
Rose Bowl	887,558	-	887,558	892,331
Pasadena Center Operating Company	-	8,081,624	8,081,624	7,579,192
Depreciation	3,036,947	2,358,176	5,395,123	3,433,272
Total operating expenses	<u>11,355,526</u>	<u>10,439,800</u>	<u>21,795,326</u>	<u>19,014,892</u>
Operating income	<u>418,645</u>	<u>(7,006,790)</u>	<u>(6,588,145)</u>	<u>(4,340,483)</u>
<b>Nonoperating revenues (expenses):</b>				
Transient occupancy taxes, net	-	4,559,501	4,559,501	5,553,914
Tourism business improvement district tax	-	2,131,649	2,131,649	2,542,671
Investment earnings	363,975	339,189	703,164	1,010,268
Interest expense	(1,499,354)	(2,564,209)	(4,063,563)	(1,313,784)
Other nonoperating revenues (expenses)	426,190	199,323	625,513	404,264
Total nonoperating revenues (expenses)	<u>(709,189)</u>	<u>4,665,453</u>	<u>3,956,264</u>	<u>8,197,333</u>
Income (loss) before operating transfers	<u>(290,544)</u>	<u>(2,341,337)</u>	<u>(2,631,881)</u>	<u>3,856,850</u>
Contribution to City	-	(2,990,260)	(2,990,260)	-
Capital contributions	2,000,000	1,597,331	3,597,331	1,157,637
Change in net assets	1,709,456	(3,734,266)	(2,024,810)	5,014,487
<b>Net assets at beginning of year</b>	<u>25,303,211</u>	<u>25,026,311</u>	<u>50,329,522</u>	<u>45,315,035</u>
<b>Net assets at end of year</b>	<u>\$ 27,012,667</u>	<u>21,292,045</u>	<u>48,304,712</u>	<u>50,329,522</u>

See accompanying notes to the basic financial statements.

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# NOTES TO THE BASIC FINANCIAL STATEMENTS



YEAR ENDED JUNE 30

2009

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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# CITY OF PASADENA

## Notes to the Basic Financial Statements

Year Ended June 30, 2009

### **(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 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 30<sup>th</sup> year-end.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (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 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.

##### 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.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

#### (a) Reporting Entity, (Continued)

##### Blended Component Units, (Continued)

###### Pasadena Public Financing Authority

The Pasadena Public Financing Authority (PPFA) 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.

###### 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 24.

###### 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

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

#### (a) Reporting Entity, (Continued)

##### Blended Component Units, (Continued)

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, 100 North Garfield Avenue, Pasadena, California 91109.

##### 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 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 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

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

#### **(a) Reporting Entity, (Continued)**

##### **Discretely Presented Component Units, (Continued)**

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

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, 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.

##### **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.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

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

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 resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

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 expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

#### 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 primary government's governmental, proprietary, and fiduciary funds 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

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

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

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. *Government-mandated and voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

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.

Non-current 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

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

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

noncurrent receivables are deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by fund balance reserve accounts.

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 an *other financing sources* 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.

#### 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 assets.

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, Old Pasadena Parking Fund, Paseo Colorado Parking Fund and of the government's Internal Service Funds are charges to customers for sales and services. Operating expenses for the Proprietary 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.



# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

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

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

#### Fiduciary Funds

The City's fiduciary funds include Pension Trust Funds and Agency 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.

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

The City reports the following major governmental funds:

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.

PCDC Debt Service Fund – Used to account for tax increment and investment revenue, and for the payment of interest and principal on the tax allocation bonds, loans payable, notes payable, and other debt of the PCDC.

2003 Certificates of Participation Fund – to account for the payment of interest and principle on certain municipal building renovation and park improvement projects.

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

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.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

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

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.

Old Pasadena Parking Fund – Used to account for the operations of the Delacey Avenue and Schoolhouse Block parking facilities.

Paseo Colorado Parking Fund – Used to account for the operations of the parking structures on Los Robles Avenue and Green Street, Marengo Avenue and Green Street, and the Colorado Boulevard subterranean parking facility.

Additionally, the City reports the following fund types:

Internal Service Funds – Used to account for computing and communication services, building maintenance, fleet maintenance, employee benefits, worker’s 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 Fire and Police Retirement System 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.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

#### **(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 Fund's 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.

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 debt. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements. As of June 30, 2009, the City entered into an interest rate swap agreement related to the Pension Bonds (see note 11).

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

(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, 2009.

(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 reserved fund balance by the advancing governmental fund.

(i) **Prepays**

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

(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, deferred compensation and all cash and investments belonging to Pension Trust and Agency Funds which are held by trustees.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

#### **(k) Property Held for Resale**

Property held for resale represents land, structures, and their related improvements that were acquired for resale in accordance with the objective of the Pasadena Community Development Commission's project area. These costs will be charged to current year project expenditures when the related land and structures are sold. Property held for resale is valued at the lower of cost or net realizable value. A portion of fund balance is reserved for property held for resale to indicate that a portion of fund balance is not available for future expenditures.

#### **(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.

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.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

#### (l) Capital Assets, (Continued)

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

<u>Light and Power Fund</u>		<u>Water Fund</u>	
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

<u>Governmental Activities</u>		<u>All Other Business-Type Activities</u>	
Buildings and		Building and	
Improvements	20 to 50 years	Improvements	20 to 45 years
Machinery and		Machinery and	
Equipment	4 to 10 years	Equipment	4 to 10 years
Infrastructure	15 to 200 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. This liability is recorded in the City's Workers' Compensation and General Liability Internal Service Funds. These liabilities are only recorded on a case-by-case basis up to the workers' compensation and general liability self-insurance thresholds. As mentioned in more detail in note 22, 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, 2009

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

#### (n) Compensated Absences

The City accounts for compensated absences including accumulated vacation, compensatory time-off, and certain sick leave in the Benefits Internal Service Fund. Upon separation, employees are paid for all of their unused vacation leave and compensatory time-off subject to maximums described below.

Eligible employees accumulate 5 to 20 days of vacation each year, depending on the employee's length of service, but may not carry over from one year to the next more than the equivalent of one to three (depends on MOU) 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.

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

Sick pay benefits only accumulate. They do not vest and therefore cannot be cashed out at retirement or termination. Consistent with this policy, the City does not accrue sick pay benefits except for those benefits that were earned prior to 1970 for which the employee is paid at termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payments, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) that is outside the control of the City and the employee.

The total outstanding vacation, compensatory time-off, and sick leave obligations that have been accrued as of June 30, 2009 are included under "Compensated Absences" in the Benefits Internal Service Fund.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

#### **(o) Net Pension Obligation**

For each plan, the employer must expense the annual pension cost (APC). The APC equals the annual required contribution (ARC) plus one year's interest on the beginning of year net pension obligation (NPO). The NPO is the cumulative difference between the APC and the actual contributions made, minus an amortization of the NPO at the beginning of the year. Net Pension Obligation is reported in accordance with the requirements of GASB Statement No. 50, Pension Disclosures an amendment of GASB Statements No. 25 and No. 27. See Note 24.

#### **(p) Bond Premiums/Discounts/Issuance Costs**

For Governmental Fund financial statements, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of any applicable discount or premium.

Issuance costs, whether or not withheld from actual net proceeds received, are reported as current expenditures. For Government-Wide financial statements and Proprietary Fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

#### **(q) Fund Equity**

Reservations of fund balance represent amounts that are not available for appropriation or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### **(r) Comparative Data/Reclassifications**

The information included in the accompanying financial statements for the prior years has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year figures.



**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(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.

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**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2009**

**(2) Cash and Investments**

**Primary Government (excluding FPRS Cash and Investments)**

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$358,522,681
Restricted cash and investments	97,556,052
Fiduciary funds:	
Cash and cash equivalents	<u>147,651,038</u>
Total cash and investments	<u>\$603,729,771</u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 102,284
Deposits with financial institutions	(2,750,525)
Investments	<u>606,378,012</u>
Total cash and investments	<u>\$603,729,771</u>

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**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Primary Government, (Continued)**

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

The table below identifies the investment types that are authorized for the Entity by the California Government Code and the Entity's investment policy. The table also identifies certain provisions of the California Government Code (or the Entity'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 Entity, rather than the general provisions of the California Government Code or the Entity's investment policy.

<u>Investment Types Authorized by State Law</u>	<u>Authorized By Investment Policy</u>	<u>*Maximum Maturity</u>	<u>*Maximum Percentage Of Portfolio</u>	<u>*Maximum Investment In One Issuer</u>
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	5 years	25%	None
Repurchase Agreements	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
County Pooled Investment Funds	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

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

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (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 Entity'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>
U.S. Treasury Obligations	None
U.S. Agency Securities	None
Banker's Acceptances	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 Obligations Bonds	None

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Primary Government, (Continued)**

**Disclosures Relating to Interest Rate Risk**

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

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

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
Corporate Bonds	\$53,745,096	15,778,268	5,472,981	32,493,847	-
Bank Notes	5,025,352	-	-	5,025,352	-
Federal agency securities	214,247,642	-	25,434,652	164,225,880	24,587,110
Municipal Bonds	27,764,745	23,595,773	1,699,792	2,469,180	-
Money market funds	51,669,200	51,669,200	-	-	-
Mortgage-backed securities	601	169	-	432	-
State investment pool	65,319,460	65,319,460	-	-	-
Held by bond trustee:					
Corporate Bonds	3,022,162	3,022,162	-	-	-
Federal agency securities	9,822,293	-	-	2,499,955	7,322,338
Money market funds	22,837,786	22,837,786	-	-	-
Investment contracts	8,234,062	-	-	-	8,234,062
Deferred compensation Plan:					
Mutual funds	144,689,613	144,689,613	-	-	-
<b>Total</b>	<b>\$606,378,012</b>	<b>326,912,431</b>	<b>32,607,425</b>	<b>206,714,646</b>	<b>40,143,510</b>

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

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

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>			<u>Not Rated</u>
			<u>AAA</u>	<u>AA</u>	<u>A</u>	
Corporate Bonds	\$ 53,745,096	A	7,826,663	29,831,125	16,087,308	-
Bank Notes	5,025,352		5,025,352	-	-	-
Federal agency securities	214,247,642	N/A	214,247,642	-	-	-
Municipal Bond	27,764,745	N/A	27,039,056	-	-	725,689
Money market funds	51,669,200	N/A	51,669,200	-	-	-
Mortgage-backed securities	601	AA	601	-	-	-
State investment pool	65,319,460	N/A	-	-	-	65,319,460
Held by bond trustee:						
Corporate Bonds	3,022,162		3,022,162	-	-	-
Federal agency securities	9,822,293	N/A	9,822,293	-	-	-
Money market funds	22,837,786	A	22,837,786	-	-	-
Investment contracts	8,234,062	N/A	-	-	-	8,234,062
Deferred compensation Plan:						
Mutual funds	<u>144,689,613</u>	N/A	<u>-</u>	<u>144,689,613</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 606,378,012</u></b>		<b><u>341,490,755</u></b>	<b><u>174,520,738</u></b>	<b><u>16,087,308</u></b>	<b><u>74,279,211</u></b>

N/A Not applicable

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Primary Government, (Continued)**

**Concentration of Credit Risk**

The investment policy of the Entity 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 Entity investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	Federal agency securities	\$ 57,709,643
Federal Farm Credit Bank	Federal agency securities	26,306,540
Federal Home Loan Mortgage Corp	Federal agency securities	59,775,325
Federal National Mortgage Assoc	Federal agency securities	77,377,516
Merrill Lynch	Repurchase agreements	53,339,757
Local Agency Investment Fund	State investment pool	67,431,355
PPFA Municipal Bonds	Municipal Bonds	23,895,000
Hartford Life	Mutual Funds	80,807,602

Investments in any one issuer that represent 5% or more of total investments by reporting unit (primary government, discretely presented component unit, governmental activities, major fund, non-major funds in the aggregate, etc.) are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
<b>Pasadena Community Development Commission Debt Service Fund</b>		
Goldman Fin. Sq. Tr. Prime Oblig	Money Market Fund	308,544
Federal Home Loan Mortgage Corp	Federal agency Securities	455,050
Federal Home Loan Bank	Federal agency Securities	521,475

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Primary Government, (Continued)**

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
<b>Light and Power Fund</b>		
Federal Farm Credit Bank	Federal agency securities	10,240,286
Federal Home Loan Bank	Federal agency securities	15,670,519
Federal Home Loan Mortgage Corp	Federal agency securities	20,179,124
Federal National Mortgage Assoc	Federal agency securities	6,031,875
Merrill Lynch	Money market fund	6,680,532
Principle Life Inc	Corporate Bonds	3,960,500
Local Agency Investment Fund	State investment pool	17,015,657
<b>Water Fund</b>		
FSA Investment	Investment contracts	1,289,551
Bank of America Investment	Investment contracts	3,390,132
<b>Old Pasadena Parking Fund</b>		
Transamerica General Investment Agreement	Investment contracts	2,225,313
<b>Paseo Colorado Parking Fund</b>		
Federal Home Loan Bank	Federal agency securities	1,978,480
<b>Non-Major Governmental Fund</b>		
<b>Debit Service Fund</b>		
Goldman Fin Sq. Tr. Prime Oblig	Money market fund	14,791,744
ST Leasing-Corp Agency	Money market fund	7,404,221
Federal Home Loan Bank	Federal agency securities	3,395,125



**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Primary Government, (Continued)**

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
<b>Pasadena Community Development Commission Fund</b>		
Federal Home Loan Mortgage Corp	Federal agency securities	5,995,450
Federal National Mortgage Assoc	Federal agency securities	6,039,063
Federal Home Loan Bank	Federal agency securities	3,631,633
Merrill Lynch	Money market fund	4,196,526
Local Investment Pool Fund	State investment pool	10,415,697
 <b>Charter Capital Projects Fund</b>		
Merrill Lynch	Money market fund	3,083,673
Toyota Credit Corporation	Corporate Bonds	2,528,420
 <b>Non-Major Enterprise Funds</b>		
<b>Plaza Las Fuentes Parking Fund</b>		
Federal Home Loan Bank	Federal agency securities	2,670,948

**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 Entity'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

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### Primary Government, (Continued)

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, 2009, \$396,951 of the Entity'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.

#### Investment in State Investment Pool

The Entity 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 Entity's investment in this pool is reported in the accompanying financial statements at amounts based upon the Entity'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.

#### Pasadena Fire and Police Retirement System (FPRS)

Investments are reported at fair market value. Fair value for investments of publicly traded stocks and bonds and issues of the U.S. Government and its agencies is based on the last reported sale price as of the fiscal year end. Fair value of securities denominated in a foreign currency reflects exchange rates in effect at fiscal year end. Fair value of investments in commingled funds in real estate is based on the fund share price provided by the fund manager which is based on net asset value.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### Pasadena Fire and Police Retirement System (FPRS), (Continued)

##### Authorized Investments

The City of Pasadena Charter confers the authority and fiduciary responsibility for investing the System's funds on the Retirement Board. In addition, as set forth below, Board members are subject to carry out their duties in the manner of a prudent person familiar with such retirement and investment matters acting under similar circumstances. Investments shall be subject to the same terms, limitations and restrictions as are imposed by the Constitution and laws of the State upon the investment of the CalPERS Funds, as now enacted or hereafter amended. This prudent expert rule permits the Board to make investment allocation decisions and diversify investment holdings, to reduce overall risk and increase returns. The prudent expert rule also permits the Board to establish an investment policy based on professional advice and counsel, and allows for the delegation of investment authority to professional investment managers. The System's investment policy outlines the responsibility for the investment of the funds and the degree of risk deemed appropriate for the system's investments. Investment managers are contractually bound to carry out their responsibilities in accordance with the Board of Retirement's investment policy and to follow specific contractual guidelines.

The Board oversees and guides the Plan subject to the following basic fiduciary responsibilities.

- Solely in the interest of, and for the exclusive purpose of, providing economic benefits to participants and their beneficiaries.
- With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like objectives.
- Diversify the investments of the Plan so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances, it is clearly prudent not to do so. Diversification is applicable to the deployment of the assets as a whole.

Pursuant to this authority, the Retirement Board has authorized investment in the following securities:

- Securities of the U.S. Government or its agencies
- Certificates of Deposit, or Time Deposits, placed with commercial banks and savings and loan associations

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### (2) Cash and Investments, (Continued)

##### *Pasadena Fire and Police Retirement System (FPRS), (Continued)*

##### Authorized Investments, (Continued)

- Negotiable Certificates of Deposit
- Banker's acceptances
- Commercial paper (rated A-1/P-1 or better)
- Medium-Term Corporate Notes
- Corporate and Municipal Bonds
- Preferred stock
- Common stock
- Fixed-income funds
- Foreign stock and corporate bonds
- Mutual funds
- Real Estate Investment Trust (REIT)

##### Deposit and Investment Risks

The System adopted Governmental Accounting Standards Board (GASB) Statement No. 40 Deposit and Investment Risk Disclosures – an amendment to GASB Statement No. 3 effective July 1, 2004. GASB 40 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. Deposit and investment resources represent considerable assets of the System, and these resources are necessary to carry out fiduciary responsibilities. GASB 40 requires the disclosure of the following specific risks that apply to the Plan's investments:

Credit Risk and Market Value of Investments  
Custodial Credit Risk – Deposits and Investments  
Concentration of Credit Risk  
Interest Rate Risk  
Highly Sensitive Investments  
Foreign Currency Risk  
Cash and Investments

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### Pasadena Fire and Police Retirement System (FPRS), (Continued)

##### Deposit and Investment Risks, (Continued)

GASB Statement No. 40 also requires the disclosure of deposit or investment policies (or the lack thereof) that relate to the investment and custodial risks that are required to be disclosed.

##### Statement of Investment Policy

The Board has chosen to manage the investment risks described by GASB No. 40 by contractually requiring each portfolio investment manager to abide by the Statement of Investment Policy, specifically tailored to that individual manager, rather than adopting across-the-board investment policies with respect to these investment risks. The Board adopted its revised Statement of Investment Policy on May 21, 2009. At the end of June 30, 2009, the System had six external investment managers.

The fixed income policy stipulates the strategy and investments, investment process, quality constraints, duration constraints, diversification, cash reserves, derivatives, and rate of return expectation.

##### Credit Risk and Market Value of Investments

The Board has the exclusive control over the System's investment portfolio as prescribed by Article XV, Section 1502 of the City of Pasadena Charter. The Board has established the Statement of Investment Policy effective May 21, 2009, in accordance with applicable local, State, and Federal laws. The Board members exercise authority and control over the management of the Plan's assets by setting policy which the Board executes through the use of external prudent experts. The Board oversees and guides the Plan subject to the following basic fiduciary responsibilities:

- Solely in the interest of, and for the exclusive purpose of, providing economic benefits to participants and their beneficiaries.
- With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like objectives.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### Pasadena Fire and Police Retirement System (FPRS), (Continued)

##### Credit Risk and Market Value of Investments, (Continued)

- Diversify the investments of the Plan so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances, it is clearly prudent not to do so. Diversification is applicable to the deployment of the assets as a whole.

The Statement of Investment Policy encompasses the following asset classes and the asset allocation goals:

- Domestic Core Fixed Income – 35%
- Large Cap Domestic Equity – 30% (15% Large Cap Value, 15% Large Cap Growth – Passive)
- Small-Mid Cap Core Equity – 10%
- International Equity - 12%
- Real Estate Investment Trust (REIT) – 8%
- Cash – STIF 5%

The System requires \$1,350,000 monthly to cover the benefit payments and administrative costs. When an asset class exceeds the allocation goals, the Board and Investment Consultant review the allocation and determine the appropriate asset class/classes from which to withdraw the cash. This also serves as an ongoing rebalancing of the fund to maintain the allocation goals.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Pasadena Fire and Police Retirement System (FPRS), (Continued)**

Credit Risk

Credit Risk is the risk that the issuer of a debt security or other counterparty to an investment will not fulfill its obligations. The individual investment guidelines for the fixed income investment manager describe applicable restrictions on credit risk. The System seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the fund at an acceptable level of risk within this asset class. The credit quality ratings of investments in fixed income securities by a nationally recognized statistical rating organization, the S & P, as of June 30, 2009 are as follows:

**Credit Quality Ratings of Investments in Fixed Income Securities**

<u>Quality Ratings – S &amp; P</u>	<u>Market Value</u>	<u>Percentage</u>
AAA	\$ 7,397,979	25.61%
AA	543,650	1.88%
A	4,751,088	16.45%
BBB	2,663,888	9.22%
BB	248,422	0.86%
B	368,327	1.28%
CCC	205,602	0.71%
CC	46,790	0.16%
Not Rated/Rating NA*	1,616,506	5.60%
Rating Not Determined**	11,043,618	38.23%
<b>Total</b>	<b>\$ 28,885,870</b>	<b>100.00%</b>

\* Minus: Not rated: STIF of \$12,013,346 and commercial paper of \$454,912.

\*\*Minus: Not rated: Short Term Bills/Notes of \$504,960.

\*\*These ratings are implicitly or explicitly guaranteed by the US Government and currently a rating is not provided by the nationally recognized statistical rating organization. The rating agencies normally do not rate government agency and treasury debt and therefore they have an implied AAA rating.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### *Pasadena Fire and Police Retirement System (FPRS), (Continued)*

##### Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of a financial institution's failure, the System will not be able to recover the value of deposits nor be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. As of June 30, 2009, the System is not exposed to such risk on the fair value of total international investments. The System does not have a formal policy for custodial credit risk.

##### Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The individual investment guidelines for each investment manager require that managed investments be held and maintained with the master custodian in the name of the PFPRS. Investment securities are exposed to custodial credit risk if the securities are uninsured, or are not registered in the System's name, and held by the counterparty. The System's investments are not exposed to custodial credit risk if they are insured or registered in the System's name. The System's investments are not exposed to custodial credit risk because all securities are held by the System's custodial bank in the System's name.

##### Concentration of Credit Risk

Concentration of Credit Risk is the risk of potential loss attributed to the magnitude of the System's investment in a single issuer of securities. The individual investment guidelines for fixed income manager forbid concentrations greater than 5% in the securities of any one issuer (excepting issues issued by or explicitly guaranteed by the U.S. government). As of June 30, 2009, the System's portfolio did not hold any investments in any one issuer that would represent five percent (5%) or more of Plan's net assets.



## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### (2) Cash and Investments, (Continued)

##### *Pasadena Fire and Police Retirement System (FPRS), (Continued)*

###### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It uses the present values of cash flows, weighted for those cash flows as a percentage of the investment's full price. The longer the duration of a portfolio, the greater its price sensitivity is to changes in interest rates.

While no specific ranges are required, one of the ways the System manages its exposure to interest rate risk is by requiring the fixed income investment manager to maintain their portfolio effective duration with +/- 20% of the benchmark, the Barclays Capital US Aggregated Bond Index. The effective duration is a measure, in years, of interest-rate sensitivity in debt investments. The longer the effective duration, the greater the sensitivity to interest rate changes.

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**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Pasadena Fire and Police Retirement System (FPRS), (Continued)**

**Interest Rate Risk, (Continued)**

Information about the sensitivity of the fair values of the System's investments to market interest rate fluctuations is provided by the following table that shows the weighted average effective duration of the System's fixed income investments by investment type:

**Fixed Income Securities  
As of June 30, 2009**

<u>Investment Type</u>	<u>Market Value</u>	<u>Duration</u>
<b>U.S. Government and Agency Instruments</b>		
Government Bonds	\$ 1,011,036	4.44
Government Mortgage Backed Securities	9,701,944	3.81
Government Issued Commercial Mortgage Backed	330,637	9.10
Total	11,043,617	
<b>Corporate Securities</b>		
Corporate Bonds	7,947,457	4.39
Non-Government Backed C.M.O.'s	2,273,868	0.74
Asset Backed Securities	1,477,151	1.50
Commercial Mortgage Backed Securities	2,510,434	3.97
Index Linked Government Bonds	1,245,103	8.02
Other Fixed Income	1,883,280	N/A
Total	17,337,293	
<b>Other Fixed Income (CTFDEP)</b>	504,960	0.04
Total Fixed Income Securities	\$ 28,885,870	

**Highly Sensitive Investments**

Highly Sensitive Investments are certain debt investments whose terms may cause their fair value to be highly sensitive to market interest rate changes. Terms include such information as embedded options, coupon multipliers, benchmark indexes, and reset dates. The System's asset-backed investments have embedded prepayment options that

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### Pasadena Fire and Police Retirement System (FPRS), (Continued)

##### Highly Sensitive Investments, (Continued)

will typically cause prepayments by the obligees of the underlying investments when interest rates fall. Prepayments eliminate the stream of future interest payments and, therefore, diminish the fair value of the asset-backed investment. The following table shows the fair value of the System's asset-backed investments by investment type:

<u>Investment Type</u>	<u>Amount</u>
Government Mortgage Backed Securities	\$ 9,701,944
Government Issued Mortgage Backed Securities	330,637
Asset Backed Securities	2,195,685
Commercial Mortgage Backed Securities	2,510,434
Non-Government Backed Commercial Mortgage Obligations	<u>3,943,574</u>
Total	<u>\$ 18,682,274</u>

##### Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment or deposit. The System's authorized investment managers are permitted to invest in approved countries or regions, as stated in their respective investment guidelines. Currency hedging will be permitted as part of a defensive strategy to protect the portfolio's underlying assets.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Pasadena Fire and Police Retirement System (FPRS), (Continued)**

Foreign Currency Risk, (Continued)

The System's investment holdings as of June 30, 2009 are as follows:

<b><u>Foreign Currency Type – Corporate Bonds</u></b>	<b><u>Market Value In USD</u></b>	<b><u>% of Total MV</u></b>
Australia	\$ 136,409	0.16
Bermuda	127,018	0.15
Germany	215,559	0.26
Guernsey, Channel Islands	95,200	0.11
United Kingdom	202,800	0.24
New Zealand	164,828	0.20
Total Foreign Currency	<u>\$ 941,814</u>	<u>1.12</u>

**Foreign Currency Type –Equities**

International Region Stock Fund	<u>\$ 8,755,287</u>	<u>10.38</u>
Total Foreign Currency	<u>\$ 8,755,287</u>	<u>10.38</u>

Cash and Investments

Cash and investments as of June 30 were held as follows:

	<b><u>June 30,</u></b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>
	<b><u>(In Thousands)</u></b>	
Unrestricted Pooled Cash	\$ 1,608	\$ 1,216
Restricted Pooled Cash	1,350	1,350
Cash with Fiscal Agent	8,742	(1,260)
Investments – Held by Trustee	<u>75,324</u>	<u>123,417</u>
	<u>\$ 87,024</u>	<u>\$ 124,723</u>

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Discretely Presented Component Units**

**Rose Bowl Operating Company (RBOC)**

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 9,953,801
Cash and investments held by fiscal agent	<u>2,952,249</u>
Total cash and investments	<u>\$ 12,906,050</u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 1,000
Deposits with financial institutions	4,519,608
Investment in City of Pasadena investment pool	5,433,193
Investments held by fiscal agent	<u>2,952,249</u>
Total cash and investments	<u>\$ 12,906,050</u>

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# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### Discretely Presented Component Units, (Continued)

#### **Rose Bowl Operating Company (RBOC), (Continued)**

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

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

<u>Investment Types Authorized by State Law</u>	<u>Authorized By Investment Policy</u>	<u>*Maximum Maturity</u>	<u>*Maximum Percentage Of Portfolio</u>	<u>*Maximum Investment In One Issuer</u>
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	Yes	92 days	20% of base value	None
Medium-Term Notes	Yes	5 years	30%	None
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	None
JPA Pools (other investment pools)	Yes	N/A	None	None

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

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### Discretely Presented Component Units, (Continued)

#### **Rose Bowl Operating Company (RBOC), (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 Company's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity*</u>	<u>Minimum Rating</u>
U.S. Treasury Obligations	None	N/A
U.S. Agency Securities	None	N/A
State and Local Agency Bonds	None	Aa
Banker's Acceptances	180 days	N/A
Commercial Paper	270 days	Aa
Negotiable Certificates of Deposit	None	Aa
Repurchase Agreements	None	Aa
Money Market Mutual Funds	N/A	Aaa
Investment Contracts	None	Aa

\*All maturity dates are limited by the maturity date of the related debt.

#### Disclosures Relating to Interest Rate Risk

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

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### Discretely Presented Component Units, (Continued)

#### **Rose Bowl Operating Company (RBOC), (Continued)**

#### Disclosures Relating to Interest Rate Risk

Information about the sensitivity of the fair values of the Company's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Company's investments by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (in Months)</u>		
		<u>12 Months Or Less</u>	<u>13-60 Months</u>	<u>More Than 60 Months</u>
City of Pasadena Pool	\$ 5,433,193	5,433,193	-	
Held by fiscal agent:				
Federal agency securities	2,927,093	-	2,927,093	-
Money market funds	<u>25,156</u>	<u>25,156</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 8,385,442</u></b>	<b><u>5,458,349</u></b>	<b><u>2,927,093</u></b>	<b><u>-</u></b>

#### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Company's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>		
			<u>AAA</u>	<u>A</u>	<u>Not Rated</u>
City of Pasadena Pool	\$ 5,433,193	N/A	-	-	5,433,193
Held by fiscal agent:					
Federal agency securities	2,927,093	N/A	2,927,093	-	-
Money market funds	<u>25,156</u>	A	<u>25,156</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 8,385,442</u></b>		<b><u>2,952,249</u></b>	<b><u>-</u></b>	<b><u>5,433,193</u></b>



**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Discretely Presented Component Units, (Continued)**

**Rose Bowl Operating Company (RBOC), (Continued)**

Concentration of Credit Risk

The investment policy of the Company 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 Company investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	Federal agency securities	\$2,927,093

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Company's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Discretely Presented Component Units, (Continued)**

**Pasadena Center Operating Company (PCOC)**

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Cash and cash equivalents	\$ 2,339,878
Investments	8,031,188
Cash and investments with fiscal agent	<u>14,858,881</u>
Total cash and investments	<u>\$ 25,229,947</u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 10,300
Deposits with financial institutions	2,329,578
City of Pasadena Investment Pool	8,031,188
Cash and investments with fiscal agent:	
Federal agency securities	11,695,530
Money market mutual funds	<u>3,163,351</u>
Total cash and investments	<u>\$ 25,229,947</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### Discretely Presented Component Units, (Continued)

#### **Pasadena Center Operating Company (PCOC), (Continued)**

#### **Investments authorized by California Government Code**

The table below identifies the investment types that are authorized for the Company by the California Government Code and the City of Pasadena'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 and concentration of credit risk.

Investment Types Authorized by State Law	Authorized By Investment Policy	*Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment In One Issuer
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	Yes	92 days	20% of base value	None
Medium-Term Notes	Yes	5 years	30%	None
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	Yes	N/A	None	None

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

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (2) Cash and Investments, (Continued)

#### Discretely Presented Component Units, (Continued)

#### **Pasadena Center Operating Company (PCOC), (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 Company's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity*</u>	<u>Minimum Rating</u>
U.S. Treasury Obligations	None	N/A
U.S. Agency Securities	None	N/A
State and Local Agency Bonds	None	Aa
Banker's Acceptances	360 days	Aa
Commercial Paper	270 days	Aa
Negotiable Certificates of Deposit	None	Aa
Repurchase Agreements	None	Aa
Money Market Mutual Funds	N/A	Aaa
Investment Contracts	None	Aa

#### Disclosures Relating to Interest Rate Risk

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

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Discretely Presented Component Units, (Continued)**

**Pasadena Center Operating Company (PCOC), (Continued)**

**Disclosures Relating to Interest Rate Risk, (Continued)**

Information about the sensitivity of the fair values of the Company's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Company's investments by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (in Months)</u>		
		<u>12 Months Or Less</u>	<u>13-60 Months</u>	<u>More Than 60 Months</u>
City of Pasadena Pool	\$ 8,031,188	8,031,188	-	-
Federal agency securities	11,695,530	-	5,501,905	10,193,625
Money market funds	<u>3,163,351</u>	<u>3,163,351</u>	-	-
<b>Total</b>	<b>\$ <u>22,890,069</u></b>	<b><u>11,194,539</u></b>	<b><u>1,501,905</u></b>	<b><u>10,193,625</u></b>

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Company's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Ratings at end of year</u>	
			<u>AAA</u>	<u>Not Rated</u>
City of Pasadena Pool	\$ 8,031,188	N/A	-	8,031,188
Federal agency securities	11,695,530	N/A	11,695,530	-
Money market funds	<u>3,163,351</u>	Aaa	<u>3,163,351</u>	-
<b>Total</b>	<b>\$ <u>22,890,069</u></b>		<b><u>14,858,881</u></b>	<b><u>8,031,188</u></b>

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(2) Cash and Investments, (Continued)**

**Discretely Presented Component Units, (Continued)**

**Pasadena Center Operating Company (PCOC), (Continued)**

**Concentration of Credit Risk**

The investment policy of the Company 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 Company investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	Federal agency securities	\$11,695,530

**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 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 does not contain legal 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 public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(3) Accounts Receivable**

As of June 30, 2009, the accounts receivable are categorized as follows:

	<u>General</u>	<u>Project Management</u>	<u>PCDC Debt Service</u>	<u>Non-Major Governmental</u>	<u>Internal Service</u>
Governmental activities:					
Accounts receivable	\$ 2,211,375	790,951	3,409,091	1,877,438	83,528
Accrued revenue receivable	8,914,300	-	2,531,361	4,355,299	6,278,417
Interest receivable	2,202,314	61,142	-	127,415	(123,563)
Paramedics receivable	2,543,007	-	-	-	-
Utility receivable	<u>1,264,517</u>	<u>-</u>	<u>-</u>	<u>527,551</u>	<u>-</u>
	17,135,513	852,093	5,940,452	6,887,703	6,238,382
Less: allowance for uncollectible accounts	<u>(1,346,986)</u>	<u>-</u>	<u>-</u>	<u>(29,091)</u>	<u>-</u>
Total	<u>\$ 15,788,527</u>	<u>852,093</u>	<u>5,940,452</u>	<u>6,858,612</u>	<u>6,238,382</u>
	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>	<u>Paseo Colorado Parking</u>	<u>Non-Major Proprietary</u>
Business type activities:					
Accounts receivable	\$ 346,025	2,842	243,784	31,627	11,383
Accrued revenue receivable	8,452,666	3,488,080	552,191	647,109	1,363,300
Interest receivable	823,105	130,437	18,286	19,893	(34,105)
Utility receivable	<u>10,121,938</u>	<u>2,438,925</u>	<u>-</u>	<u>-</u>	<u>733,166</u>
	19,743,734	6,060,284	814,261	698,629	2,073,744
Less: allowance for uncollectible accounts	<u>(591,005)</u>	<u>(155,803)</u>	<u>-</u>	<u>-</u>	<u>(42,859)</u>
Total	<u>\$ 19,152,729</u>	<u>5,904,481</u>	<u>814,261</u>	<u>698,629</u>	<u>2,030,885</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(4) Notes Receivable – Primary Government**

The notes receivable in the Governmental Funds amounted to \$34,301,221 at June 30, 2009. These are primarily PCDC notes receivable, which arose from the sale of land to project developers and other agencies, subject to approved redevelopment plans. These notes have various terms, including maturities ranging from 2 to 30 years and interest rates ranging from 3.5% to 11%. Due to the uncertainty of their collectibility at June 30, 2009, the City has recorded an allowance for uncollectible long-term receivables of \$42,077,813 of which \$13,075,837 pertains to notes receivable and \$29,733,685 to advances.

As a result of required reclassifications and eliminations of interfund balances, the allowance for uncollectible long-term receivables on the Statement of Net Assets amounted to \$13,075,837.

In January 2009, Light and Power utilized \$80.0 million of Reserve 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, 2009 is \$70,020,000.

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# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

**Year Ended June 30, 2009**

**(5) Due From and To Other Funds**

Current interfund receivable and payable balances at June 30, 2009 are as follows:

Due From Other Funds	Due To Other Funds	Amount
General Fund	(a) PCDC Debt Service	\$ 666,822
	(b) Paseo Colorado Parking	143,062
	(c) Internal Services Funds	447,527
	(d) Project Management Fund	1,343,047
	(e) Non-Major Governmental Funds	2,181,037
	Subtotal	4,781,495
Non-Major Governmental Funds	(f) Non-Major Governmental Funds	1,400,686
	(g) PCDC Debt Service	21,015
	Subtotal	1,421,701
Enterprise (Light & Power) Fund	(h) Water Fund	4,000,000
	Total	\$10,203,196

Generally, the above balances result from:

- (a) The \$666,822 due from PCDC Debt Service Fund to the General Fund is for incremental property tax received in July and August 2009.
- (b) The \$143,062 due from the Paseo Colorado Parking Fund to the General Fund is to cover the negative cash balance at the end of the fiscal year.
- (c) The \$447,527 due from Internal Service Fund to the General Fund is due to a negative cash balance at the end of the fiscal year, including \$92,971 from Printing Services Fund and \$334,556 from Building Maintenance Fund.
- (d) The \$1,343,047 due from Project Management Fund to General Fund is to cover the negative cash balance at the end of the fiscal year.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(5) Due From and To Other Funds, (Continued)**

- (e) The \$2,181,037 due from Non-Major Government Funds to General Fund is due to negative cash balances at the end of this fiscal year, including \$1,029,162 from Housing and Community Development Funds, \$724,924 from Parking Funds, \$301,787 from Public Safety Fund, \$30,983 from Health Funds, \$88,409 from Bikeway Fund and \$5,772 from Air Quality Improvement Fund.
- (f) The \$1,400,686 Pasadena Community Development Commission Fund was due from the Fair Oaks Capital Project Fund due to the Downtown Capital Project Fund to finance overrun of costs during the litigation and purchase of land within the Fair Oaks redevelopment project.
- (g) The \$21,015 due from PCDC Debt Service Fund is due to PCDC Low and Moderate Income Housing Trust Fund for the 20% set aside of tax increment derived from PCDC Capital Project Funds.
- (h) The \$4,000,000 is due from the Water Fund to the Light & Power Fund as a result of a cash transfer to ensure an adequate cash balance for on-going operation.

**(6) Advances To and From Other Funds**

**Primary Government**

Long-term interfund receivable and payable balances at June 30, 2009 are as follows:

<u>Advances from other funds</u>	<u>Advances to other funds</u>	<u>Amount</u>
PCDC Debt Service	General Fund	\$ 6,814,171
	Internal Service Funds	2,914,725
	Non-Major Governmental Funds	<u>25,167,601</u>
	Subtotal	<u>34,896,497</u>
Old Pasadena Parking	General Fund	<u>2,436,545</u>
	Non-Major Governmental Funds	<u>5,264,090</u>
Non-Major Enterprise Funds	Internal Service Funds	1,248,371
	Non-Major Governmental Funds	<u>2,959,136</u>
	Subtotal	<u>4,207,507</u>
Non-Major Governmental Funds	Non-Major Enterprise Funds	<u>27,500</u>
Paseo Colorado Parking	Non-Major Enterprise Funds	<u>4,349,205</u>
	Total	<u>\$51,181,344</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

#### Primary Government, (Continued)

**Outstanding at  
June 30, 2009**

#### **General Fund**

The General Fund has agreements with PCDC providing for the advance of funds to finance redevelopment activities within the project areas. The agreement provides for reimbursement to the General Fund from any and all funds legally available to PCDC for such payment plus interest as computed from the time of advance to the date of repayment. A related allowance for uncollectible long-term receivables has been recorded for \$5,251,520 at June 30, 2009.

\$11,746,327

The General Fund also has an agreement with Old Pasadena Parking providing for advance of funds to finance parking activities. The agreement provides for an annual reimbursement to the General Fund. For fiscal year ending June 30, 2009, this amount was \$350,000.

2,436,545

The General Fund advanced \$425,000 to Episcopal Housing Alliance to fund the Mama's Hot Tamales project. The project provides a commercial kitchen business incubator, technical and business development assistance for food orientated fledgling micro-enterprises to ensure their success. It was agreed that the General Fund would be reimbursed this advance amount over a five year period from Community Development Block Grants Funds. Four payments of \$93,066 with a final payment of \$52, 736 are scheduled to be repaid to the General Fund. As of June 30, 2009 the balance due the General Fund is \$331,934.

331,934

#### **Housing and Community Development**

The Community Development Fund has agreements with PCDC providing for the advance of funds to finance redevelopment activities within the Fair Oaks and Washington Project Areas. The agreement provides for reimbursement to the Community Development Fund from any and all funds legally available to PCDC for such payments plus interest computed from the time of advance to the date of repayment. A related allowance for uncollectible long-term receivables has been recorded for \$17,294,143 as of June 30, 2009.

17,294,143

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

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

#### Primary Government, (Continued)

**Outstanding at  
June 30, 2009**

#### **New Development Impact**

The New Development Fund has agreements with PCDC providing for the advance of funds to finance redevelopment activities within the Lake/Washington Project Areas. The agreement provides for reimbursement to the New Development Fund from any and all funds legally available to PCDC for such payments plus interest computed from the time of advance to the date of repayment.

355,490

#### **1996 Multi-Purpose Capital Project Certificates of Participation**

The 1996 Certificates of Participation Capital Project Fund has an agreement with PCDC providing for the advance of funds to finance redevelopment activities within the related project areas. This agreement provides a schedule of repayment from tax allocation revenues. A related allowance for uncollectible long-term receivables of \$2,599,670 has been recorded as of June 30, 2009.

6,750,810

#### **Pasadena Community Development Commission**

Certain project areas have advances outstanding with other project areas of PCDC. These agreements provide for repayment as funds are available.

767,158

The Commission's Downtown and Old Pasadena Capital Fund has an agreement with Del Mar Parking Garage Fund for the advance of funds to finance the purchase of 600 parking spaces at the Del Mar Gold Line Station. The agreement provides for reimbursement to the Commission's Fund from net receipts when funds are available.

2,959,136

#### **General Liability**

The General Liability Internal Service Fund has an agreement with PCDC providing for the advance of funds to finance redevelopment activities within the Fair Oaks Project area. The agreement provides for a schedule of repayment from tax allocation revenues payable within seven years. A related allowance for uncollectible long-term receivables has been recorded for \$731,709 as of June 30, 2009.

2,914,725

#### **Fleet Maintenance**

The Fleet Maintenance Internal Service Fund has an agreement with the Refuse Fund providing for advance of funds to purchase automotive equipment. The advance will be repaid with interest over ten years.

1,248,371

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

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

**Primary Government, (Continued)**

**Outstanding at  
June 30, 2009**

**Plaza Las Fuentes Parking**

The Plaza Las Fuentes Parking has an agreement with Paseo Colorado Parking providing for advance of funds to finance parking activities. This agreement is referred to as the POMA agreement. Amounts lent to the parking fund will be paid back with interest.

4,349,205

The Plaza Las Fuentes Parking Fund also has an agreement with the South Lake Parking Meter Operations Fund for advance of funds to cover expenses derived from start up costs, meter installations and operations at South Lake Parking Meter Zone.

27,500

Total primary government advances

\$51,181,344

**Discretely Presented Component Units**

Long-term interfund advance balances between the primary government and discretely presented component units as of June 30, 2009 are as follows:

<u>Advances To Component Units</u>	<u>Advances From Primary Government</u>	<u>Amount</u>
General Fund	Pasadena Center Operating Company	<u>\$902,624</u>

**Outstanding at  
June 30, 2009**

**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.

\$902,624

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (7) Capital Assets

#### Primary Government

Capital asset activity for the year ended June 30, 2009 is as follows:

<b>Governmental activities</b>	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2009</u>
Buildings and improvements	\$ 272,589,398	2,561,631	(838,341)	274,312,688
Machinery and equipment	54,159,948	5,400,538	(12,498,365)	47,062,121
Infrastructure	<u>203,196,466</u>	<u>12,629,289</u>	<u>(1,045,000)</u>	<u>214,780,755</u>
Total cost of depreciable assets	<u>529,945,812</u>	<u>20,591,458</u>	<u>(14,381,706)</u>	<u>536,155,564</u>
Less accumulated depreciation:				
Buildings and improvements	(81,372,850)	(8,470,616)	881,203	(88,962,263)
Machinery and equipment	(38,370,415)	(3,278,325)	11,669,659	(29,979,081)
Infrastructure	<u>(102,820,392)</u>	<u>(3,347,293)</u>	<u>976,800</u>	<u>(105,190,885)</u>
Total accumulated depreciation	<u>(222,563,657)</u>	<u>(15,096,234)</u>	<u>13,527,662</u>	<u>(224,132,229)</u>
Net depreciable assets	307,382,155	5,495,224	(854,044)	312,023,335
Capital assets not depreciated:				
Land	55,467,474	-	-	55,467,474
Construction in progress	<u>93,806,398</u>	<u>25,898,973</u>	<u>(18,703,959)</u>	<u>101,001,412</u>
Capital assets, net	<u>\$ 456,656,027</u>	<u>31,394,197</u>	<u>(19,558,003)</u>	<u>468,492,221</u>

Depreciation expense was charged in the following functions in the Statement of Activities:

General government	\$9,283,710
Public safety	1,083,198
Transportation	4,114,257
Health	71,266
Culture and leisure	282,351
Community development	<u>261,452</u>
	<u>\$15,096,234</u>

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(7) Capital Assets, (Continued)**

**Primary Government, (Continued)**

<b>Business-type activities:</b>	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2009</u>
Buildings and improvements	\$ 113,291,461	1,308,011		114,599,472
Utility Lines, machinery and equipment	<u>623,060,925</u>	<u>40,671,828</u>	<u>(2,767,272)</u>	<u>660,965,481</u>
Total cost of depreciable assets	<u>736,352,386</u>	<u>41,979,839</u>	<u>(2,767,272)</u>	<u>775,564,953</u>
Less accumulated depreciation:				
Buildings and improvements	(22,600,173)	(2,484,274)		(25,084,447)
Utility Lines, machinery and equipment	<u>(305,803,184)</u>	<u>(20,400,985)</u>	<u>2,579,175</u>	<u>(323,624,994)</u>
Total accumulated depreciation	<u>(328,403,357)</u>	<u>(22,885,259)</u>	<u>2,579,175</u>	<u>(348,709,441)</u>
Net depreciable assets	407,949,029	19,094,580	(188,097)	426,855,512
Capital assets not depreciated:				
Land	5,243,331	215,393	-	5,458,724
Construction in progress	<u>58,282,530</u>	<u>52,328,789</u>	<u>(41,080,884)</u>	<u>69,530,435</u>
Capital assets, net	<u>\$ 471,474,890</u>	<u>71,638,762</u>	<u>(41,268,981)</u>	<u>501,844,671</u>

Depreciation expense was charged in the following programs of the primary government:

Electric	\$16,737,214
Water	3,853,919
Refuse	589,468
Parking	<u>1,704,658</u>
	<u>\$22,885,259</u>

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### (7) Capital Assets, (Continued)

##### Component Units

Capital asset activity for the Rose Bowl Operating Company for the year ended June 30, 2009 is as follows:

	<u>Balance at</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2009</u>
Buildings and improvements	\$ 66,733,879	1,089,782	-	67,823,661
Machinery and equipment	<u>4,769,860</u>	<u>57,614</u>	<u>-</u>	<u>4,827,474</u>
Total cost of depreciable assets	<u>71,503,739</u>	<u>1,147,396</u>	<u>-</u>	<u>72,651,135</u>
Less accumulated depreciation:				
Buildings and improvements	(18,398,693)	(2,830,874)	-	(21,229,567)
Machinery and equipment	<u>(3,213,601)</u>	<u>(206,073)</u>	<u>-</u>	<u>(3,419,674)</u>
Total accumulated depreciation	<u>(21,612,294)</u>	<u>(3,036,947)</u>	<u>-</u>	<u>(24,649,241)</u>
Net depreciable assets	49,891,445	(1,889,551)	-	48,001,894
Capital assets not depreciated:				
Construction in progress	<u>1,860,211</u>	<u>1,560,412</u>	<u>(1,052,999)</u>	<u>2,367,624</u>
Capital assets, net	<u>\$51,751,656</u>	<u>(329,139)</u>	<u>(1,052,999)</u>	<u>50,369,518</u>

Depreciation expense for the year was \$3,036,947.



## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### (7) Capital Assets, (Continued)

##### Component Units, (Continued)

Capital asset activity for the Pasadena Center Operating Company for the year ended June 30, 2009 is as follows:

	<u>Balance at</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2009</u>
Buildings and improvements	\$ 21,041,006	151,262,238	-	172,303,244
Machinery and equipment	468,277	529,828	-	998,105
Furniture and fixtures	<u>36,412</u>	<u>195,973</u>	<u>-</u>	<u>232,385</u>
Total cost of depreciable assets	<u>21,545,695</u>	<u>151,988,039</u>	<u>-</u>	<u>173,533,734</u>
Less accumulated depreciation:				
Buildings and improvements	(8,154,945)	(2,301,284)	-	(10,456,229)
Machinery and equipment	(436,021)	(37,295)	-	(473,316)
Furniture and fixtures	<u>(36,412)</u>	<u>(19,597)</u>	<u>-</u>	<u>(56,009)</u>
Total accumulated depreciation	<u>(8,627,378)</u>	<u>(2,358,176)</u>	<u>-</u>	<u>(10,985,554)</u>
Net depreciable assets	12,918,317	149,629,863	-	162,548,180
Capital assets not depreciated:				
Land	2,423,473	-	-	2,423,473
Construction in progress <sup>(1)</sup>	<u>97,487,152</u>	<u>41,875,636</u>	<u>(139,362,788)</u>	<u>-</u>
Capital assets, net	<u>\$ 112,828,942</u>	<u>191,505,499</u>	<u>(139,362,788)</u>	<u>164,971,653</u>

(1) Construction in progress consists of accumulated costs for the Convention Center Expansion Project.

Depreciation expense for the year was \$2,358,176.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(8) Deferred Revenue**

Deferred revenue consists of the following at June 30, 2009:

		Project			Component
	General	Management	Light and	Non-Major	Unit
	<u>Fund</u>	<u>Capital Project</u>	<u>Power</u>	<u>Governmental</u>	<u>RBOC</u>
(a) Revenues not "available"	\$ -	2,296,774	-	2,508,694	-
(b) Rental income	626,167	-	-	-	-
(c) Miscellaneous revenue collected	499,548	2,531,036	2,055,196	538,313	-
(d) Interest Rate Swap	3,147,730	-	-	-	-
(e) Press box and advertising sales	-	-	-	-	1,439,237
	<u>\$ 4,273,445</u>	<u>4,827,810</u>	<u>2,055,196</u>	<u>3,047,007</u>	<u>1,439,237</u>

### **Primary Government**

- (a) In accordance with GASB 33 revenue recognition requirements, the following revenues have been deferred because they were not available at year end: \$1,893,298 of Federal Transportation funds for Streets and Transportation projects, \$1,268,369 of Health grants, \$622,435 of Home Land Security funds, \$617,890 of Housing grants, \$266,272 of FEMA funds for Municipal Building projects and \$137,204 of Metropolitan Transit Authority 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 \$626,167.
- (c) Miscellaneous deferred revenue consists of other miscellaneous revenue collected of which revenue recognition criteria have not been met.
- (d) In fiscal year 2003, the City received \$6,925,000 in interest from an interest rate swap agreement. Of this amount, \$629,545 is amortized annually over a period of 11 years. The current balance is \$3,147,730.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (8) Deferred Revenue, (Continued)

#### Discretely Presented Component Units

- (e) The Rose Bowl stadium sells press box tickets and advertisement at the beginning of each season. Revenue is deferred and recognized after each event throughout the season. In fiscal year 2009 the Rose Bowl deferred \$1,439,237 from press box and advertisement sales.

### (9) Changes in Long-Term Debt

#### Primary Government

Changes in long-term debt for the year ended June 30, 2009 are as follows:

Governmental Activities:	Balance at June 30, 2008	Additions	Reductions	Balance at June 30, 2009	Due Within One Year
Notes payable	\$7,120,623	232,380	(1,094,540)	6,258,463	2,391,509
Pension bonds:					
1999 Taxable Pension Funding Bonds	87,045,000	-	(3,995,000)	83,050,000	4,605,000
2004 Taxable Pension Funding Bonds	36,565,000	-	(1,250,000)	35,315,000	1,501,135
Total Pension Bonds	<u>123,610,000</u>	<u>-</u>	<u>(5,245,000)</u>	<u>118,365,000</u>	<u>6,106,135</u>
Tax allocation bonds:					
1991 Tax Allocation Bonds, Low Moderate Housing	1,058,025	-	(332,336)	725,689	352,277
2000 Tax Allocation Refunding Revenue Bonds (Orange Grove Redevelopment Project)	1,455,000		(206,000)	1,249,000	220,000
2000 Tax Allocation Refunding Revenue Bonds (Villa-Parke Redevelopment Project)	941,000		(134,000)	807,000	142,000
2006 Tax Allocation Revenue Bonds (Housing Set-Aside Revenues - Townhouse Project Refunding)	1,725,000		(215,000)	1,510,000	230,000
2006 Tax Allocation Revenue Bonds (Fair Oaks Redevelopment Project & Public Improvement Program Refunding)	2,350,000		(125,000)	2,225,000	130,000
2006 Tax Allocation Revenue Bonds (Villa-Parke Redevelopment Project Refunding)	545,000		(90,000)	455,000	95,000
2006 Tax Allocation Revenue Bonds (Lake/Washington Redevelopment Project & Public Improvement Program Refunding)	<u>745,000</u>	<u>-</u>	<u>(60,000)</u>	<u>685,000</u>	<u>65,000</u>
Total tax allocation bonds	<u>8,819,025</u>	<u>-</u>	<u>(1,162,336)</u>	<u>7,656,689</u>	<u>1,234,277</u>

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(9) Changes in Long-Term Debt, (Continued)**

**Primary Government, (Continued)**

<b>Governmental Activities (Continued):</b>	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2009</u>	<u>Due Within One Year</u>
Certificates of participation:					
1993 Certificates of Participation (Refunding and Capital Projects)	24,855,000	-	-	24,855,000	4,455,000
2001 Certificates of Participation (Refunding)	7,127,474	-	(2,281,183)	4,846,291	2,374,193
2003 Certificates of Participation (City Hall and Park Improvement)	72,295,000	-	(72,295,000)	-	-
2008 COP Series B Refunding 2004 A&B	26,759,131	-	(677,446)	26,081,685	2,201,701
2008 COP Series C Refunding 2003 COP	-	<u>71,450,000</u>	<u>(2,500,000)</u>	<u>68,950,000</u>	<u>1,265,000</u>
Total certificates of participation	<u>131,036,605</u>	<u>71,450,000</u>	<u>(77,753,629)</u>	<u>124,732,976</u>	<u>10,295,894</u>
Revenue Bonds:					
2006 Revenue Bonds	<u>9,895,000</u>	-	(480,000)	<u>9,415,000</u>	<u>505,000</u>
Total Revenue Bonds	<u>9,895,000</u>	-	(480,000)	<u>9,415,000</u>	<u>505,000</u>
Capitalized lease obligations	<u>6,527,207</u>	<u>8,104,275</u>	<u>(2,132,272)</u>	<u>12,499,210</u>	<u>2,066,112</u>
Unamortized issuance premium (discount)	<u>(2,631,878)</u>	<u>103,218</u>	<u>963,439</u>	<u>(1,565,221)</u>	<u>(233,826)</u>
Arbitrage rebate liability	<u>745,765</u>	<u>20,612</u>	<u>(516,245)</u>	<u>250,132</u>	<u>-</u>
Compensated absences	<u>8,721,272</u>	<u>10,779,449</u>	<u>(9,817,187)</u>	<u>9,683,534</u>	<u>9,683,534</u>
Other Post Employment Benefits Liability (OPEB)	<u>2,142,822</u>	<u>2,506,832</u>	<u>(344,742)</u>	<u>4,304,912</u>	<u>-</u>
Insurance claims payable	<u>27,108,020</u>	<u>6,153,891</u>	<u>(9,274,175)</u>	<u>23,987,736</u>	<u>7,660,744</u>
Net pension obligation	<u>45,859,619</u>	<u>3,630,414</u>	<u>(956,097)</u>	<u>48,533,936</u>	<u>-</u>
Total governmental activity long-term liabilities	<u>\$368,954,080</u>	<u>102,981,071</u>	<u>(107,812,784)</u>	<u>364,122,367</u>	<u>39,709,379</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (9) Changes in Long-Term Debt, (Continued)

#### Primary Government, (Continued)

<b>Business-Type Activities:</b>	<u>Balance at</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2009</u>	<u>Due Within</u> <u>One Year</u>
Notes payable	\$ 1,796,485	-	(118,689)	1,677,796	124,885
Revenue bonds:					
1998 Electric Revenue/Refunding Bonds	48,875,000	-	(2,625,000)	46,250,000	2,775,000
2000 Paseo Colorado Taxable Revenue Bonds	27,770,000	-	(27,770,000)	-	-
2002 Electric Revenue Bonds	57,775,000	-	(3,060,000)	54,715,000	3,160,000
2003 Electric Revenue Bonds	7,840,000	-	(445,000)	7,395,000	455,000
2003 Water Revenue Bonds	40,280,000	-	(1,685,000)	38,595,000	1,770,000
2007 Water Revenue Bonds	21,155,000	-	(410,000)	20,745,000	425,000
2008 Power Revenue Bonds	58,555,000	-	(1,080,000)	57,475,000	1,120,000
2008 Paseo Colorado Taxable Revenue Bonds	-	28,800,000	(300,000)	28,500,000	500,000
Total revenue bonds	<u>262,250,000</u>	<u>28,800,000</u>	<u>(37,375,000)</u>	<u>253,675,000</u>	<u>10,205,000</u>
Certificates of participation:					
1987 Certificates of Participation (Los Robles Avenue Parking Facility)	9,500,000	-	(1,500,000)	8,000,000	1,700,000
1993 Refunding Certificates of Participation (Old Pasadena Parking)	16,140,000	-	(1,210,000)	14,930,000	1,290,000
2008 COP Series B Refunding 2004A&B	890,869	-	(22,554)	868,315	73,299
Total certificates of participation	<u>26,530,869</u>	<u>-</u>	<u>(2,732,554)</u>	<u>23,798,315</u>	<u>3,063,299</u>
Capitalized lease obligations	<u>740,391</u>	<u>-</u>	<u>(292,086)</u>	<u>448,305</u>	<u>166,034</u>
Unamortized issuance premium (discount)	<u>2,244,061</u>	<u>(824,224)</u>	<u>(110,694)</u>	<u>1,309,143</u>	<u>-</u>
Total business-type activity long-term liabilities	<u>\$ 293,561,806</u>	<u>27,975,776</u>	<u>(40,629,023)</u>	<u>280,908,559</u>	<u>13,559,218</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (9) Changes in Long-Term Debt, (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, \$1,226,896 of internal service funds capitalized lease obligations is included in the governmental activities schedule.

#### Discretely Presented Component Units

Changes in discretely presented component unit's long-term debt for the year ended June 30, 2009 are as follows:

<b>Discretely Presented Component Units</b>	<u>Balance at June 30, 2008</u>	<u>Additions Including Accretion</u>	<u>Reductions</u>	<u>Balance at June 30, 2009</u>	<u>Due Within One Year</u>
Certificates of participation:					
2001 Certificates of Participation					
(Refunding and Capital Projects)	\$ 152,528	-	(48,817)	103,711	50,808
2006 Certificates of Participation					
(Conference Center Project)	28,879,718	1,311,431	-	30,191,149	415,000
2008 Refunding COP, Series 2008A					
(Conference Center Project)	<u>134,720,000</u>	<u>-</u>	<u>-</u>	<u>134,720,000</u>	<u>-</u>
Total certificates of participation	<u>163,752,246</u>	<u>1,311,431</u>	<u>(48,817)</u>	<u>165,014,860</u>	<u>465,808</u>
Revenue Bonds:					
2006 Revenue Bonds	<u>35,305,000</u>	<u>-</u>	<u>(1,720,000)</u>	<u>33,585,000</u>	<u>1,795,000</u>
Total Revenue Bonds	<u>35,305,000</u>	<u>-</u>	<u>(1,720,000)</u>	<u>33,585,000</u>	<u>1,795,000</u>
Unamortized issuance premium (discount)	<u>(713,672)</u>	<u>91,534</u>	<u>(11,768)</u>	<u>(633,906)</u>	<u>-</u>
Defer Refunding Charges	<u>(1,997,174)</u>	<u>77,560</u>	<u>-</u>	<u>(1,919,614)</u>	<u>-</u>
Arbitrage rebate liability	<u>1,381,523</u>	<u>-</u>	<u>(174,851)</u>	<u>1,206,672</u>	<u>-</u>
Energy Conservation Loan	<u>-</u>	<u>2,505,200</u>	<u>-</u>	<u>2,505,200</u>	<u>-</u>
Compensated absences	<u>147,597</u>	<u>22,321</u>	<u>(22,224)</u>	<u>147,694</u>	<u>-</u>
Total discretely presented component units long-term liabilities	<u>\$197,875,520</u>	<u>4,008,046</u>	<u>(1,977,660)</u>	<u>199,905,906</u>	<u>2,260,808</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (10) Notes Payable

#### Primary Government

Outstanding at  
June 30, 2009

The Fair Oaks Shopping Center issued notes payable to the Federal Financing Bank (authorized by the Housing and Community Development Act of 1974, Public Law 93-383), with an interest rate ranging from 1.21% to 4.83%. Principal and interest is payable in annual installments from \$334,000 to \$358,000 through August 1, 2013.

\$1,575,000

On August 18, 1999, the City entered into a twenty-year promissory note with City National Bank to provide for financing the costs of constructing certain public parking improvements (Marriott Garage). The terms of the note require semi-annual principal and interest payments from \$104,000 to \$208,000 with a rate of 4.95% per annum, maturing on December 19, 2019.

1,677,796

On July 11, 2001, the City entered into a nine-year note agreement with the Federal National Mortgage Association to provide financing for new construction, homebuyers assistance, rental rehabilitation and other special needs by soliciting funding proposals from nonprofit and for-profit developers in order to address the low-income affordable housing needs of the City. The terms of the note require semi-annual principal and interest payments between \$312,300 and \$930,000 with a rate of 5.2% per annum, maturing on July 1, 2010.

1,183,463

On September 18, 2001, the City entered into a ten-year note agreement with the California Housing Finance Agency for the acquisition, predevelopment, rehabilitation and financing of affordable multi-family developments within the City. The terms of the note require annual interest payments with a rate of 3.00% per annum on funds drawn, maturing on September 18, 2011.

1,000,000

On October 20, 2004, the City entered into a ten-year note agreement with the California Housing Finance Agency for site acquisition, predevelopment and construction associated with the development, rehabilitation and preservation of homeownership and multifamily rental units within the City. The terms of the note require annual interest payments with a rate of 3.00% per annum on funds drawn, maturing on October 20, 2014.

1,500,000

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(10) Notes Payable, (Continued)**

**Primary Government, (Continue)**

**Outstanding at  
June 30, 2009**

On May 19, 2006, the City entered into a ten-year note agreement with the California Housing Finance Agency for site acquisition, predevelopment construction associated with the development, rehabilitation and preservation home ownership and multi-family rental units with the City. The terms of the note require annual interest payments with a rate of 3.00% per annum on funds drawn, maturing on May 19, 2016.

1,000,000

Total primary government notes payable

\$7,936,259

The annual requirements to amortize notes payable as of June 30, 2009 are as follows:

Year Ending June 30	<u>Primary Government</u>			
	<u>Governmental Activities</u>		<u>Business Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 2,391,509	297,527	124,885	82,656
2011	599,334	60,582	131,231	76,310
2012	315,000	39,509	137,715	69,827
2013	335,000	24,711	144,899	62,643
2014	350,000	8,453	152,262	55,280
2015-2019	2,267,620	410,078	885,423	152,284
2020	-	-	101,381	2,547
<b>Total Notes Payable</b>	<u>\$ 6,258,463</u>	<u>840,860</u>	<u>1,677,796</u>	<u>501,547</u>



## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### **(11) Pension Bonds – Primary Government**

On August 5, 1999, the City issued \$101,940,000 in Taxable Pension Funding Bonds, Series 1999. The proceeds of the pension bonds were used to fund the obligation of the City to the FPRS. Pursuant to Article XV of the City Charter and Article II, Chapter 2.250 of the Pasadena Municipal Code, the City is obligated to appropriate and make payments to FPRS arising as a result of retirement benefits accruing to members of FPRS. The City's obligation includes, among others, the requirement to amortize the unfunded accrued actuarial liability over a multi-year period. On August 6, 1999, the City contributed \$100,000,000 of the bond proceeds to FPRS to fund a portion of the unfunded liability. Interest is payable from the escrow account semi-annually on May 15 and November 15 commencing May 15, 2000. The rate of interest varies from 6.26% to 7.28% per annum. Principal is payable in annual installments ranging from \$470,000 to \$8,955,000 commencing May 15, 2001 and ending May 15, 2022. On December 22<sup>nd</sup> of each year, the City is required to deposit with the trustee the amount equal to the next year's debt service payment in lieu of a reserve requirement. The balance outstanding at June 30, 2009 was \$83,050,000.

On August 1, 2004, the City issued \$40,750,000 in Taxable Pension Funding Bonds, Series 2004. The proceeds of the pension bonds were used to fund the net pension obligation of the City to the Fire and Police Retirement System as required by the City Charter and the Pasadena Municipal Code. Interest is payable from the trustee's Bond Fund monthly commencing on September 1, 2004. The rate of interest varies from 2.0% to 4.687% per annum. Principal is payable in annual installments of \$1,000,000 commencing February 1, 2005 and ending May 15, 2015. On December 22<sup>nd</sup> of each year, the City is required to deposit \$2,500,000 with the trustee for debt service payments. Any amounts on deposit in the Bond Fund at the end of each calendar year following payment in full of all debt service for such calendar year, shall remain in the Bond Fund and be credited against the payment required to be made next calendar year. The balance outstanding at June 30, 2009 was \$35,315,000.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(11) Pension Bonds – Primary Government, (Continued)**

The annual requirements to amortize pension bonds as of June 30, 2009 are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 6,106,135	7,055,374
2011	6,811,169	6,683,385
2012	7,577,554	6,260,553
2013	8,415,331	5,777,067
2014	9,319,541	5,234,639
2015-2019	55,060,270	16,937,390
2020-2022	<u>25,075,000</u>	<u>3,762,489</u>
Total Payments	<u>\$118,365,000</u>	<u>51,710,897</u>

**(12) Tax Allocation Bonds - Primary Government**

**Outstanding at  
June 30, 2009**

**1991 Tax Allocation Bonds, Low Moderate Housing**

On July 16, 1991, PCDC issued \$4,540,000 of Tax Allocation Bonds, Low Moderate Housing for the rehabilitation of the Centennial Place, formerly the Pasadena YMCA. Interest on the bonds is payable annually on June 1, commencing June 1, 1992. The rate of interest is 6% per annum. Principal is payable in annual installments ranging from \$123,417 to \$373,413 commencing June 2, 1992 and ending June 1, 2011. A letter of credit has been obtained to satisfy the legal reserve requirement.

\$ 725,689

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (12) Tax Allocation Bonds - Primary Government, (Continued)

Outstanding at  
June 30, 2009

#### **2000 Tax Allocation Refunding Revenue Bonds (Orange Grove Redevelopment Project)**

On October 17, 2000, PCDC issued \$2,801,000 of 2000 Tax Allocation Refunding Revenue Bonds (Orange Grove Redevelopment Project) for the refunding of 1985 Tax Allocation Refunding Bonds and 1989 Subordinate Tax Allocation Bonds. Interest on the bonds is payable semi-annually on December 1 and June 1, commencing June 1, 2001. The rate of interest varies from 4.35% to 5.50% per annum. Principal is payable in annual installments ranging from \$137,000 to \$282,000 commencing June 1, 2001 and ending June 1, 2014. The legal reserve requirement is \$280,100. The balance held in the reserve account as of June 30, 2009 was \$277,087.

1,249,000

#### **2000 Tax Allocation Refunding Revenue bonds (Villa-Parke Redevelopment Project)**

On October 17, 2000, PCDC issued \$1,814,000 of 2001 Tax Allocation Refunding Bonds Series B (Villa Parke Redevelopment Project) for the refunding of 1985 subordinate Tax Allocation Bonds. Interest on the bonds is payable semi-annually on December 1 and June 1, commencing June 1, 2001. The rate of interest varies from 4.35% to 5.50% per annum. Principal is payable in annual installments ranging from \$89,000 to \$182,000 commencing June 1, 2001 and ending June 1, 2014. The legal reserve requirement is \$181,400. The balance held in the reserve account as of June 30, 2009 was \$179,463.

807,000

#### **2006 Tax Allocation Bonds (Villa-Parke Redevelopment Project)**

On May 17, 2006, PCDC issued \$710,000 Tax Allocation Bonds Series 2006 (Villa Parke Redevelopment Project) for the refunding of the 1993 Tax Allocation Bonds and to finance redevelopment activities within the Villa Project Area. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the component unit activities column of the statement of net asset. Interest on the bonds is payable semiannually on June 1 and December 1, commencing

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(12) Tax Allocation Bonds - Primary Government, (Continued)**

**Outstanding at  
June 30, 2009**

**2006 Tax Allocation Bonds (Villa-Parke Redevelopment Project)  
(Continued)**

December 1, 2006. The rate of interest varies from 3.800% to 4.500% per annum. Principal is payable in annual installments ranging from \$80,000 to \$100,000 commencing June 1, 2007 and ending June 1, 2014. The legal reserve requirement is \$71,000. As of June 30, 2009 the balance held in reserve account is \$110,378.

455,000

**2006 Tax Allocation Bonds (Fair Oaks Refunding and Public Improvement Program)**

On May 17, 2006, PCDC issued \$2,470,000, 2006 Tax Allocation Bonds (Fair Oaks Refund and Public Improvement Program) for the refunding of the 1993 Tax Allocation Bonds and to finance redevelopment activities within the Fair Oaks Project Area. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the component unit activities column of the statement of net asset. Interest on the bonds is payable semiannually on January 1 and July 1, commencing January 1, 2007. The rate of interest varies from 3.800% to 4.900% per annum. Principal is payable in annual installments ranging from \$120,000 to \$225,000 commencing July 1, 2007 and ending July 1, 2021. The legal reserve requirement is \$230,815. As of June 30, 2009 the balance held in reserve account is \$251,893.

2,225,000

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(12) Tax Allocation Bonds - Primary Government, (Continued)**

**Outstanding at  
June 30, 2009**

**2006 Tax Allocation Bonds (Lake/Washington Refunding and Public Improvement Program)**

On May 17, 2006, PCDC issued \$805,000, 2006 Tax Allocation Bonds (Lake/Washington Refunding and Public Improvement Program) for the purpose of reimbursing City Advances, financing certain redevelopment activities and refunding of the outstanding 1993 Tax Allocation Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the component unit activities column of the statement of net asset. Interest on the bonds is payable semiannually on January 1 and July 1, commencing January 1, 2007. The rate of interest varies from 3.800% to 4.700% per annum. Principal is payable in annual installments ranging from \$60,000 to \$90,000 commencing July 1, 2007 and ending July 1, 2018. The legal reserve requirement is \$80,500. As of June 30, 2009 the balance held in reserve account is \$84,457.

685,000

**2006 Tax Allocation Bonds (Housing Set-Aside Revenue - Townhouse Project)**

On May 17, 2006, PCDC issued \$1,935,000, 2006 Tax Allocation Bonds (Housing Set-Aside Revenue-Townhouse Project) for the financing of residential housing redevelopment. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the component unit activities column of the statement of net asset. Interest on the bonds is payable semiannually on February 1 and August 1, commencing August 1, 2007. The rate of interest varies from 3.800% to 4.300% per annum. Principal is payable in annual installments ranging from \$210,000 to \$275,000 commencing August 1, 2007 and ending August 1, 2015. The legal reserve requirement is \$193,500. As of June 30, 2009 the balance held in reserve account is \$203,014.

1,510,000

Total tax allocation bonds

\$7,656,689

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(12) Tax Allocation Bonds - Primary Government, (Continued)**

The annual requirements to amortize outstanding tax allocation bonds as of June 30, 2009 are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	1,234,277	380,750
2011	1,273,412	315,383
2012	955,000	247,045
2013	1,000,000	197,443
2014	1,064,000	144,564
Thereafter	<u>2,130,000</u>	<u>347,865</u>
Total Payments	<u>\$ 7,656,689</u>	<u>1,633,050</u>

**(13) Revenue Bonds - Primary Government**

**Outstanding at  
June 30, 2009**

**1998 Electric Revenue/Refunding Bonds**

On August 24, 1998, the City issued \$70,635,000 of Electric Revenue/Refunding Bonds 1998 Series. The proceeds of the refunding bonds were used to advance refund the 1990, 1992, 1993, and 1994 Series Revenue Bonds of the Light and Power Fund's outstanding revenue bonds that were originally issued to finance costs of acquisition and construction of certain improvements to the electric system of the City. Interest on the 1998 Bonds is payable semi-annually on February 1 and August 1, commencing February 1, 1999. The fixed rates of interest vary from 3.464% to 4.075% per annum. Principal is payable in annual installments ranging from \$1,590,000 to \$3,395,000 commencing August 1, 1999 to August 1, 2024. This debt issue is subject to a reserve requirement in conjunction with non-subordinate (parity) debt issued by the City. The City is in compliance with the revenue rate covenant requiring net income of the electric system to be at least equal to 1.10 times the amount necessary to pay principal and interest on the bonds and all other parity bonds.

\$ 46,250,000

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (13) Revenue Bonds - Primary Government, (Continued)

**Outstanding at  
June 30, 2009**

#### **2002 Electric Revenue Bonds**

On July 15, 2002, the City issued \$82,320,000 of 2002 Electric Revenue Bonds to finance the costs of the 2002 Project which consists of two parts: Re-powering Project and the construction and installation of the San Rafael transmission line. Interest is payable semi-annually on December 1 and June 1 commencing June 1, 2003. The rate of interest varies from 3.0% to 4.75% per annum. Principal is payable in annual installments ranging from \$3,060,000 to \$5,535,000 commencing June 1, 2002 and ending June 1, 2022. This debt issue is subject to a reserve requirement in conjunction with non-subordinate (parity) debt issued by the City. The City is in compliance with the revenue rate covenant requiring net income of the electric system to be at least equal to 1.10 times the amount necessary to pay principal and interest on the bonds and all other parity bonds.

54,715,000

#### **2003 Electric Revenue Bonds**

On August 11, 2003, the City issued \$9,905,000 of 2003 Electric Revenue Bonds to finance the costs of the Local Generation Re-powering Project (the "2003"). Interest is payable semi-annually on December 1 and June 1, commencing June 1, 2004. The rate of interest varies from 1.0% to 4.92% per annum. Principal is payable in annual installments ranging from \$450,000 to \$730,000 commencing June 1, 2004 and ending June 1, 2022. This debt issue is subject to a reserve requirement in conjunction with non-subordinate (parity) debt issued by the City. The City is in compliance with the revenue rate covenant requiring net income of the electric system to be at least equal to 1.10 times the amount necessary to pay principal and interest on the bonds and all other parity bonds.

7,395,000

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (13) Revenue Bonds - Primary Government, (Continued)

Outstanding at  
June 30, 2009

#### **2003 Water Revenue Bonds**

On August 4, 2003, the City issued \$47,425,000 of 2003 Water Revenue and Refunding Bonds to finance the costs of acquisition and construction of certain capital improvements to the Water System; refund all of the City's outstanding 1993 and 1994 Water Revenue Bonds. Interest is payable semi-annually on December 1 and June 1 commencing June 1, 2004. The rate of interest varies from 1.01% to 5.08% per annum. Principal is payable in annual installments ranging from \$1,190,000 to \$2,480,000 commencing June 1, 2004 and ending June 1, 2033. This debt issue is subject to a reserve requirement in conjunction with non-subordinate (parity) debt issued by the City. The City is in compliance with the revenue rate covenant requiring net income of the electric system to be at least equal to 1.10 times the amount necessary to pay principal and interest on the bonds and all other parity bonds.

38,595,000

#### **2006 Revenue Bonds**

On February 1, 2006, the City issued the 2006 Variable Rate Demand Lease Revenue Bonds (Rose Bowl Refinancing and Improvement Projects) in the amount of \$47,300,000 to refund the 1991 and 1996 Variable Rate Demand Certificates of Participation (Rose Bowl Improvement Projects), and finance improvements to the Rose Bowl Stadium, the City's City Hall and related facilities. These certificates were issued for both governmental and component unit activities. Originally the certificates were issued at a variable rate mode not to exceed 12%; however, on February 23, 2006, the City entered into a forward swap agreement to convert to a fixed rate of 3.285% for the life of the bonds. For information on swap agreements see note 16. Principal is payable in annual installments ranging from \$2,100,000 to \$3,600,000 commencing December 1, 2007 and ending December 1, 2023. The legal reserve requirement is \$3,600,000. The balance held in the reserve account as of June 30, 2009 was \$3,824,800. The principal balance outstanding at June 30, 2009 was \$43,000,000 of which \$33,585,000 has been recorded on the component unit statement of net assets of the Rose Bowl Operating Company.

9,415,000



# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (13) Revenue Bonds - Primary Government, (Continued)

Outstanding at  
June 30, 2009

#### **2007 Water Revenue Bonds**

On April 23, 2007, the City issued \$21,550,000 of 2007 Water Revenue Bonds to finance the costs of acquisition and construction of certain capital improvements to the Water System. Interest is payable semi-annually on December 1 and June 1, commencing June 1, 2008. The rate of interest varies from 3.5% to 4.44% per annum. Principal is payable semi-annually on December 1 and June 1, commencing June 1, 2008. The rate of interest varies from 3.5% to 4.44% per annum. Principal is payable in annual installments ranging from \$395,000 to \$1,155,000 commencing June 1, 2008 and ending June 1, 2036. This debt issue is subject to a reserve requirement in conjunction with non-subordinate (parity) debt issued by the City. The City is in compliance with the revenue rate covenant requiring net income of the water system to be at least equal to 1.10 times the amount necessary to pay principal and interest on the bonds and all other parity bonds.

20,745,000

#### **2008 Electric Revenue Bonds**

On January 28, 2008 the City issued \$58,555,000 of 2008 Electric Revenue Bonds to finance the costs of the acquisition and construction of additions to, and extensions and improvements of the City's Power distribution system identified in the Power Master Plan, the modernization of the existing warehouse facility. Interest is payable semi-annually on December 1 and June 1, commencing June 1, 2009. The rate of interest varies from 4.0% to 5.0% per annum. Principal is payable in annual installments ranging from \$1,080,000 to \$3,450,000 commencing June 1, 2009 and ending June 1, 2037. This debt issue is subject to a reserve requirement in conjunction with non-subordinate (parity) debt issued by the City. The City is in compliance with the revenue rate covenant requiring net income of the electric system to be at least equal to 1.10 times the amount necessary to pay principal and interest on the bonds and all other parity bonds.

57,475,000

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

**(13) Revenue Bonds - Primary Government, (Continued)**

**Outstanding at  
June 30, 2009**

**2008 Paseo Colorado Taxable Revenue Refunding Bonds**

On September 17, 2008, the City issued \$28,800,000 of Taxable Variable Rate Demand Revenue Refunding Bonds to refund the 2000 Paseo Colorado Taxable Revenue Bonds and finance the costs of execution of the 2008 Paseo Colorado Taxable Revenue Refunding Bonds. Parking revenue from the parking facility will be used for debt service on the bonds. If the parking revenue is not sufficient, the City has agreed to cover the debt service until parking revenue is available. Interest on the bonds is due monthly at a variable rate and maybe converted to fixed rate. Principal is payable in annual installments ranging from \$300,000 to \$1,800,000, commencing June 1, 2009 and ending June 1, 2038. The legal reserve requirement is \$2,000,000. The balance held in the reserve account as of June 30, 2009 was \$2,011,667.

28,500,000

Total revenue bonds

\$263,090,000

The annual requirements to amortize outstanding revenue bonds as of June 30, 2009 are as follows:

Year ending June 30	<u>Primary Government</u>				<u>Component Unit</u>	
	<u>Governmental Activity</u>		<u>Business-type Activities</u>		<u>Principal</u>	<u>Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2010	\$ 505,000	15,064	10,205,000	10,462,049	1,795,000	53,736
2011	505,000	14,256	10,615,000	10,013,529	1,795,000	50,864
2012	525,000	13,448	11,075,000	9,548,423	1,875,000	47,992
2013	545,000	12,608	11,560,000	9,078,898	1,955,000	44,992
2014	570,000	11,736	11,735,000	8,593,648	2,030,000	41,864
2015-2019	3,110,000	44,408	65,460,000	34,571,795	11,090,000	158,472
2020-2024	3,655,000	18,000	53,750,000	19,909,576	13,045,000	64,240
2025-2029	-	-	29,145,000	12,026,144	-	-
2030-2034	-	-	31,150,000	6,547,321	-	-
2035-2038	-	-	<u>18,980,000</u>	<u>1,236,950</u>	-	-
Total payments	<u>\$9,415,000</u>	<u>129,520</u>	<u>253,675,000</u>	<u>121,988,333</u>	<u>33,585,000</u>	<u>462,160</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(14) Certificates of Participation**

The certificates of participation outstanding at June 30, 2009 are as follows:

	Primary Government		Discretely Presented Component Units
	Governmental Activities	Business- type Activities	
1987 Certificates of Participation (Los Robles Avenue Parking Facilities)	\$ -	8,000,000	-
1993 Refunding Certificates of Participation (Old Pasadena Parking Facilities Project)	-	14,930,000	-
1993 Certificates of Participation (Refunding and Capital Projects)	24,855,000	-	-
2001 Certificates of Participation (Refunding and Capital Projects)	4,846,291	-	103,711
2006 Certificates of Participation Series A (Conference Center Project)	-	-	30,191,149
2008 Refunding Certificates of Participation-Series A and B	26,081,685	868,315	134,720,000
2008 Refunding Certificates of Participation-Series C	<u>68,950,000</u>	<u>-</u>	<u>-</u>
Total Certificates of Participation	<u>\$124,732,976</u>	<u>23,798,315</u>	<u>165,014,860</u>

#### **1987 Certificates of Participation (Los Robles Avenue Parking Facilities)**

On December 2, 1987, the Authority issued the 1987 Certificates of Participation (Los Robles Avenue Parking Facilities) in the amount of \$20,300,000 to finance the construction of a parking facility. Interest on the certificates is payable monthly on the first day of month commencing November 1, 1990. The rate of interest varies, but it is not to exceed 15% per annum. Principal is payable in annual installments ranging from \$200,000 to \$2,300,000 commencing November 1, 1990 and ending November 1, 2012. The legal reserve requirement is \$2,692,000. The balance held in the reserve account as of June 30, 2009 was \$2,700,000.

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### **(14) Certificates of Participation, (Continued)**

##### **1993 Refunding Certificates of Participation (Old Pasadena Parking Facilities Project)**

On July 1, 1993, PCIC issued the 1993 Refunding Certificates of Participation (Old Pasadena Parking Facilities Project) in the amount of \$28,050,000 to defease the 1986 Certificates of Participation. Interest on the certificates is payable semi-annually on January 1 and July 1 commencing January 1, 1994. The rate of interest varies from 2.75% to 5.25% per annum. As with all serial bonds, the rate of interest varies according to the maturity date. Principal is payable in annual installments ranging from \$460,000 to \$2,085,000 commencing January 1, 1994 and ending January 1, 2018. The legal reserve requirement is \$2,225,000. The balance held in the reserve account as of June 30, 2009 was \$2,303,644.

##### **1993 Certificates of Participation (Refunding and Capital Projects)**

On January 1, 1994, PCIC issued the 1993 Certificates of Participation (Refunding and Capital Projects) in the amount of \$79,835,000 to defease the 1989 Public Facilities Project Certificates of Participation, the 1990 Capital Improvements Project Certificates of Participation, and finance certain improvements and renovations to City owned buildings. On March 25, 2004, these certificates were partially refunded. The rate of interest on the un-refunded balance is 5.35% per annum. Principal is payable in annual installments ranging from \$4,455,000 to \$5,515,000 commencing February 1, 2010 and ending February 1, 2014. The legal reserve of this COP is in parity with the 2006A, 2008A, 2008B and 2008C reserve requirements. As of June 30, 2009 the aggregated market value of parity reserve was \$21,553,936.

##### **2001 Certificates of Participation (Refunding and Capital Projects)**

On November 1, 2001, the City issued the 2001 Certificates of Participation (Refunding and Capital Projects) in the amount of \$21,210,000 to refund the 1992 Certificates of Participation. These certificates were issued for both governmental and component unit activities. Interest on the certificates is payable semi-annually on January 1 and July 1 commencing January 1, 2002. The rate of interest varies from 2.50% to 4.00% per annum depending on maturity date. Principal is payable in annual installments ranging from \$1,835,000 to \$2,525,000 commencing January 1, 2002 and ending January 1, 2011. The legal reserve requirement is \$2,172,124. The balance held in the reserve account as of June 30, 2009 is \$2,201,636.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(14) Certificates of Participation, (Continued)**

#### **2006 Certificates of Participation, Series A (Conference Center Project)**

On August 23, 2006, the City issued the 2006 Certificates of Participation, Series 2006 A and B in the amount of \$27,139,972.15. The certificates were issued to finance the cost of improvements to the Pasadena Conference Center and related facilities, establish a reserve fund per the Trust Agreement and finance the cost of execution and delivery of the certificates.

Series A of the Certificates was issued as Capital Appreciation Certificates. These bonds will appreciate in value based on annual accretion of the initial amount at a rate of interest that will result in each such Capital Appreciation Bond appreciating to its maturity value on its final maturity date. Accretion commenced on August 23, 2006. Interest will accrete at a yield ranging from 3.85% to 4.81%. By their nature, there are no regular interest payments associated with Capital Appreciation bonds; interest on the debt results from the difference between the amounts paid by the investors when the debt was issued and the significantly larger value at maturity. Each year, the outstanding balance is increased by the accreted value associated with the bonds. Maturity value on Series A is payable in annual installments ranging from \$415,000 to \$5,850,000 commencing February 1, 2010 and ending February 1, 2023. The legal reserve of this COP is in parity with the 1993 COP (Refunding and Capital Projects), 2008A, 2008B and 2008C reserve requirements. As of June 30, 2009 the aggregated market value of parity reserve was \$21,553,936.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(14) Certificates of Participation, (Continued)**

#### **2008 Certificates of Participation Series A**

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 Certificates of Participation (Conference Center Project), Series 2006B and finance the costs 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 units column of the statement of net assets. Interest on 2008A certificates were issued at a variable rate with the reassignment of the synthetic fixed rate swap of 3.536% (see note 16). Principal is payable in annual installments ranging from \$6,775,000 to \$11,445,000 commencing February 1, 2024 and ending February 1, 2035. The legal reserve of this COP is in parity with the 1993 COP (Refunding and Capital Projects), 2006A, 2008B and 2008C reserve requirements. As of June 30, 2009 the aggregated market value of parity reserve was \$21,553,936.

The 2006B ARS were refinanced to secure lower cost variable rate financing. Given the inherent fluctuation in variable interest rates and the uncertainty regarding the future of the auction rate securities market, it is uncertain of the trading differential over the long term. Assuming a 200 basis point differential between the ARS and VRDBs, the City would save an estimated \$2.7 million per annum in interest cost savings or \$42.6 million in NPV savings over the life of the issue.

#### **2008 Certificates of Participation Series B**

On May 15, 2008, the City issued the 2008 Fixed Rate Refunding Certificates of Participation, Series 2008B in the amount of \$27,650,000. These certificates were issued to refund the City's Auction Rate Refunding Certificates of Participation Series 2004A and 2004B and finance the costs of execution of the 2008B Certificates of Participation. The refunded certificates are considered to be defeased and the liability has been removed from the governmental/business-type activities column of the statement of net assets. Interest on 2008B is due semi-annually and the rate varies from 3.00% to 5.25%. Principal is payable in annual installments ranging from \$700,000 to \$3,285,000 commencing February 1, 2009 and ending

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (14) Certificates of Participation, (Continued)

February 1, 2019. The legal reserve of this COP is in parity with the 1993 COP (Refunding and Capital Projects), 2006A, 2008A and 2008C reserve requirements. As of June 30, 2009 the aggregated market value of parity reserve was \$21,553,936.

#### **2008 Refunding Certificates of Participation Series 2008C**

On July 16, 2008, the City issued the 2008 Fixed Rate Refunding Certificates of Participation, Series 2008C in the amount of \$71,450,000. These certificates were issued to refund the City's 2003 Variable Rate Demand Certificates of Participation and finance the costs of execution of the 2008C (City Hall and Park Improvements Project) Refunding Certificates of Participation. The refunded certificates are considered to be defeased and the liability has been removed from the governmental column of the statement of net assets. Interest on 2008C is due semi-annually and the rate varies from 4.00% to 5.00%. Principal is payable in annual installments ranging from \$1,265,000 to \$4,310,000 commencing February 1, 2009 and ending February 1, 2038. The legal reserve of this COP is in parity with the 1993 COP (Refunding and Capital Projects), 2006A, 2008A and 2008B reserve requirements. As of June 30, 2009 the aggregated market value of parity reserve was \$21,553,936.

The annual requirements to amortize outstanding certificates of participation as of June 30, 2009 are as follows:

Year ending June 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Component Unit</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 10,295,894	5,880,465	3,063,299	1,074,720	465,808	6,137,726
2011	10,785,899	5,395,836	3,341,199	968,893	852,903	6,182,733
2012	8,730,740	4,887,700	3,629,260	855,643	1,095,000	6,213,289
2013	9,147,518	4,471,511	3,927,482	714,250	1,365,000	6,235,347
2014	9,182,989	4,035,072	1,712,011	604,345	2,560,000	6,246,509
2015-2019	23,104,936	16,002,027	8,125,064	1,295,632	18,650,000	30,206,200
2020-2024	10,680,000	11,890,035	-	-	28,075,000	26,233,799
2025-2029	13,410,000	9,158,575	-	-	45,495,000	19,696,758
2030-2034	13,295,000	5,529,750	-	-	71,005,000	10,055,854
2035-2038	16,100,000	1,958,200	-	-	11,445,000	404,695
Less unaccreted discount	-	-	-	-	(15,993,851)	-
Total payments	<u>\$124,732,976</u>	<u>69,209,171</u>	<u>23,798,315</u>	<u>5,513,483</u>	<u>165,014,860</u>	<u>117,612,910</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (15) Capitalized Lease Obligations

#### Primary Government

**Outstanding at  
June 30, 2009**

#### **Property Lease**

In 2001, the City of Pasadena entered into a lease purchase agreement in the amount of \$4,000,000 with Community Bank for the acquisition of the property located at 965 N. Fair Oaks Avenue, a 2.5 acre parcel of improved land. Lease payments are budgeted in the General Fund. Principal and interest are paid semi-annually. The rate of interest varies from 4.95% to 12.00%. Principal installments range from \$59,000 to \$300,053 commencing June 27, 2001, and ending December 27, 2021.

\$2,506,620

#### **Equipment Leases**

In March 2005, the City of Pasadena entered into a lease-purchase agreement in the amount of \$6,500,000 with Community Bank for the acquisition of equipment, which is then leased to the City of Pasadena. Lease payments will be budgeted in the department that purchases the equipment based on their share of the total financing. Principal and interest are due semi-annually. The rate of interest is 3.150%. Principal installments range from \$606,126 to \$688,255 commencing September 30, 2006 and ending March 31, 2011.

2,717,190

In July 2006, the City of Pasadena entered into a lease-purchase agreement in the amount of \$5,000,000 with Bank of America Leasing & Capital for the acquisition of equipment, which is then leased to the City of Pasadena. Lease payments will be budgeted in the department that purchases the equipment based on their share of the total financing. Principal and interest are due quarterly. The rate of interest is 3.496%. Principal installments range from \$12,676 to \$16,392 commencing November 10, 2007 and ending August 10, 2014.

313,484

In June 2009, the City of Pasadena entered into a Master Lease Agreement in the amount of \$5,287,922 with Suntrust Equipment Finance & Leasing Corp. for the acquisition of communication equipment, which is then



**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(15) Capitalized Lease Obligations, (Continued)**

**Primary Government, (Continued)**

leased to the City of Pasadena. Lease payments will be budgeted in the department that purchases the equipment based on their share of the total financing. Principal and interest of \$338,830 are due semi-annually. The rate of interest is 4.10%. Principal installments range from \$230,428 to \$332,024 commencing December 18 2009 and ending December 18, 2018. 5,287,922

In June 2009, the City of Pasadena entered into a Master Aircraft Loan and Security Agreement in the amount of \$2,122,299 with Suntrust Equipment Finance & Leasing Corporation for the acquisition of aircraft equipment, which is then leased to the City of Pasadena. Lease payments will be budgeted in the police department. Principal and interest of \$135,989 are due semi-annually. The rate of interest is 4.10%. Principal installments range from \$92,482 to \$133, 257 commencing December 18, 2009 and ending December 18, 2018. 2,122,299

Total primary government capitalized lease obligations \$12,947,515

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>
Asset:		
Land	\$ 4,000,000	-
Machinery and Equipment	13,173,418	6,590,163
Furniture and Fixtures	<u>19,030</u>	<u>444,006</u>
Total	<u>\$17,192,448</u>	<u>7,034,169</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (15) Capitalized Lease Obligations, (Continued)

#### Primary Government, (Continued)

Future minimum lease payment requirements under capitalized lease obligations as of June 30, 2009 are as follows:

Year Ending June 30	Governmental Activities				Business-type Activities	
	Property Lease		Equipment Lease		Equipment Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 182,825	136,436	1,883,287	369,707	166,034	13,808
2011	192,116	127,145	1,941,109	303,433	170,571	8,321
2012	201,564	117,697	734,015	245,086	32,924	3,808
2013	212,122	107,139	764,349	214,751	34,202	2,530
2014	222,901	96,360	795,938	183,163	35,530	1,202
2015-2019	1,296,152	300,154	3,873,892	407,087	9,044	86
2020-2021	<u>198,940</u>	<u>19,209</u>	-	-	-	-
Total payments	<u>\$2,506,620</u>	<u>904,140</u>	<u>9,992,590</u>	<u>1,723,227</u>	<u>448,305</u>	<u>29,755</u>

### (16) Interest Rate Swaps

Objective of the swaps: The City of Pasadena has entered into two separate floating to fixed interest rate swaps in order to lower the borrowing costs 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 all two 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 the 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. The swap has a notional amount equal to the principal amount of the bonds and declines exactly similar to the actual underlying bonds amortization schedule with a final maturity in 2023.

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### **(16) Interest Rate Swaps, (Continued)**

*Fair Value:* As of June 30, 2009, the swap had a market value of -\$2,914,690. The market value was determined by a third party swap valuation, pricing and reporting service. The fair value was developed by 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 of the swap.

*Credit risk:* As of June 30, 2009, the City was exposed to no credit risk on the Rose Bowl Refinancing and Improvement project swap because the swap had a negative value.

*Basis risk:* The City pays 3.285% fixed rate on notional amount of the swap and receives a floating rate equal to 65% of the one month LIBOR rate. The swap exposes the Financing Authority to basis risk should the relationship between LIBOR and the weekly remarketed variable rate on the lease revenue bonds converge, changing the synthetic rate on the bonds. If a change occurs resulting in a convergence of the two rates, the expected cost savings may not be realized.

*Termination risk:* The City or the counterparty may terminate the swap 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 the swap has a negative fair value the City would be liable to the counterparty for an amount equal to the negative fair value.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (16) Interest Rate Swaps, (Continued)

*Swap payments and associated debt:* As of June 30, 2009, the debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, are summarized below. As rates vary, variable-rate bond interest payments and net swap payments will vary. The projected net swap payments are based on actual historical basis differential analysis.

Fiscal Year	Principal	Interest	Net Swap Payments	Total
2010	\$2,300,000	1,336,995	(11,640)	3,625,355
2011	2,300,000	1,261,440	(10,982)	3,550,458
2012	2,400,000	1,182,600	(10,296)	3,572,304
2013	2,500,000	1,100,475	(9,581)	3,590,894
2014	2,600,000	1,015,065	(8,837)	3,606,228
2015-2019	14,200,000	3,698,910	(32,203)	17,866,707
2020-2024	<u>16,700,000</u>	<u>1,139,895</u>	<u>(9,925)</u>	<u>17,829,970</u>
Total	<u>\$ 43,000,000</u>	<u>10,735,380</u>	<u>(93,464)</u>	<u>53,641,916</u>

#### Conference Center Auction Rate Bonds – 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.

Fair Value: As of June 30, 2009, the swap had a market value of -\$17,831,381. The market value was determined by a third party swap valuation, pricing and reporting service. The fair value was developed by 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 of the swap.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (16) Interest Rate Swaps, (Continued)

*Credit risk:* As of June 30, 2009, the City was exposed to no credit risk on the Conference Center project swap because the swap had a negative value.

*Basis risk:* The City pays 3.536% fixed rate on notional amount of the swap and receives a floating rate equal to 64% of the one month LIBOR rate. The swap exposes the City to basis risk should the relationship between LIBOR and the weekly auction certificates' rate converge, changing the synthetic rate on the certificates. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized.

*Termination risk:* The City or the counterparty may terminate the swap 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 the swap has a negative fair value the City would be liable to the counterparty for an amount equal to the negative fair value.

*Swap payments and associated debt:* As of June 30, 2009, the debt service requirements of the variable-rate debt and net swap payments assuming current interest rates remain the same for their term are summarized below. As rates vary, variable-rate bond interest payments and the net swap payments will vary. The projected net swap payments are based on actual historical basis differential analysis.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Net Swap Payments</u>	<u>Total</u>
2010	\$ -	4,702,880	105,469	4,808,349
2011	-	4,702,880	105,469	4,808,349
2012	-	4,702,880	105,469	4,808,349
2013	-	4,702,880	105,469	4,808,349
2014	-	4,702,880	105,469	4,808,349
2015-2019	-	23,514,400	527,345	24,041,745
2020-2024	6,775,000	23,394,618	524,659	30,694,277
2025-2029	45,400,000	18,594,056	416,999	64,411,055
2030-2034	<u>80,825,000</u>	<u>8,330,374</u>	<u>186,821</u>	<u>89,342,195</u>
<b>Total</b>	<b>\$ <u>133,000,000</u></b>	<b><u>97,347,848</u></b>	<b><u>2,183,169</u></b>	<b><u>232,531,017</u></b>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(17) Unreserved Fund Balances – Primary Government**

Unreserved fund balances for governmental funds at June 30, 2009 consisted of the following:

	<u>General</u>	<u>Project Management</u>	<u>2003 Certificates of Participation</u>	<u>2008 Series "C" Certificates of Participation</u>	<u>PCDC Debt Service</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Designated for:							
Capital projects	\$				-	24,090,395	24,090,395
Emergency/capital improvement programs	22,788,068			-	-	-	22,788,068
City Hall seismic retrofit	5,603,009	-	-	-	-	-	5,603,009
Permanent Fund purposes	-	-	-	-	-	1,204,841	1,204,841
Total designated	28,391,077	-	-	-	-	25,295,236	53,686,313
Undesignated:							
General purpose, debt service and special revenue purpose	20,010,389	(2,128,922)	5,007,048	5,032	(22,559,085)	48,859,373	49,193,835
Total unreserved fund balances	<u>\$ 48,401,466</u>	<u>(2,128,922)</u>	<u>5,007,048</u>	<u>5,032</u>	<u>(22,559,085)</u>	<u>74,154,609</u>	<u>102,880,148</u>

### **(18) Restricted Net Assets – Proprietary Fund**

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 Reserve, including investment earnings, were recorded as income during the year collected or realized.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(18) Restricted Net Assets – Proprietary Fund, (Continued)**

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 Intermountain Power Agency (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, 2009, the Stranded Investment Reserve balance was \$140.0 million. The details of the additions and subtractions from the Reserve that occurred during fiscal year 2009 are shown below.

#### Light and Power-Stranded Investments:

Beginning Balance on July 1, 2008	\$136,587,277
Interest Earnings	3,609,334
Market gain/losses	189,327
Defeasance of IPP debt	<u>(80,000,000)</u>
Restricted cash and investments	60,385,938
IPA Subordinated Notes	
Issuance of Notes	70,020,000
Premium/Discount	9,774,770
Cost of issuance	205,230
Amortization	<u>(344,138)</u>
Ending Balance on June 30, 2009	<u>\$140,041,800</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(19) Accumulated Fund Deficits**

The following funds reported accumulated deficits in their respective fund balances / net assets at June 30, 2009:

	<b><u>Accumulated Deficit</u></b>
<b>Governmental Activities:</b>	
PCDC Debt Service	\$(22,559,085)
Project Management Fund	(2,128,922)
Special Revenue Funds:	
Health	(53,839)
Capital Projects Funds:	
2006 Lease Revenue Bonds	(8,160)
Internal Service Funds:	
Building Maintenance	(855,136)
Benefits	(8,049,485)
Worker s' Compensation	(6,463,337)
Printing Services	(2,413)
<b>Business-type Activities:</b>	
Del Mar Gold Line Parking Garage Fund	(259,798)
Paseo Colorado Parking	(3,121,177)

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

#### **PCDC Debt Service**

This deficit reflects cash advances made by the City's General Fund in order to fund start-up costs of the Commission. In addition, the City advanced funds to the Fair Oaks Redevelopment Project Area in order to cover costs associated with the development of the Fair Oaks Renaissance Plaza project. The City's General Fund has built in an \$8.1 million allowance for uncollectible long-term receivables in recognition that PCDC may not have the ability to repay all of its obligations. The balance is expected to be repaid from future cash flows from tax increment received from the various project areas.



## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### (19) Accumulated Fund Deficits, (Continued)

##### Project Management Fund

The accumulated fund deficit in this fund is temporary and will correct itself in the next fiscal year as budgeted operating transfers-in, state and federal funds are realized.

##### Health Fund

Management anticipated that the Health Department would be able to correct its projected deficit, which was mainly due to reductions in State revenue for fiscal year 2009. The City's general fund transfer of \$1,250,000 combined with management's diligent monitoring of resources, budget cuts and reduction of expenditures fell short by \$53,839.

##### 2006 Lease Revenue Bonds

This deficit reflects liabilities due to other governments at June 30, 2009. It will correct itself in the next fiscal year as budgeted transfers-in are realized.

##### Building Maintenance

The accumulated fund deficit in the Building Maintenance Fund is attributable to increases in electric and water utility expenses and Capital Projects personnel costs. The fiscal year 2010 budget contains an increase to the utilities line item that should properly align the utility program budget with anticipated expenses. Management also identified additional funding sources for capital projects to offset a portion of the personnel expenses.

##### Benefits

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 this to an appropriate recovery level to keep the deficit low.

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### (19) Accumulated Fund Deficits, (Continued)

##### 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 is reviewing the deficit, and plans to correct the situation through a combination of more aggressive claims management, including improved documentation of reserve levels, as well as an increase in rates charged as part of the annual budget process. It should be noted that although there is a deficit in fund balance, the City has cash funded 60.10% of the claims payable liability which is an improvement compared to last fiscal year, but generally consistent with the position of the fund for the past several years.

##### Printing Services

This deficit is due to departments reducing their requests for printing services as well as the quantity of documents. Management plans to reduce purchases of supplies and materials in fiscal year 2010 and is exploring ideas for making printing services available to residents and businesses in the community.

##### Del Mar Gold Line Parking Garage

In June 2007, the City of Pasadena and the Multi-Modal Operation and Development Entity entered into a conveyance agreement for the purchase of 600 parking spaces located in the existing parking structure at the Del Mar Gold Line Station. The 600 spaces are available to Gold Line patrons to the extent demand is present; they also serve as a resource for monthly and transient parking in both the Old Pasadena and Civic Center/Mid-town districts. During fiscal year 2009 management signed a two year agreement with Bank of America for rental of 200 spaces and anticipates a reduction of expenditures by partially automating the revenue control system in fiscal year 2010.

##### Colorado Parking

In August 1999, the City of Pasadena and the Developer of the Paseo Colorado entered into a Parking Operation Management Agreement that both defined operating standards for the three parking facilities associated with the Paseo Colorado as well as spelled out the methodology by which the City and the Developer cover any operating shortfalls.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(19) Accumulated Fund Deficits, (Continued)**

Colorado Parking, (Continued)

Under the terms of the agreement, the City loans to the Paseo Colorado Parking Fund the first \$500,000 in losses, and the developer loans the next \$300,000. The City is obligated to transfer any required funds above \$800,000. All funds lent by either the City or the Developer will be repaid from future years profits and will earn 6% interest.

**(20) Expenditures in Excess of Appropriations**

The following funds reported an excess of expenditures over appropriations at June 30, 2009:

	<u>Budget</u>	<u>Actual</u>	<b>Variance- With Final Budget Positive (Negative)</b>
General Fund:			
General government			
City Attorney/City Prosecutor	6,630,296	6,662,307	(32,011)
Non-departmental	8,144,229	8,443,192	(298,963)
Community Development			
Planning and Permitting	9,912,678	9,990,270	(77,592)
Special Revenue Funds:			
Housing and Community Development Fund			
Community Development	16,844,325	17,431,899	(587,574)
Debt Service-Interest	74,004	131,280	(57,276)
Donated Funds	-	180,849	(180,849)

The general government, non-departmental expenditures exceeded appropriations due to \$298,963 of the expenditures being for billable projects which do not typically have budgets.

Housing and Community Development Fund's budget did not reflect \$558,000 of the annual HOME allocation used to provide matching funding for Pasadena Community Development Commission's Credit Facility Note.

Donated Funds do not budget for spending of donated funding which was given with certain restrictions. As appropriate opportunities arise this funding is utilized.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(21) Transfers**

**Primary Government**

The following is a summary of transfers in and out for the year ended June 30, 2009:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	
General Fund	Project Management Fund	\$ 3,949,046	(3)
	Nonmajor Governmental Funds	38,737,641	(1)
	2003 Certificates of Participation	74,495	
	Nonmajor Enterprise Funds	85,000	
	2008 Series C Refunding	4,315,485	(2)
	Internal Service Funds	<u>1,051,386</u>	
		<u>48,213,053</u>	
Project Management Fund	Light and Power Fund	959,269	
	General Fund	38,780	
	Nonmajor Governmental Funds	<u>32,250</u>	
		<u>1,030,299</u>	
PCDC Debt Service Funds	Nonmajor Governmental Funds	<u>1,924,790</u>	(4)
Light and Power Fund	General Fund	12,721,561	(5)
	Project Management Fund	<u>200,000</u>	
		<u>12,921,561</u>	
Water Fund	General Fund	<u>2,871,958</u>	(6)
Nonmajor Governmental Funds	General Fund	1,868,630	
	PCDC Debt Service Fund	1,096,237	
	Project Management Fund	13,528,545	
	Nonmajor Governmental Funds	<u>1,993,276</u>	
		<u>18,486,688</u>	(7)
Nonmajor Enterprise Funds	General Fund	<u>291,100</u>	
Internal Service Funds	General Fund	215,043	
	Internal Service Funds	10,967	
	Nonmajor Governmental Funds	229,175	
	Project Management Fund	<u>1,634,160</u>	(8)
		<u>2,089,345</u>	
2003 Certificates of Participation	2008 Series C Refunding	<u>634,607</u>	
2008 "C" Certificates of Participation	2003 Certificates of Participation	<u>72,345,000</u>	(9)
Total		<u>\$ 160,808,401</u>	

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (21) Transfers, (Continued)

#### Primary Government, (Continued)

- (1) Transfers from the General Fund to Nonmajor Governmental Funds consist in part of the following:
  - a) \$25,275,007 transferred to various debt services funds for the General Fund's portion of debt service payments on 1999 Pension Bonds, 1993 Certificates of Participation, 2001 Refunding and Capital Improvement Program Certificates of Participation, 2004 Auction Certificates of Participation, and 2006 Lease Revenue Bonds.
  - b) \$9,860,269 transferred to the Library Services Fund to support the City of Pasadena Libraries.
  - c) \$2,298,628 transferred to the Health Fund to support the City's animal control services and other Health Department programs due to reductions in State revenues during fiscal year 2009.
  - d) \$1,303,737 was transferred from the General Fund to various Transportation, Parking and Capital Projects non-major governmental funds.
- (2) \$4,315,485 transferred to 2008 Certificates of Participation Series "C" for debt service payment.
- (3) Of the \$3,949,046 transferred from the General Fund to the Project Management Fund, \$2,500,000 was used to fund a portion of the costs of the Robinson Park Implement Master Plan Project.
- (4) The PCDC Debt Service Fund transferred \$1,924,790 to Nonmajor Governmental Funds, of which, \$1,521,974 was transferred to the Affordable Housing Fund as a housing set aside for affordable housing.
- (5) Light and Power contributed \$12,721,561 to the General Fund for the payment of interest and principal on City bonds, municipal improvements and other municipal purposes; \$200,000 was transferred to the Project Management Fund for capital improvements.
- (6) The Water Fund transferred \$2,871,958 to the General Fund. Of this amount, \$2,331,958 is based on 6% of gross operating revenue as authorized by the City's Charter, and the remaining \$540,000 is for the Hahamonga Watershed Park.

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### **(21) Transfers, (Continued)**

##### **Primary Government, (Continued)**

- (7) Nonmajor Governmental Funds transferred \$18,478,688 to various funds including:
- a) \$947,693 to the General Fund from the 1999 Pension Bond Debt Service Fund as an additional City contribution to the Fire and Police Retirement System.
  - b) \$13,528,545 to fund various capital improvement projects, including \$1,979,331 from the Sewer Construction and Maintenance Fund, \$4,451,238 from the Residential Development Impact Fund, \$1,278,212 from the Gas Tax Fund, \$1,278,212 from the Underground Utilities Fund, and \$1,000,000 from Pasadena Community Development Commission.
  - c) \$1,096,237 to PCDC Debt Service Funds from various Pasadena Community Development Commission Special Revenue and Capital Projects Funds for debt service payments.
- (8) \$1,634,160 was transferred from Internal Services Funds, of which, \$1,142,943 was from the Building Maintenance Fund.
- (9) \$72,345,000 was transferred from 2008 Certificates of Participation Series "C" to refinance and pay off the 2003 Certificates of Participation.

#### **(22) Self-Insurance**

The City maintains self-insurance programs for workers' compensation and general liability. Liability claims are self-administered. Public Safety (Fire and Police) workers compensation claims are administered by a Third Party Administrator and the remainder of City's workers' compensation claims are self-administered. For the period October 29, 2008 to June 30, 2010, excess liability insurance has been purchased with limits of \$20 million excess of a \$5 million self insured retention. No excess insurance for worker's compensation has been purchased.

Three 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. Three 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.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(22) Self-Insurance, (Continued)**

The Office of the City Attorney, primarily using staff counsel, controls litigated liability claims. During FY2009, a claim, after appeal, was paid in the sum of \$1.58 million. The remaining claims were processed for \$1.65 million (loss plus expense), within the historical disposition results on the type of incidents tracked, which tend to yield a defense verdict or settlement at a fraction of the exposure. There are 3 police shooting cases pending which appear most likely to be resolved with no City liability; no other pending liability claims appear to have sufficient damages and liability to develop into "catastrophe" claims with future payment in excess of \$1 million.

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 from Old Republic with no deductible, and liability limits of \$20,000,000. Hull insurance with a 5% deductible is purchased on helicopters if purchased with money from Certificates of Participation. There have been no claims during the past three years.

The City bought All Risk Property Insurance on all its buildings with a total scheduled insured value of \$1,325,870,333 with limits of \$1,000,000,000 per occurrence with certain sub limits, including \$25,000,000 for course of construction. The basic deductible was \$25,000. Exclusions include earthquake, pollution clean-up, and mold. The program has 15 insurance companies or facilities participating in the coverage, with Lexington Insurance Company (a member of the AIG group of insurance companies) being the company with the first \$25,000,000 of coverage. The City had no new claims during the past year. Two water damage claims at the Convention Center that occurred during past fiscal years have been settled.

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. Lexington is the primary insurer for \$25,000,000, with CNA and foreign insurers excess. CNA will provide boiler inspections. The City has no claims pending.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (22) Self-Insurance, (Continued)

PCOC is entitled to indemnity from the City and its losses are included in the City's general liability self-insurance program. 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. There is one incident pending that is being defended by an insurance company.

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. The Club House is leased to a restaurant and golf shop, each carrying its own liability insurance. 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 are processed by American Golf or the tenants' insurance companies and are not included in the table below.

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 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, 2009, claims payable amounted to \$23,987,736, of which \$7,660,744 is estimated to be paid within one year.

	<b>Beginning Fiscal Year Liability</b>	<b>Current Year Claims and Prior Year Changes in Estimates</b>	<b><u>Claim Payments</u></b>	<b>Ending Fiscal Year Liability</b>
2007-08	\$24,238,284	10,763,445	7,893,709	27,108,020
2008-09	27,108,020	6,153,891	9,274,175	23,987,736



# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (23) 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 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 and is responsible for the day to day administration, has authority to sign all legal agreements with approved plan providers, and ensures proper amounts are withheld and immediately transferred to trust and invested in accordance with participants' directions. In fiscal year 1999, the City adopted GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Management of the City believes they have sufficient administrative involvement with the plan in their role as trustee, thus, plan assets were transferred from an Agency Fund to a Pension Trust Fund.

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

	<u>2009</u>	<u>2008</u>
Assets, beginning of year (market value)	\$153,503,129	151,224,488
Deferrals of compensation	14,669,324	15,024,744
Earnings and adjustments to market value	(13,235,671)	(3,612,790)
Payments to eligible employees	<u>(10,247,169)</u>	<u>(9,133,313)</u>
Assets, end of year (market value)	<u>\$144,689,613</u>	<u>153,503,129</u>

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(24) 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 Pasadena Fire and Police Retirement System (FPRS) or California Public Employees' Retirement System (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 at that time. 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, 3<sup>rd</sup> Floor, Pasadena, California 91109. This annual financial report includes the required three-year trend information.

##### 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 COLA benefits. Contributions are recognized when due. Therefore, member contributions are suspended as long as basic benefits remain fully funded.

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 requirements of plan members and the City are established and may be amended by the Board within the provisions of the City Charter.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### **(24) Pension Plans, (Continued)**

#### **Pasadena Fire and Police Retirement System, (Continued)**

##### Annual Pension Cost

For fiscal year 2009, the City's annual pension cost was \$3,630,414 for FPRS. The City's required and actual fiscal year contributions were \$11,447,482 and \$956,097, respectively. The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return, (b) projected annual salary increases of 0.0%, and (c) 3.8% per year cost-of-living adjustments. The actuarial value of FPRS' assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period (smoothed market value). During June 2004, FPRS entered into a Settlement and Release Agreement with the City. Under the agreement, the City issued a debenture of \$13,735,616 in June 2004 and agreed to make three payments to FPRS (in addition to the Cost of Living contributions required under the City Ordinance and employer pick-up of employee contributions negotiated in a labor agreement). The debenture included a principal amount of \$12,829,096 plus interest accrued through the end of the fiscal year. The City made the first payment of \$15 million in August 2004. The second payment of \$15 million was made on November 1, 2004. A third payment of \$10 million was made on January 2, 2005. The payments in excess of the debenture are projected to be used to cover any Supplemental Contribution required under actuarial as of June 30, 2004. In exchange for these payments, the FPRS Board agreed to modify the methodology used to calculate the actuarial value of assets in this and subsequent annual valuations. The modified methodology no longer requires that the actuarial value of assets remain within a 20% corridor around the actual market value of the assets. FPRS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. Benefits and refunds are recognized when due and payable. The amortization period of the unfunded actuarial liability ends on June 30, 2009.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (24) Pension Plans, (Continued)

#### **Pasadena Fire and Police Retirement System, (Continued)**

##### Three-Year Trend Information for FPRS (in thousands)

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contributed</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/07	\$ 6,744	3,839	57%	44,034
6/30/08	5,019	3,194	64%	45,860
6/30/09	3,630	956	26%	48,534

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a % of Covered Payroll [(B-A)/C]</u>
6/30/07	\$ 131,137	183,046	51,909	72%	146	35,607%
6/30/08	131,321	178,748	47,427	73%	179	26,506%
6/30/09	119,551	177,803	58,252	67%	-	N/A

Changes in the Net Pension Obligation (NPO) during the fiscal year ended June 30, 2009 are as follows:

<b>Beginning of year net pension obligation</b>	<b>\$45,859,619</b>
Pension Cost:	
Annual required contribution	11,447,482
Interest on beginning of year NPO less interest on mid year City contribution	3,668,770
Amortization of beginning of year NPO	<u>(11,485,838)</u>
Total pension costs	3,630,414
Less: City contribution	<u>(956,097)</u>
<b>End of year net pension obligation</b>	<b><u>\$48,533,936</u></b>

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### **(24) Pension Plans, (Continued)**

##### **California Public Employees' Retirement System**

The City contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of CalPERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and town contract with employee bargaining groups.

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2008 to June 30, 2009 has been determined by an actuarial valuation of the plan as of June 30, 2006. The contribution rate indicated for the period is 21.898% of payroll for the safety plan and 10.644% of payroll for the miscellaneous plan. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2009, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2008 to June 30, 2009.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (24) Pension Plans, (Continued)

#### **California Public Employees' Retirement System, (Continued)**

A summary of principle assumptions and methods used to determine the ARC is shown below.

	<u>Retirement Program</u>	<u>1959 Survivor Program</u>	
		<u>Misc. Plan</u>	<u>Safety Plan</u>
Valuation Date	June 30, 2006	N/A	June 30, 2006
Actuarial Cost Method	Entry Age Actuarial Cost Method	N/A	Modified Term Insurance Method
Amortization Method	Level Percent of Payroll	N/A	Level Percent of Payroll
Average Remaining Period	18 Years as of the Valuation Date (22 years for the Safety Plan)	N/A	Rolling 5 Years
Asset Valuation Method	15 Year Smoothed Market	N/A	3 Year Smoothed Market
Actuarial Assumptions			
Investment Rate of Return	7.75% (net of admin. expenses)	N/A	7.75% (net of admin. expenses)
Projected Salary Increases	3.25% to 14.45% depending on Age, Service, and type of employment (3.25% to 13.15% for the Safety Plan)	N/A	N/A
Inflation	3.00%	N/A	N/A
Payroll Growth	3.25%	N/A	N/A
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	N/A	N/A

#### Defined Benefit Pension Plan (CalPERS)

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization period may not be lower than the payment calculated over a 30 year amortization period.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(24) Pension Plans, (Continued)**

**California Public Employees' Retirement System, (Continued)**

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded accrued liability to payroll. The schedule of funding progress, presented below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Valuation of Assets AVA)	Unfunded Liability (UL)	Funded Ratios		Annual Covered Payroll	UL As a % of Payroll
				AVA	Market Value		
<i>Retirement Program - Safety</i>							
06/30/06	\$247,233	211,753	35,480	85.6%	90.2%	35,030	101.3%
06/30/07	285,822	238,041	47,781	83.3%	95.4%	40,138	119.0%
06/30/08	317,140	262,817	54,323	82.9%	83.5%	42,996	126.3%
<i>Retirement Program - Miscellaneous</i>							
06/30/06	\$534,487	496,180	38,307	92.8%	98.5%	93,252	41.1%
06/30/07	585,908	539,717	46,191	92.1%	106.8%	102,135	45.2%
06/30/08	638,095	579,068	59,027	90.7%	92.6%	111,186	53.1%

\*Information for the 6/30/09 disclosures was not available at the time of printing.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(24) Pension Plans, (Continued)**

**California Public Employees' Retirement System, (Continued)**

*Three-Year Trend Information*

<u>Fiscal Year</u>	<u>Annual Pension Cost (Employer Contribution)</u>		<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
	<u>Safety</u>	<u>Miscellaneous</u>		
6/30/07	\$ 10,056	8,671	100%	-
6/30/08	12,228	9,283	100%	-
6/30/09	12,580	9,916	100%	-

**Defined Contribution Plan (PARS)**

The City provides pension benefits for employees not covered by CalPERS or FPRS through the Public Agency Retirement System (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. The plan agreement requires the City to contribute an amount equal to 4.0% of the employees' earnings and the covered employee contributes 3.5%. The City contributions for each employee are fully vested.

The City's payroll for employees covered by PARS for the year ended June 30, 2009, was \$4,340,938. Both the City and the covered employees made the total required 7.5% contributions of \$173,638 from the City and \$151,932 from the covered employees.



# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (25) Commitments and Contingencies

#### Primary Government

#### **Jointly Governed Organizations**

##### Joint Power Agreement between the City and the County of Los Angeles

Under a Joint Powers Agreement dated November 22, 1966, both the City and the County of Los Angeles (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.

##### "Take or Pay" Contracts

The City's electric operation has entered into six "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.

A summary of the City of Pasadena "Take or Pay" contracts by project as of June 30, 2009, and its estimated contractual obligations through 2024, based on projected energy prices (in millions) are as follows:

	<u>(in millions)</u>					
	<u>IPA</u>	<u>SCPPA</u>	<u>SCPPA Southern</u>	<u>SCPPA</u>	<u>SCPPA</u>	<u>SCPPA</u>
	<u>Project</u>	<u>Palo</u>	<u>Transmission</u>	<u>Mead-</u>	<u>Mead-</u>	<u>SCPPA</u>
		<u>Verde</u>	<u>System</u>	<u>Adelanto</u>	<u>Phoenix</u>	<u>Magnolia</u>
Bonds and Notes						
sold (outstanding)	\$ 2,807	99	931	200	64	375
Interest	<u>842</u>	<u>11</u>	<u>452</u>	<u>59</u>	<u>18</u>	<u>214</u>
Combined total						
debt service	3,649	110	1,383	259	82	589
City percentage	<u>6.0%</u>	<u>4.4%</u>	<u>5.9%</u>	<u>8.6%</u>	<u>13.8%</u>	<u>6.4%</u>
City obligations	<u>\$ 219</u>	<u>5</u>	<u>82</u>	<u>22</u>	<u>11</u>	<u>38</u>

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### **(25) Commitments and Contingencies, (Continued)**

##### **Primary Government, (Continued)**

##### **Jointly Governed Organizations, (Continued)**

##### **Intermountain Power Authority**

The Intermountain Power Authority (IPA), a subdivision of the State of Utah, was formed in January 1974 to finance the construction of a 1,800-MegaWatt (MW) coal-fueled generating plant consisting of two generating units located near Delta, Utah. The City, through contract, is obligated for 79 MW or 4.409% of the generation. In addition, the City entered into an "Excess Power Sales Agreement" with IPA, agent for the Utah Municipal Purchasers and the Cooperative Purchasers, which entitles the City to an additional share of 29 megawatts or 1.591%. The City's total obligation from the Intermountain Power Project (IPP) is 108 MW.

##### **Southern California Public Power Authority**

The City of Pasadena Light and Power Fund joined the Southern California Public Power Authority (SCPPA) on November 1, 1980. This authority, consisting of the cities of Los Angeles, Pasadena, Anaheim, Azusa, Banning, Riverside, Colton, Vernon, Burbank, Glendale, Cerritos, San Marcos, and the Imperial Irrigation District, was formed for the purpose of planning, financing, developing, acquiring, constructing future power and transmission resources. The Joint Powers Agreement has a term of fifty years. The City entered into nine projects with SCPPA.

##### **Palo Verde Nuclear Generating Station**

The first project SCPPA participated in is a 3,810-MegaWatt nuclear fuel generation plant in Arizona (Palo Verde). The Palo Verde Nuclear Project consists of three (3) units, each having an electric output of approximately 1,270 MW. Unit No. 1 began commercial operation in February 1986, Unit No. 2 was commercially operable in September 1986, and Unit No. 3 attained commercial operation in January 1988. SCPPA has purchased approximately 225 MW of capacity and associated energy in Palo Verde (approximately 5.9% of total output), of which the City received 9.9 MW or 4.4% of SCPPA's entitlement.

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### (25) Commitments and Contingencies, (Continued)

##### Primary Government, (Continued)

##### **Jointly Governed Organizations, (Continued)**

###### Southern Transmission System

SCPPA financed a second project called the Southern Transmission System (STS), which transmits power from the IPP to Southern California. The 500 kV DC is rated at 1,920 MW. The City's share of the line is 5.883% or approximately 113 MW. STS commenced commercial operations in July 1986.

###### Mead-Adelanto Transmission System

SCPPA financed a third project called the Mead-Adelanto Transmission System consisting of a 202 mile long 500 kV AC transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada. Commercial operations commenced in April 1996. Nine members own one-third of Mead-Adelanto through SCPPA. SCPPA members are entitled to 815 MW. The City is obligated for 70 MW or 8.589% of the SCPPA entitlement.

###### Mead-Phoenix Transmission System

SCPPA financed a fourth project called the Mead-Phoenix Transmission System consisting of a 256 mile long 500 kV AC transmission line extending between the Westwing substation in Arizona and the Marketplace substation in Nevada. Commercial operations commenced in April 1996. Nine members own one-fifth of Mead-Phoenix through SCPPA. The City is obligated for 33 MW from the Mead-Phoenix project or 13.806% of the SCPPA entitlement.

###### Magnolia Project

SCPPA financed a fifth project called the "Magnolia Power Project" consisting of a natural gas-fired generating facility with a nominally rated net base capacity of 242 MW to be located on an existing generating site in the City of Burbank, California, including necessary and appurtenant facilities and equipment thereto, the applicable portion of any common facilities and interconnection facilities. The Project was being constructed for the primary purpose of providing the participants in the Project with firm capacity and energy to help meet their power and energy requirements in 2005 and thereafter. Commercial operations commenced September, 2005. SCPPA owns the Magnolia Power Project, and six SCPPA members have contracted with SCPPA for 100% of its output. The City of Pasadena's share is 6.4% or 14.8 MW of base capacity.

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### (25) Commitments and Contingencies, (Continued)

##### Primary Government, (Continued)

##### **Jointly Governed Organizations, (Continued)**

##### Natural Gas Development Project

In early 2004, Pasadena, along with eight other Southern California Public Power Authority (SCPPA) members, became alarmed about the volatility of price and supply forecasts of natural gas which is used to fuel our on-site and Magnolia generators. Furthermore, prices were projected to rise steadily as demand for natural gas continues to grow while supply remains stagnant or even falls. In order to mitigate some of the risk of the price and supply uncertainty, SCPPA was asked to look into a few different options for securing reliable and low cost sources of natural gas. After reviewing the options, the members decided to investigate further the purchase of a share in a natural gas reserve field. On July 1, 2004, nine SCPPA members signed a Development Agreement to jointly examine the feasibility and economics of purchasing a share in a natural gas reserves field. After almost a year of studying the financial and operational risks as well as the backgrounds of a number of gas drilling operations, Pasadena agreed to go forward and participate in the SCPPA Natural Gas Development Project and purchase property and up to a 1,000 MMBtu/day output share of natural gas reserves. Pasadena, along with five out of the original eight interested members, signed its first agreement with SCPPA effective July 1, 2005.

##### Anshutz-Pinedale Gas Reserves Project

On July 1, 2005, SCPPA successfully closed the first transaction to purchase an interest in natural gas reserves under the Natural Gas Development Project to help ensure a stable fuel supply for Pasadena Water and Power's (PWP) power plants. The acquisition, which includes 38 operating oil and gas wells expected to yield about 112 billion cubic feet of natural gas over the life of the field, is believed to be the largest natural gas field owned by public power utilities. It will help ensure a stable supply for PWP's power plants and stabilize the most volatile component of PWP's operating expenses. SCPPA and other participants, including Los Angeles Department of Water and Power and the Turlock Irrigation District, signed a purchase agreement with Anschutz Pinedale Corp. in Denver to buy a portion of the company's natural gas reserves in Wyoming for \$300 million. Pasadena's SCPPA partners include the cities of Anaheim, Burbank, Colton and Glendale. The agreement gives PWP a 2.13% ownership in the acquisition at a total cost of \$6.5 million including development and transaction costs. In fiscal year 2009, PWP have received an average net gas flow deliveries of 267 MMBtu/day to the local power plant.

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### **(25) Commitments and Contingencies, (Continued)**

##### **Primary Government, (Continued)**

##### **Jointly Governed Organizations, (Continued)**

###### Barnett Gas Reserves Project

On October 26, 2006, SCPPA secured a second property interest in a natural gas reserve field under the Gas Development Agreement located at the Barnett Shale Formation in Texas. The Barnett property is in the early stages of development and will initially provide up to 250 MMBtu per day of gas at less than \$6 per MMBtu. However, additional capital development (drilling) of the property may result in greater daily volumes at a lower cost. In fiscal year 2009, PWP have received an average net gas flow deliveries of 981.71 MMBtu/day to the local power plant. Pasadena's SCPPA partners in this project include the cities of Anaheim, Burbank, and Colton.

###### Prepaid Natural Gas Project

On October 2007, SCPPA and the City of Pasadena along with the Cities of Anaheim, Burbank, Colton, and Glendale have entered into separate Prepaid Natural Gas Program Gas Supply Agreements (Gas Project No.1). Gas Project No.1 primarily consists of the acquisition by SCPPA of the right to receive an aggregate amount of approximately 135 billion cubic feet of natural gas from J. Aron pursuant to the terms of the Prepaid Natural Gas Sales Agreements. The gas is to be delivered by J. Aron to SCPPA at designated Delivery Points on the natural gas pipelines that serves each City in specified daily quantities each month beginning July 1, 2008, over approximately 30-year term of each of the Prepaid Natural Gas Sales Agreements. Gas sold under the agreement is priced at the applicable Monthly Index Price for the primary Delivery Point less a specified discount. Each agreement provides for the sale to the Cities, on a pay-as-you-go basis. The electric utility systems owned by each City in part provide gas-fired electric utility service to retail consumers located in their respective areas. The City of Pasadena's participation share is 16.50% or an average daily quantity of 2,000 dekatherms (Dth).

## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### **(25) Commitments and Contingencies, (Continued)**

##### **Primary Government, (Continued)**

##### **Jointly Governed Organizations, (Continued)**

##### **Challenges**

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 SCPPA, 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 investment” with a net present value estimated to be approximately \$145.5 million in 2006. AB1890 provided for the recovery of this stranded investment through a “Competition Transition Charge” on each customer’s utility bill. The City stopped collecting this charge after July 1, 2002. A competitive financial strategy, which includes a ten-year financial planning model developed in 1996 and updated annually, serves as the blue print for managing the Utility through the open market transition. The strategy includes recovery and elimination of the stranded investment with minimal impact on customer rates over approximately five years. As of June 30, 2009, the City’s Reserve for Stranded Investment fund balance was approximately \$140.0 million. 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 financial information on the SCPPA may be obtained by contacting Steve Endo, Principal Engineer, with the Resource Planning Section of the Power Supply Business Unit of the City of Pasadena Department of Water and Power at 150 South Los Robles, Suite 200, Pasadena, CA 91101.

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (25) Commitments and Contingencies, (Continued)

#### Primary Government, (Continued)

##### **Jointly Governed Organizations, (Continued)**

##### **Multimodal Operation and Development Entity (MODE)**

In April 2003, the City Council approved the formation of the Multimodal Operation and Development Entity (MODE), a joint powers authority between the City of Pasadena and the Los Angeles to Pasadena Metro Blue Line Construction Authority for the purpose of operating the 600 space Del Mar parking structure adjacent to the Del Mar Gold Line station. Once fully operational, the garage is expected to be self supporting from parking revenues. As an active participant in providing oversight of this garage, in November 2003 the City made a loan to the MODE of \$50,000 in order to provide needed funding to maintain a quality parking facility and preserve the City's involvement in the operations of the garage. On June 18, 2007 the City Council agreed to forgive the interest free loan provided to MODE.

##### **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.

##### **Litigation**

A number of suits and claims are pending against the City, RBOC and PCOC 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, RBOC and PCOC.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(25) Commitments and Contingencies, (Continued)**

**Primary Government, (Continued)**

**Jointly Governed Organizations, (Continued)**

**California ISO Receivable**

The Light and Power Fund carries an account receivable of \$19,591,119 that represents energy sales to the California Independent System Operator during the California electrical crisis which occurred in approximately October, 2000 to June, 2001. The electrical crisis has resulted in numerous legal actions, some of which have involved Pasadena Water and Power. The City has recorded an allowance relating to the potential uncollectibility of this receivable. However, the actual amount that will be collected is not determinable at this time.

**(26) Defeasance of Debt**

Over the years, the City has defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt issues. Accordingly, the trust account assets and the liability for the defeased debt issues are not included in the City's financial statements. All the defeased debts had been paid.

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## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### **(27) Debt Without Government Commitment – Primary Government**

The City served as a conduit for the Collis P. and Howard Huntington Memorial Hospital Trust, a 501(c)3 public benefit corporation for the financing of the acquisition of computers and related equipment for Huntington Memorial Hospital. The maximum amount of debt was \$10 million, disbursed through several loans and to be repaid over a maximum term of eight years. Wells Fargo is privately placing the notes. Repayment of the notes is the sole responsibility of the trust, not an obligation of the City, and is therefore excluded from the City's financial statements.

The City also participates in private property financing arrangements between lenders and property owners under the Marks Historical Rehabilitation Act of 1976. Such financing arrangements were issued by the City in 1984 in an aggregate amount of \$4,000,000 and are due in December 2014. These are not obligations of the City, and are therefore excluded from the City's financial statements.

Also, on November 13, 1997, the City issued \$13,290,668 of its Community Facilities District#1 (Civic Center West Public Improvements) 1997 Special Tax Bonds. The Bonds were issued to refinance the previously issued 1992 Special Tax Bonds used to finance the public improvements related to the Civic Center West Project.

Special taxes have been and will continue to be assessed on the property by the City's Finance Department by means of direct billing. The special taxes assessed against the district are tax revenues pledged to pay the debt service on the bonds and cover any administrative expenses. The City is in no way liable for repayments but is only acting as an agent for revenue payers. The bonds are therefore not recorded as liabilities in the accompanying financial statements. As of June 30, 2009, the outstanding balances on the CFD Special Tax Bonds were \$8,865,000.

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**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(28) 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 \$101.00 or \$23.50 per month depending on the bargaining unit or the unrepresented group the employee was a member of. For fiscal year ended June 30, 2008 the number of employees covered by the subsidy follows:

	<b><u>\$101.00</u></b>	<b><u>\$23.50</u></b>	
	<b>Per Month</b>	<b>Per Month</b>	
	<b>Group</b>	<b>Group</b>	<b>Total</b>
Active Participants	840	1,133	1,973
Participants receiving subsidy	<u>234</u>	<u>206</u>	<u>440</u>
Total	<u>1,074</u>	<u>1,339</u>	<u>2,413</u>

**Plan Description**

**Eligibility.** The plan provides benefits to individuals who terminate service with the City and begin to collect a monthly benefit under one of the retirement plans sponsored by the City within 120 days of termination of City service under service retirement or disability retirement and to certain survivors of Safety members who die in active service.

**Service Retirement:** Employees retiring directly from active status receive medical benefits commencing at retirement. Employee must be age 50 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, 2009

#### (28) 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 year beginning July 1, 2008, this monthly amount is \$101.00 for certain classes of employees and \$23.50 for remaining employees.

**Funding Policy and Annual OPEB Cost.** The City contribution requirements have been established at the individual retiree levels of \$101.00 or \$23.50 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 postemployment 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 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 first year of implementation of GASB 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:

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(28) Post-employment Benefits Other Than Pensions, (Continued)**

	<b>\$101.00 Per Month Group</b>	<b>\$23.50 Per Month Group</b>	<b>Total</b>
Normal Cost	\$872,414	\$264,897	\$1,137,311
Amortization of UAAL *	1,074,411	245,957	1,320,368
Interest for mid-year payment	<u>38,936</u>	<u>10,217</u>	<u>49,153</u>
Annual OPEB Cost	1,985,761	521,071	2,506,832
Contributions made	<u>281,685</u>	<u>63,057</u>	<u>344,742</u>
Increase in net OPEB obligation	1,704,076	458,014	2,162,090
Net OPEB obligation -- beginning of year	<u>\$1,688,332</u>	<u>\$454,490</u>	<u>\$2,142,822</u>
Net OPEB obligation -- end of year	<u>\$3,392,408</u>	<u>\$912,504</u>	<u>\$4,304,912</u>

\*UAAL is amortized over a 30 year period using level dollar amortization under "Pay as you go" funding.

Annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for FY 2009 are as follows:

	<b><u>Year Ended</u></b>	<b><u>Annual OPEB Cost</u></b>	<b><u>Percentage of OPEB Cost Contributed</u></b>	<b><u>Net OPEB Obligation</u></b>
Groups receiving \$101 per month benefit	6/30/09	\$1,985,761	14.19%	\$1,704,076
Groups receiving \$23.50 per month benefit	6/30/09	<u>521,071</u>	<u>12.10%</u>	<u>458,014</u>
Total	6/30/09	<u>\$2,506,832</u>	<u>13.75%</u>	<u>\$2,162,090</u>

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(28) Post-employment Benefits Other Than Pensions, (Continued)**

**Funded Status and Funding Progress.** The funded status of the plan as of June 30, 2009 follows:

	<b>\$101.00 Per Month <u>Group</u></b>	<b>\$23.50 Per Month <u>Group</u></b>	<b><u>Total</u></b>
Actuarial accrued liability	\$19,321,900	\$4,423,229	\$23,745,129
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability	\$19,321,900	4,423,229	23,745,129
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. Since this is the first year of GASB45 reporting, no trend data is available.

**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 – 4.00% per year.
Administrative Expenses:	Not assumed to be paid from this plan.
Trend Rates:	5.0% per year for all years

# CITY OF PASADENA

## Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

### (28) Post-employment Benefits Other Than Pensions, (Continued)

#### **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.

Service retirement:

Members eligible for service retirement are assumed to retired based on rates varying by age and/or service.

Percentage married at Retirement:

85% of miscellaneous active members assumed married at retirement. 90% 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.

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(28) Post-employment Benefits Other Than Pensions, (Continued)**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll [(b-a)/c]</b>
6/30/08	\$0	\$23,745,129	\$23,745,129	0%	154,261,000	15.4%

Information for the June 30, 2009 disclosures was not available at time of printing.

**(29) 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:

<b>Description of Pledged Revenue</b>	<b>Annual Amount of Pledged Revenue (net of expenses) (in thousands)</b>	<b>Annual Debt Services Payment (in thousands)</b>	<b>Debt Services as a Percentage of Pledged Revenue</b>
Tax Increment (Downtown)	\$20,575	\$12,833	62%
Tax Increment (Other Projects)	8,400	1,604	19%
Light & Power Revenues	56,652	15,118	27%
Water Revenues	13,382	4,976	37%

**CITY OF PASADENA**

**Notes to the Basic Financial Statements, (Continued)**

**Year Ended June 30, 2009**

**(30) Restatement of Beginning Fund Balance/ Net Assets**

**Primary Government**

Government Activities

The accompanying financial statements reflect adjustments that resulted in the restatement of beginning fund balance of the General Fund, and net assets of the Governmental Activities of the Primary Government.

The following schedule summarizes the effect of the prior period adjustment to the beginning fund balance/net asset as of July 1, 2008.

	<u>Governmental Funds</u>	<u>Government-Wide Primary Government</u>
Beginning Fund Balance/Net Assets at July 1, 2008	\$ 211,182,821	\$ 372,967,647
Adjustment to remove allowance for doubtful accounts that should have been reversed at the time that the corresponding receivable was paid	<u>4,000,000</u>	<u>4,000,000</u>
Beginning Fund Balance/Net Asset at July 1, 2008, as restated	\$ <u>215,182,821</u>	\$ <u>376,967,647</u>

**(31) Implementation of New Accounting Principles**

During fiscal year 2009-10, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. This Statement identifies the circumstances under which a government entity would be required to report a liability related to pollution remediation. According to the standard, a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted and if various recognition triggers occur. Liabilities and expenses would be estimated using an "expected cash flows" measurement technique, which is used by environmental professionals. Statement 49 requires governments to disclose information about their pollution obligations associated with clean up efforts in the notes to the financial statements. As of June 30, 2009, the City believes that it has not experienced an "obligating event" as defined in this Statement.



## CITY OF PASADENA

### Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2009

#### **(32) Uncertainty Related to the State of California's Budget Deficit**

The State of California continues to have significant financial challenges and remains an ongoing uncertainty for the City as they continue to look to local municipalities to assist with closing their budget gap. When adopting its budget for fiscal year 2009-10, the State of California reflected in that budget a shift of a significant portion of tax increment revenue from redevelopment agencies to school districts for fiscal years 2009-10 and 2010-11. The California Redevelopment Association has filed a lawsuit challenging the legality of this tax shift. The outcome of that lawsuit is not certain at this time. The specific impact on the City's redevelopment agency, Pasadena Community Development Commission (PCDC), would be to redirect \$13 million from PCDC to offset a portion of the State deficit.

#### **(33) Subsequent Events**

##### Refunding of Electric Revenue/Refunding Bonds, 1998 Series

On November 2, 2009, the City issued its City of Pasadena Electric Revenue Refunding Bonds, 2009 Series ("the Bonds") in the amount of \$40,655,000. The Bonds were issued to fully refund the outstanding 1998 Electric Revenue bonds. Interest on the Bonds is payable semi-annually on February and August 1 commencing with February 1, 2010. Principal is payable in annual installments ranging from \$2,625,000 to \$2,440,000 commencing on August 1, 2011 and ending on August 1, 2024. The average life of the bonds is 7.88 years with an average coupon of 4.28%. The all-in true interest cost of the refunding is 3.427% with a net present value savings of \$3,621,076 or 8.9% percentage savings of the refunding bonds.

##### Proposition 1A – State's \$4.6 Million of Property Tax borrowing from the City

Under Proposition 1A, the State has the right to suspend Proposition 1A to borrow up to 8% of a City's property tax proceeds if a financial emergency is declared. Such an emergency was declared when the State adopted its budget on July 28, 2009. The State can only suspend Proposition 1A twice in 10 years, and must repay the loan with interest in 3 years prior to any future borrowings. The interest rate that will be paid on this loan was set at 2%. The fiscal impact for the City of Pasadena is \$4.6 million.

In lieu of loaning money directly to the State, and assuming the risk associated with that, the City can participate in the Proposition 1A Securitization Program, a state wide borrowing by California Statewide Communities Development Authority ("California Communities"). California Communities is a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. If the City

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2009**

**(33) Subsequent Events, (Continued)**

of Pasadena sells its Proposition 1A receivable under this program, California Communities will pledge the City of Pasadena's Proposition 1A receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. The City's sale of its Prop 1A receivable is irrevocable. Bondholders will have no recourse to the City if the State does not make the Proposition 1A repayment. The Securitization option was presented to the City of Pasadena Council for review and approved on October 26, 2009.

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# REQUIRED SUPPLEMENTARY INFORMATION



YEAR ENDED JUNE 30

2009

# CITY OF PASADENA

## Notes to the Required Supplementary Information

Year Ended June 30, 2009

### (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. Capital Projects Funds do not have annual appropriated budgets. Instead, control over projects is maintained by means of 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. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are each considered a single department. Supplemental appropriations during the year must be approved by the City Council. There were no significant budget amendments during the fiscal year. 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, 2009:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Fund:			
General government			
City Attorney/City Prosecutor	6,630,296	6,662,307	(32,011)
Non-departmental	8,144,229	8,443,192	(298,963)
Community development			
Planning and Permitting	9,912,678	9,990,270	(77,592)

**CITY OF PASADENA**

**Notes to the Required Supplementary Information**

**Year Ended June 30, 2009**

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Special Revenue Funds:			
Housing and Community Development Fund			
Community Development	16,844,325	17,431,899	(587,574)
Debt Service-Interest	74,004	131,280	(57,276)
Donated Funds	-	180,849	(180,849)

The general government, non-departmental expenditures exceeded appropriations due to \$298,963 of the expenditures being for billable projects which do not typically have budgets.

Housing and Community Development's budget did not reflect \$558,000 of the annual HOME allocation used to provide matching funding for Pasadena Community Development Commission's Credit Facility Note.

Donated Funds do not budget for spending of donated funding which was given with certain restrictions. As appropriate opportunities arise this funding is utilized.

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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, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Taxes	\$ 122,914,156	122,914,156	119,771,602	(3,142,554)	121,156,311
Licenses and permits	2,851,350	2,851,350	2,360,182	(491,168)	2,715,718
Intergovernmental revenues	12,282,468	12,515,368	13,745,985	1,230,617	13,578,313
Charges for services	30,454,063	30,504,063	34,523,301	4,019,238	31,917,959
Fines and forfeits	7,855,091	7,855,091	8,844,377	989,286	8,024,617
Investment earnings	21,039,884	21,039,884	21,922,550	882,666	21,209,093
Net change in fair value of investments	-	-	167,106	167,106	371,245
Rental income	1,506,243	1,506,243	1,425,723	(80,520)	1,543,172
Miscellaneous revenues	2,036,821	2,085,049	2,394,249	309,200	2,647,710
<b>Total revenues</b>	<b>200,940,076</b>	<b>201,271,204</b>	<b>205,155,075</b>	<b>3,883,871</b>	<b>203,164,138</b>
<b>Expenditures:</b>					
Current:					
General government:					
City Attorney/City Prosecutor	6,630,296	6,630,296	6,662,307	(32,011)	6,319,536
City Clerk	2,364,695	2,364,695	1,900,409	464,286	1,839,808
City Council	2,008,894	2,053,785	1,898,717	155,068	1,837,131
City Manager	3,477,584	3,515,584	3,445,147	70,437	2,721,482
Finance	10,105,373	10,203,626	9,545,682	657,944	9,436,258
Human Resources	3,007,094	3,007,094	2,914,047	93,047	2,837,094
Non-departmental	6,976,536	8,144,229	8,443,192	(298,963)	9,092,387
Public safety:					
Fire	40,333,925	40,504,860	39,667,385	837,475	38,337,101
Police	59,855,722	60,580,186	59,789,658	790,528	55,873,511
Transportation:					
Public Works and Transportation	28,337,150	28,461,808	26,337,739	2,124,069	26,289,894
Culture and leisure:					
Human Services, Recreation and Neighborhoods	9,835,772	10,106,063	9,648,720	457,343	8,972,327
Non-departmental - PCOC	5,765,811	5,765,811	4,579,853	1,185,958	5,576,562
Community development:					
Planning and Permitting	9,553,556	9,912,678	9,990,270	(77,592)	9,542,687
<b>Total expenditures</b>	<b>188,252,408</b>	<b>191,250,715</b>	<b>184,823,126</b>	<b>6,427,589</b>	<b>178,675,778</b>
Excess (deficiency) of revenues over (under) expenditures	12,687,668	10,020,489	20,331,949	10,311,460	24,488,360
<b>Other financing sources (uses):</b>					
Issuance of long-term debt	2,068,985	2,068,985	331,944	(1,737,041)	-
Transfers in	15,229,003	17,472,702	18,007,072	534,370	18,538,138
Transfers out	(45,899,700)	(47,507,700)	(48,213,053)	(705,353)	(43,589,080)
<b>Total other financing sources (uses)</b>	<b>(28,601,712)</b>	<b>(27,966,013)</b>	<b>(29,874,037)</b>	<b>(1,908,024)</b>	<b>(25,050,942)</b>
Change in fund balances	(15,914,044)	(17,945,524)	(9,542,088)	8,403,436	(562,582)
<b>Fund balances at beginning of year, as restated (note 30)</b>	<b>69,925,131</b>	<b>69,925,131</b>	<b>69,925,131</b>	<b>-</b>	<b>70,487,713</b>
<b>Fund balances at end of year</b>	<b>\$ 54,011,087</b>	<b>51,979,607</b>	<b>60,383,043</b>	<b>8,403,436</b>	<b>69,925,131</b>

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## SUPPLEMENTARY INFORMATION

**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2009**

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Totals</b>	
					<b>2009</b>	<b>2008</b>
<b><u>Assets</u></b>						
Cash and investments	\$ 66,384,551	53,972,497	37,381,584	1,202,359	158,940,991	140,740,756
Accounts receivable	6,417,426	-	467,795	2,482	6,887,703	8,785,855
Less allowance for uncollectible amounts	(29,091)	-	-	-	(29,091)	(29,505)
Notes receivable	26,445,670	-	7,457,148	-	33,902,818	30,297,356
Due from other funds	16,850	-	1,404,851	-	1,421,701	1,557,364
Prepays and other assets	-	-	-	-	-	1,670
Advances to other funds	17,294,143	-	10,832,594	-	28,126,737	27,786,496
Allowance for uncollectible long-term receivables	(22,912,829)	-	(11,013,464)	-	(33,926,293)	(32,950,203)
Property held for resale	7,438,977	-	-	-	7,438,977	9,130,065
	<u>\$ 101,055,697</u>	<u>53,972,497</u>	<u>46,530,508</u>	<u>1,204,841</u>	<u>202,763,543</u>	<u>185,319,854</u>
<b><u>Liabilities and Fund Balances</u></b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 3,728,571	119,250	294,313	-	4,142,134	4,957,495
Deposits	309,733	-	-	-	309,733	752,523
Due to other funds	2,181,037	-	1,400,686	-	3,581,723	4,854,018
Due to other governments	-	-	-	-	-	95,042
Deferred revenue	3,047,007	-	-	-	3,047,007	5,150,919
Advances from other funds	359,434	-	4,932,156	-	5,291,590	5,270,604
	<u>9,625,782</u>	<u>119,250</u>	<u>6,627,155</u>	<u>-</u>	<u>16,372,187</u>	<u>21,080,601</u>
<b>Fund balances:</b>						
<b>Reserved for:</b>						
Encumbrances	8,685,895	-	122,886	-	8,808,781	5,686,667
Notes receivable	26,445,670	-	7,457,148	-	33,902,818	30,297,356
Prepays and other assets	-	-	-	-	-	1,670
Advances to other funds	-	-	8,232,924	-	8,232,924	8,351,346
Property held for resale	7,438,977	-	-	-	7,438,977	9,130,065
Debt service	-	53,853,247	-	-	53,853,247	39,243,958
<b>Unreserved, reported in:</b>						
Special revenue funds	48,859,373	-	-	-	48,859,373	46,593,444
Capital projects funds	-	-	24,090,395	-	24,090,395	23,872,617
Permanent funds	-	-	-	1,204,841	1,204,841	1,062,130
	<u>91,429,915</u>	<u>53,853,247</u>	<u>39,903,353</u>	<u>1,204,841</u>	<u>186,391,356</u>	<u>164,239,253</u>
Total fund balances	<u>91,429,915</u>	<u>53,853,247</u>	<u>39,903,353</u>	<u>1,204,841</u>	<u>186,391,356</u>	<u>164,239,253</u>
Total liabilities and fund balances	<u>\$ 101,055,697</u>	<u>53,972,497</u>	<u>46,530,508</u>	<u>1,204,841</u>	<u>202,763,543</u>	<u>185,319,854</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, 2009**

	Special	Debt	Capital	Permanent	Totals	
	Revenue Funds	Service Funds	Projects Funds		Funds	2009
<b>Revenues:</b>						
Taxes	\$ 8,232,642	-	4,990,767	-	13,223,409	12,754,322
Licenses and permits	4,775,737	-	-	-	4,775,737	5,929,866
Intergovernmental revenues	39,444,490	-	-	-	39,444,490	33,719,588
Charges for services	8,086,240	-	167,305	-	8,253,545	7,147,197
Fines and forfeitures	-	-	-	-	-	-
Investment earnings	1,988,434	1,594,119	1,145,083	38,358	4,765,994	6,411,028
Net change in fair value of investments	366,552	193,213	271,936	7,422	839,123	620,390
Rental income	2,525,611	-	1,325,850	-	3,851,461	3,826,833
Miscellaneous revenues	3,845,328	-	85,505	-	3,930,833	4,956,426
Contributions	37,050	-	4,720,031	100,000	4,857,081	2,627,482
<b>Total revenues</b>	<u>69,302,084</u>	<u>1,787,332</u>	<u>12,706,477</u>	<u>145,780</u>	<u>83,941,673</u>	<u>77,993,132</u>
<b>Expenditures:</b>						
Current:						
General government	-	20,271	494,877	-	515,148	1,039,921
Public safety	3,061,260	-	-	-	3,061,260	2,000,718
Transportation	10,566,182	-	-	-	10,566,182	10,426,769
Sanitation	4,060,775	-	-	-	4,060,775	3,189,090
Health	11,471,282	-	-	-	11,471,282	12,123,825
Culture and leisure	12,704,220	-	-	3,069	12,707,289	12,272,562
Community development	27,054,294	-	5,071,302	-	32,125,596	29,689,319
Capital outlay	-	-	39,320	-	39,320	162,442
Debt service:						
Principal retirement	260,000	8,929,040	-	-	9,189,040	38,575,175
Interest	131,280	9,853,891	141,552	-	10,126,723	11,795,471
<b>Total expenditures</b>	<u>69,309,293</u>	<u>18,803,202</u>	<u>5,747,051</u>	<u>3,069</u>	<u>93,862,615</u>	<u>121,275,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,209)</u>	<u>(17,015,870)</u>	<u>6,959,426</u>	<u>142,711</u>	<u>(9,920,942)</u>	<u>(43,282,160)</u>
<b>Other financing sources (uses):</b>						
Issuance of long-term debt	232,380	7,410,221	-	-	7,642,601	27,939,303
Other financing use-bond discount	-	-	-	-	-	835,801
Transfers in	15,825,380	25,281,667	1,810,085	-	42,917,132	71,785,575
Transfers out	(8,731,493)	(1,066,729)	(8,688,466)	-	(18,486,688)	(50,514,891)
<b>Total other financing sources (uses)</b>	<u>7,326,267</u>	<u>31,625,159</u>	<u>(6,878,381)</u>	<u>-</u>	<u>32,073,045</u>	<u>50,045,788</u>
Change in fund balances	7,319,058	14,609,289	81,045	142,711	22,152,103	6,763,628
<b>Fund balances at beginning of year</b>	<u>84,110,857</u>	<u>39,243,958</u>	<u>39,822,308</u>	<u>1,062,130</u>	<u>164,239,253</u>	<u>157,475,625</u>
<b>Fund balances at end of year</b>	<u>\$ 91,429,915</u>	<u>53,853,247</u>	<u>39,903,353</u>	<u>1,204,841</u>	<u>186,391,356</u>	<u>164,239,253</u>

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# SPECIAL REVENUE FUNDS



YEAR ENDED JUNE 30

2009

# NON-MAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

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Special revenue funds are used to account for revenue derived from specific taxes or other revenue sources that is restricted by law or administrative action to expenditure for specified purposes.

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Public Safety Fund - to account for revenue received from State AB3229 funds, revenue derived from the 1/2-cent sales tax approved by the voters in November 1993, high technology grant revenue received from the State of California, and money received by the Police Department from forfeited cash and other tangible property seized in illegal narcotic activities under the Federal Comprehensive Crime Control Act of 1984 and used solely for law enforcement purposes. It also account for revenue received from Federal Emergency Management Agency's (FEMA) for a Firefighters Grant Program for the purpose of funding a Fire Department Wellness Program and a federal grant for Anti-Terrorism.

Health Fund - to account for all grants and revenue received for the provision of health services by the Public Health Department.

Building Services Fund - to account for the operations of the Permit Center including all revenues and expenditures associated with issuing various building permits.

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

Underground Utilities Fund - to account for the use of revenue received from the underground surtax on sales of electric energy.

Transportation Fund - to account for the use of revenue derived from the 1/2-cent sales tax approved by the voters in November 1980 and 1990, gasoline tax collected for the construction and maintenance of the road network system of the City, sales tax collected for bikeways and pedestrian facilities, and State AB2928 traffic congestion relief revenue for the preservation, maintenance 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 other sources, 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.

# NON-MAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

(Continued)

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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.

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.

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

Donated Funds - to account for principal and interest on funds used for expressed purposes.

Low and Moderate Income Housing Fund - to account for funds received and expended to assist low and moderate-income households.

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**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2009**

	<b>Public</b>		<b>Building</b>	<b>Sewer</b>	<b>Underground</b>	
	<b>Safety</b>	<b>Health</b>	<b>Services</b>	<b>Construction</b>	<b>Utilities</b>	<b>Transportation</b>
	<b>Safety</b>	<b>Health</b>	<b>Services</b>	<b>and</b>	<b>Utilities</b>	<b>Transportation</b>
	<b>Safety</b>	<b>Health</b>	<b>Services</b>	<b>Maintenance</b>	<b>Utilities</b>	<b>Transportation</b>
<b><u>Assets</u></b>						
Cash and investments	\$ 972,937	-	531,788	3,780,272	27,988,985	10,345,509
Accounts receivable	716,092	2,213,339	32,972	586,698	304,016	487,969
Less allowance for uncollectible amounts	-	-	-	(10,459)	(18,632)	-
Prepays and other assets	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Allowance for uncollectible long-term receivables	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 1,689,029</u></b>	<b><u>2,213,339</u></b>	<b><u>564,760</u></b>	<b><u>4,356,511</u></b>	<b><u>28,274,369</u></b>	<b><u>10,833,478</u></b>
<b><u>Liabilities and Fund Balances</u></b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 391,990	495,295	330,478	52,588	-	722,040
Deposits	-	40,281	208,632	-	-	-
Due to other funds	301,787	30,983	-	-	-	88,409
Deferred revenue	622,435	1,700,619	-	-	-	-
Advances from other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b><u>1,316,212</u></b>	<b><u>2,267,178</u></b>	<b><u>539,110</u></b>	<b><u>52,588</u></b>	<b><u>-</u></b>	<b><u>810,449</u></b>
<b>Fund balances:</b>						
<b>Reserved for:</b>						
Encumbrances	2,033,667	-	611,775	34,000	-	34,000
Notes receivable	-	-	-	-	-	-
Prepays and other assets	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-
<b>Unreserved, reported in:</b>						
Special revenue funds designated for special fund purposes and undesignated	<u>(1,660,850)</u>	<u>(53,839)</u>	<u>(586,125)</u>	<u>4,269,923</u>	<u>28,274,369</u>	<u>9,989,029</u>
<b>Total fund balances</b>	<b><u>372,817</u></b>	<b><u>(53,839)</u></b>	<b><u>25,650</u></b>	<b><u>4,303,923</u></b>	<b><u>28,274,369</u></b>	<b><u>10,023,029</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,689,029</u></b>	<b><u>2,213,339</u></b>	<b><u>564,760</u></b>	<b><u>4,356,511</u></b>	<b><u>28,274,369</u></b>	<b><u>10,833,478</u></b>

<b>Human Services Endowment</b>	<b>Library</b>	<b>Parking</b>	<b>Air Quality Improvement</b>	<b>Housing and Community Development</b>	<b>Donated Funds</b>	<b>Low and Moderate Income Housing</b>	<b>Totals</b>	
							<b>2009</b>	<b>2008</b>
1,249,124	992,383	3,339,111	-	2,434,551	2,207,898	12,541,993	66,384,551	63,119,985
4,425	52,418	61,519	42,315	1,879,096	5,018	31,549	6,417,426	8,216,856
-	-	-	-	-	-	-	(29,091)	(29,505)
-	-	-	-	-	-	-	-	1,670
-	-	-	-	5,688,686	-	20,756,984	26,445,670	22,787,272
-	-	-	-	-	-	16,850	16,850	91,100
-	-	-	-	17,294,143	-	-	17,294,143	17,021,168
-	-	-	-	(22,912,829)	-	-	(22,912,829)	(22,069,491)
-	-	-	-	-	-	7,438,977	7,438,977	9,130,065
<u>1,253,549</u>	<u>1,044,801</u>	<u>3,400,630</u>	<u>42,315</u>	<u>4,383,647</u>	<u>2,212,916</u>	<u>40,786,353</u>	<u>101,055,697</u>	<u>98,269,120</u>
26,890	464,695	64,621	-	1,070,885	9,933	99,156	3,728,571	4,422,081
-	2,909	10,300	-	47,611	-	-	309,733	752,523
-	-	724,923	5,772	1,029,163	-	-	2,181,037	3,352,740
-	27,668	-	-	696,285	-	-	3,047,007	5,150,919
-	-	27,500	-	331,934	-	-	359,434	480,000
<u>26,890</u>	<u>495,272</u>	<u>827,344</u>	<u>5,772</u>	<u>3,175,878</u>	<u>9,933</u>	<u>99,156</u>	<u>9,625,782</u>	<u>14,158,263</u>
-	151,814	-	-	-	-	5,820,639	8,685,895	5,598,406
-	-	-	-	5,688,686	-	20,756,984	26,445,670	22,787,272
-	-	-	-	-	-	-	-	1,670
-	-	-	-	-	-	7,438,977	7,438,977	9,130,065
<u>1,226,659</u>	<u>397,715</u>	<u>2,573,286</u>	<u>36,543</u>	<u>(4,480,917)</u>	<u>2,202,983</u>	<u>6,670,597</u>	<u>48,859,373</u>	<u>46,593,444</u>
<u>1,226,659</u>	<u>549,529</u>	<u>2,573,286</u>	<u>36,543</u>	<u>1,207,769</u>	<u>2,202,983</u>	<u>40,687,197</u>	<u>91,429,915</u>	<u>84,110,857</u>
<u>1,253,549</u>	<u>1,044,801</u>	<u>3,400,630</u>	<u>42,315</u>	<u>4,383,647</u>	<u>2,212,916</u>	<u>40,786,353</u>	<u>101,055,697</u>	<u>98,269,120</u>

**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, 2009**

	<b>Public Safety</b>	<b>Health</b>	<b>Building Services</b>	<b>Sewer Construction and Maintenance</b>	<b>Underground Utilities</b>	<b>Transportation</b>
<b>Revenues:</b>						
Taxes	\$ -	723,742	-	-	5,265,094	-
Licenses and permits	-	579,070	4,196,667	-	-	-
Intergovernmental revenues	2,714,490	7,956,416	-	-	-	10,309,510
Charges for services	-	621,966	-	6,684,563	-	-
Investment earnings	15,229	-	75,811	117,751	871,505	280,679
Net change in fair value of investments	2,301	-	(3,549)	25,721	178,188	53,135
Rental income	-	-	-	-	-	-
Miscellaneous revenues	704	8,208	2,054	1,500	-	1,319,274
Contributions	-	-	-	-	-	-
<b>Total revenues</b>	<u>2,732,724</u>	<u>9,889,402</u>	<u>4,270,983</u>	<u>6,829,535</u>	<u>6,314,787</u>	<u>11,962,598</u>
<b>Expenditures:</b>						
Current:						
Public safety	3,061,260	-	-	-	-	-
Transportation	-	-	-	-	39,640	8,266,388
Sanitation	-	-	-	4,060,775	-	-
Health	-	11,471,282	-	-	-	-
Culture and leisure	-	-	-	-	-	-
Community development	-	-	6,948,075	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>3,061,260</u>	<u>11,471,282</u>	<u>6,948,075</u>	<u>4,060,775</u>	<u>39,640</u>	<u>8,266,388</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(328,536)</u>	<u>(1,581,880)</u>	<u>(2,677,092)</u>	<u>2,768,760</u>	<u>6,275,147</u>	<u>3,696,210</u>
<b>Other financing sources (uses):</b>						
Issuance of long-term debt	-	-	-	-	-	-
Transfers in	-	2,327,803	-	-	-	362,593
Transfers out	-	-	(71,840)	(2,140,411)	(2,551,462)	(2,172,836)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>2,327,803</u>	<u>(71,840)</u>	<u>(2,140,411)</u>	<u>(2,551,462)</u>	<u>(1,810,243)</u>
<b>Change in fund balances</b>	<u>(328,536)</u>	<u>745,923</u>	<u>(2,748,932)</u>	<u>628,349</u>	<u>3,723,685</u>	<u>1,885,967</u>
<b>Fund balances at beginning of year</b>	<u>701,353</u>	<u>(799,762)</u>	<u>2,774,582</u>	<u>3,675,574</u>	<u>24,550,684</u>	<u>8,137,062</u>
<b>Fund balances (deficit) at end of year</b>	<u>\$ 372,817</u>	<u>(53,839)</u>	<u>25,650</u>	<u>4,303,923</u>	<u>28,274,369</u>	<u>10,023,029</u>

Human Services Endowment	Library	Parking	Air Quality Improvement	Housing and Community Development	Donated Funds	Low and Moderate Income Housing	Totals	
							2009	2008
-	2,228,164	15,642	-	-	-	-	8,232,642	7,731,688
-	-	-	-	-	-	-	4,775,737	5,929,866
-	92,956	-	169,236	17,231,882	-	970,000	39,444,490	33,719,588
-	123,585	656,126	-	-	-	-	8,086,240	6,923,655
42,420	8,002	76,732	46	84,015	65,694	350,550	1,988,434	2,659,556
7,305	3,298	14,777	56	12,956	13,428	58,936	366,552	299,826
-	704	2,340,998	-	105,395	-	78,514	2,525,611	2,471,341
-	138,309	772	-	331,403	364,647	1,678,457	3,845,328	4,620,057
-	-	-	-	-	37,050	-	37,050	10,050
<u>49,725</u>	<u>2,595,018</u>	<u>3,105,047</u>	<u>169,338</u>	<u>17,765,651</u>	<u>480,819</u>	<u>3,136,457</u>	<u>69,302,084</u>	<u>64,365,627</u>
-	-	-	-	-	-	-	3,061,260	2,000,718
-	-	2,260,154	-	-	-	-	10,566,182	10,426,769
-	-	-	-	-	-	-	4,060,775	3,189,090
-	-	-	-	-	-	-	11,471,282	12,123,825
129,594	12,393,777	-	-	-	180,849	-	12,704,220	12,270,164
-	-	-	-	17,431,899	-	2,674,320	27,054,294	25,353,947
-	-	-	-	260,000	-	-	260,000	250,000
-	-	-	-	131,280	-	-	131,280	164,952
<u>129,594</u>	<u>12,393,777</u>	<u>2,260,154</u>	<u>-</u>	<u>17,823,179</u>	<u>180,849</u>	<u>2,674,320</u>	<u>69,309,293</u>	<u>65,779,465</u>
<u>(79,869)</u>	<u>(9,798,759)</u>	<u>844,893</u>	<u>169,338</u>	<u>(57,528)</u>	<u>299,970</u>	<u>462,137</u>	<u>(7,209)</u>	<u>(1,413,838)</u>
-	-	-	-	-	-	232,380	232,380	1,180,172
-	10,060,269	148,224	-	-	-	2,926,491	15,825,380	14,392,460
-	-	(581,093)	(179,614)	-	-	(1,034,237)	(8,731,493)	(10,105,692)
-	10,060,269	(432,869)	(179,614)	-	-	2,124,634	7,326,267	5,466,940
<u>(79,869)</u>	<u>261,510</u>	<u>412,024</u>	<u>(10,276)</u>	<u>(57,528)</u>	<u>299,970</u>	<u>2,586,771</u>	<u>7,319,058</u>	<u>4,053,102</u>
<u>1,306,528</u>	<u>288,019</u>	<u>2,161,262</u>	<u>46,819</u>	<u>1,265,297</u>	<u>1,903,013</u>	<u>38,100,426</u>	<u>84,110,857</u>	<u>80,057,755</u>
<u>1,226,659</u>	<u>549,529</u>	<u>2,573,286</u>	<u>36,543</u>	<u>1,207,769</u>	<u>2,202,983</u>	<u>40,687,197</u>	<u>91,429,915</u>	<u>84,110,857</u>

**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, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Intergovernmental revenues	\$ 1,886,417	2,433,111	2,714,490	281,379	2,164,970
Investment earnings	20,600	20,600	15,229	(5,371)	24,664
Net change in fair value of investments	-	-	2,301	2,301	2,083
Miscellaneous revenues	-	-	704	704	5,276
Total revenues	<u>1,907,017</u>	<u>2,453,711</u>	<u>2,732,724</u>	<u>279,013</u>	<u>2,196,993</u>
<b>Expenditures:</b>					
Current:					
Public safety	<u>2,339,086</u>	<u>4,867,992</u>	<u>3,061,260</u>	<u>1,806,732</u>	<u>2,000,718</u>
Total expenditures	<u>2,339,086</u>	<u>4,867,992</u>	<u>3,061,260</u>	<u>1,806,732</u>	<u>2,000,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(432,069)</u>	<u>(2,414,281)</u>	<u>(328,536)</u>	<u>2,085,745</u>	<u>196,275</u>
Change in fund balances	<u>(432,069)</u>	<u>(2,414,281)</u>	<u>(328,536)</u>	<u>2,085,745</u>	<u>196,275</u>
<b>Fund balance at beginning of year</b>	<u>701,353</u>	<u>701,353</u>	<u>701,353</u>	<u>-</u>	<u>505,078</u>
<b>Fund balance at end of year</b>	<u>\$ 269,284</u>	<u>(1,712,928)</u>	<u>372,817</u>	<u>2,085,745</u>	<u>701,353</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, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Taxes	\$ 625,523	625,523	723,742	98,219	811,596
Licenses and permits	672,860	672,860	579,070	(93,790)	644,195
Intergovernmental revenues	8,533,117	8,763,643	7,956,416	(807,227)	7,904,775
Charges for services	716,208	716,208	621,966	(94,242)	697,909
Miscellaneous revenues	12,000	262,000	8,208	(253,792)	57,376
Total revenues	<u>10,559,708</u>	<u>11,040,234</u>	<u>9,889,402</u>	<u>(1,150,832)</u>	<u>10,115,851</u>
<b>Expenditures:</b>					
Current:					
Health	<u>11,607,255</u>	<u>13,337,781</u>	<u>11,471,282</u>	<u>1,866,499</u>	<u>12,123,825</u>
Total expenditures	<u>11,607,255</u>	<u>13,337,781</u>	<u>11,471,282</u>	<u>1,866,499</u>	<u>12,123,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,047,547)</u>	<u>(2,297,547)</u>	<u>(1,581,880)</u>	<u>715,667</u>	<u>(2,007,974)</u>
<b>Other financing sources (uses):</b>					
Transfers in	1,048,626	2,298,626	2,327,803	29,177	1,085,121
Transfers out	-	-	-	-	(8,722)
Total other financing sources (uses)	<u>1,048,626</u>	<u>2,298,626</u>	<u>2,327,803</u>	<u>29,177</u>	<u>1,076,399</u>
Change in fund balances	1,079	1,079	745,923	744,844	(931,575)
<b>Fund balance at beginning of year</b>	<u>(799,762)</u>	<u>(799,762)</u>	<u>(799,762)</u>	<u>-</u>	<u>131,813</u>
<b>Fund balance (deficit) at end of year</b>	<u>\$ (798,683)</u>	<u>(798,683)</u>	<u>(53,839)</u>	<u>744,844</u>	<u>(799,762)</u>

**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, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Licenses and permits	\$ 6,000,000	6,000,000	4,196,667	(1,803,333)	5,285,671
Investment earnings	100,000	100,000	75,811	(24,189)	205,296
Net change in fair value of investments	100,000	100,000	(3,549)	(103,549)	33,880
Miscellaneous revenues	-	-	2,054	2,054	2,470
Total revenues	<u>6,200,000</u>	<u>6,200,000</u>	<u>4,270,983</u>	<u>(1,929,017)</u>	<u>5,527,317</u>
<b>Expenditures:</b>					
Current:					
Community development	<u>7,284,473</u>	<u>8,647,581</u>	<u>6,948,075</u>	<u>1,699,506</u>	<u>6,845,038</u>
Total expenditures	<u>7,284,473</u>	<u>8,647,581</u>	<u>6,948,075</u>	<u>1,699,506</u>	<u>6,845,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,084,473)</u>	<u>(2,447,581)</u>	<u>(2,677,092)</u>	<u>(229,511)</u>	<u>(1,317,721)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	1,958
Transfers out	-	(48,500)	(71,840)	(23,340)	(100,040)
Total other financing sources (uses)	-	(48,500)	(71,840)	(23,340)	(98,082)
Change in fund balances	(1,084,473)	(2,496,081)	(2,748,932)	(252,851)	(1,415,803)
<b>Fund balance at beginning of year</b>	<u>2,774,582</u>	<u>2,774,582</u>	<u>2,774,582</u>	<u>-</u>	<u>4,190,385</u>
<b>Fund balance at end of year</b>	<u>\$ 1,690,109</u>	<u>278,501</u>	<u>25,650</u>	<u>(252,851)</u>	<u>2,774,582</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, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Charges for services	\$ 6,878,916	6,878,916	6,684,563	(194,353)	5,583,161
Investment earnings	107,124	107,124	117,751	10,627	152,466
Net change in fair value of investments	-	-	25,721	25,721	19,250
Miscellaneous revenues	-	-	1,500	1,500	5,000
Total revenues	<u>6,986,040</u>	<u>6,986,040</u>	<u>6,829,535</u>	<u>(156,505)</u>	<u>5,759,877</u>
<b>Expenditures:</b>					
Current:					
Sanitation	<u>4,139,010</u>	<u>4,611,177</u>	<u>4,060,775</u>	<u>550,402</u>	<u>3,189,090</u>
Total expenditures	<u>4,139,010</u>	<u>4,611,177</u>	<u>4,060,775</u>	<u>550,402</u>	<u>3,189,090</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,847,030</u>	<u>2,374,863</u>	<u>2,768,760</u>	<u>393,897</u>	<u>2,570,787</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	7,826
Transfers out	<u>(2,085,415)</u>	<u>(1,814,165)</u>	<u>(2,140,411)</u>	<u>(326,246)</u>	<u>(2,656,754)</u>
Total other financing sources (uses)	<u>(2,085,415)</u>	<u>(1,814,165)</u>	<u>(2,140,411)</u>	<u>(326,246)</u>	<u>(2,648,928)</u>
Change in fund balances	761,615	560,698	628,349	67,651	(78,141)
<b>Fund balance at beginning of year</b>	<u>3,675,574</u>	<u>3,675,574</u>	<u>3,675,574</u>	<u>-</u>	<u>3,753,715</u>
<b>Fund balance at end of year</b>	<u>\$ 4,437,189</u>	<u>4,236,272</u>	<u>4,303,923</u>	<u>67,651</u>	<u>3,675,574</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, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Taxes	\$ 5,012,118	5,012,118	5,265,094	252,976	5,026,395
Investment earnings	1,091,772	1,091,772	871,505	(220,267)	963,798
Net change in fair value of investments	-	-	178,188	178,188	86,861
Total revenues	<u>6,103,890</u>	<u>6,103,890</u>	<u>6,314,787</u>	<u>210,897</u>	<u>6,077,054</u>
<b>Expenditures:</b>					
Current:					
Transportation	39,640	39,640	39,640	-	35,401
Total expenditures	<u>39,640</u>	<u>39,640</u>	<u>39,640</u>	<u>-</u>	<u>35,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,064,250</u>	<u>6,064,250</u>	<u>6,275,147</u>	<u>210,897</u>	<u>6,041,653</u>
<b>Other financing sources (uses):</b>					
Transfers out	<u>(6,907,711)</u>	<u>(9,215,637)</u>	<u>(2,551,462)</u>	<u>6,664,175</u>	<u>(1,392,914)</u>
Total other financing sources (uses)	<u>(6,907,711)</u>	<u>(9,215,637)</u>	<u>(2,551,462)</u>	<u>6,664,175</u>	<u>(1,392,914)</u>
Change in fund balances	(843,461)	(3,151,387)	3,723,685	6,875,072	4,648,739
<b>Fund balance at beginning of year</b>	<u>24,550,684</u>	<u>24,550,684</u>	<u>24,550,684</u>	<u>-</u>	<u>19,901,945</u>
<b>Fund balance at end of year</b>	<u>\$ 23,707,223</u>	<u>21,399,297</u>	<u>28,274,369</u>	<u>6,875,072</u>	<u>24,550,684</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, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Intergovernmental revenues	\$ 8,164,951	10,354,198	10,309,510	(44,688)	7,955,226
Investment earnings	451,030	451,030	280,679	(170,351)	437,391
Net change in fair value of investments	-	-	53,135	53,135	62,585
Miscellaneous revenues	<u>1,492,253</u>	<u>1,492,253</u>	<u>1,319,274</u>	<u>(172,979)</u>	<u>1,377,490</u>
Total revenues	<u>10,108,234</u>	<u>12,297,481</u>	<u>11,962,598</u>	<u>(334,883)</u>	<u>9,832,692</u>
<b>Expenditures:</b>					
Current:					
Transportation	<u>8,680,593</u>	<u>8,703,491</u>	<u>8,266,388</u>	<u>437,103</u>	<u>8,312,084</u>
Total expenditures	<u>8,680,593</u>	<u>8,703,491</u>	<u>8,266,388</u>	<u>437,103</u>	<u>8,312,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,427,641</u>	<u>3,593,990</u>	<u>3,696,210</u>	<u>102,220</u>	<u>1,520,608</u>
<b>Other financing sources (uses):</b>					
Transfers in	362,593	362,593	362,593	-	362,508
Transfers out	<u>(2,074,450)</u>	<u>(5,732,022)</u>	<u>(2,172,836)</u>	<u>3,559,186</u>	<u>(3,231,653)</u>
Total other financing sources (uses)	<u>(1,711,857)</u>	<u>(5,369,429)</u>	<u>(1,810,243)</u>	<u>3,559,186</u>	<u>(2,869,145)</u>
Change in fund balances	(284,216)	(1,775,439)	1,885,967	3,661,406	(1,348,537)
<b>Fund balance at beginning of year</b>	<u>8,137,062</u>	<u>8,137,062</u>	<u>8,137,062</u>	<u>-</u>	<u>9,485,599</u>
<b>Fund balance at end of year</b>	<u>\$ 7,852,846</u>	<u>6,361,623</u>	<u>10,023,029</u>	<u>3,661,406</u>	<u>8,137,062</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, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Investment earnings	\$ 60,000	60,000	42,420	(17,580)	56,039
Net change in fair value of investments	-	-	7,305	7,305	5,971
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>49,725</u>	<u>(10,275)</u>	<u>62,010</u>
<b>Expenditures:</b>					
Current:					
Culture and leisure	<u>158,381</u>	<u>158,381</u>	<u>129,594</u>	<u>28,787</u>	<u>154,305</u>
Total expenditures	<u>158,381</u>	<u>158,381</u>	<u>129,594</u>	<u>28,787</u>	<u>154,305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(98,381)</u>	<u>(98,381)</u>	<u>(79,869)</u>	<u>18,512</u>	<u>(92,295)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	200,000
Total other financing sources (uses)	-	-	-	-	200,000
Change in fund balances	(98,381)	(98,381)	(79,869)	18,512	107,705
<b>Fund balance at beginning of year</b>	<u>1,306,528</u>	<u>1,306,528</u>	<u>1,306,528</u>	-	<u>1,198,823</u>
<b>Fund balance at end of year</b>	<u>\$ 1,208,147</u>	<u>1,208,147</u>	<u>1,226,659</u>	<u>18,512</u>	<u>1,306,528</u>

**CITY OF PASADENA**

**Library Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Taxes	\$ 2,239,597	2,239,597	2,228,164	(11,433)	1,876,548
Intergovernmental revenues	80,569	80,569	92,956	12,387	127,012
Charges for services	106,045	106,045	123,585	17,540	107,553
Investment earnings	40,000	40,000	8,002	(31,998)	23,867
Net change in fair value of investments	-	-	3,298	3,298	-
Rental income	1,000	1,000	704	(296)	4,007
Miscellaneous revenues	30,000	30,000	138,309	108,309	90,235
Total revenues	<u>2,497,211</u>	<u>2,497,211</u>	<u>2,595,018</u>	<u>97,807</u>	<u>2,229,222</u>
<b>Expenditures:</b>					
Current:					
Culture and leisure	<u>12,542,335</u>	<u>12,891,559</u>	<u>12,393,777</u>	<u>497,782</u>	<u>11,843,011</u>
Total expenditures	<u>12,542,335</u>	<u>12,891,559</u>	<u>12,393,777</u>	<u>497,782</u>	<u>11,843,011</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,045,124)</u>	<u>(10,394,348)</u>	<u>(9,798,759)</u>	<u>595,589</u>	<u>(9,613,789)</u>
<b>Other financing sources (uses):</b>					
Transfers in	9,860,269	10,060,269	10,060,269	-	9,191,023
Transfers out	<u>(57,000)</u>	<u>(57,000)</u>	<u>-</u>	<u>57,000</u>	<u>-</u>
Total other financing sources (uses)	<u>9,803,269</u>	<u>10,003,269</u>	<u>10,060,269</u>	<u>57,000</u>	<u>9,191,023</u>
Change in fund balances	(241,855)	(391,079)	261,510	652,589	(422,766)
<b>Fund balance at beginning of year</b>	<u>288,019</u>	<u>288,019</u>	<u>288,019</u>	<u>-</u>	<u>710,785</u>
<b>Fund balance at end of year</b>	<u>\$ 46,164</u>	<u>(103,060)</u>	<u>549,529</u>	<u>652,589</u>	<u>288,019</u>

**CITY OF PASADENA**

**Parking Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Taxes	\$ 19,500	19,500	15,642	(3,858)	17,149
Charges for services	611,687	611,687	656,126	44,439	535,032
Investment earnings	76,508	76,508	76,732	224	99,289
Net change in fair value of investments	-	-	14,777	14,777	14,927
Rental income	2,414,182	2,414,182	2,340,998	(73,184)	2,293,557
Miscellaneous revenues	500	500	772	272	1,217
<b>Total revenues</b>	<u>3,122,377</u>	<u>3,122,377</u>	<u>3,105,047</u>	<u>(17,330)</u>	<u>2,961,171</u>
<b>Expenditures:</b>					
Current:					
Transportation	<u>2,814,738</u>	<u>2,495,959</u>	<u>2,260,154</u>	<u>235,805</u>	<u>2,079,284</u>
<b>Total expenditures</b>	<u>2,814,738</u>	<u>2,495,959</u>	<u>2,260,154</u>	<u>235,805</u>	<u>2,079,284</u>
Excess (deficiency) of revenues over (under) expenditures	<u>307,639</u>	<u>626,418</u>	<u>844,893</u>	<u>218,475</u>	<u>881,887</u>
<b>Other financing sources (uses):</b>					
Issuance of long-term debt	-	-	-	-	180,172
Transfers in	263,224	263,224	148,224	(115,000)	263,224
Transfers out	<u>(637,579)</u>	<u>(1,142,896)</u>	<u>(581,093)</u>	<u>561,803</u>	<u>(943,307)</u>
<b>Total other financing sources (uses)</b>	<u>(374,355)</u>	<u>(879,672)</u>	<u>(432,869)</u>	<u>446,803</u>	<u>(499,911)</u>
Change in fund balances	(66,716)	(253,254)	412,024	665,278	381,976
<b>Fund balance at beginning of year</b>	<u>2,161,262</u>	<u>2,161,262</u>	<u>2,161,262</u>	<u>-</u>	<u>1,779,286</u>
<b>Fund balance at end of year</b>	<u>\$ 2,094,546</u>	<u>1,908,008</u>	<u>2,573,286</u>	<u>665,278</u>	<u>2,161,262</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, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Intergovernmental revenues	\$ 182,100	182,100	169,236	(12,864)	176,697
Investment earnings	-	-	46	46	141
Net change in fair value of investments	-	-	56	56	91
Total revenues	<u>182,100</u>	<u>182,100</u>	<u>169,338</u>	<u>(12,762)</u>	<u>176,929</u>
<b>Expenditures:</b>					
Current:					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>182,100</u>	<u>182,100</u>	<u>169,338</u>	<u>(12,762)</u>	<u>176,929</u>
<b>Other financing sources (uses):</b>					
Transfers out	<u>(179,614)</u>	<u>(179,614)</u>	<u>(179,614)</u>	<u>-</u>	<u>(179,408)</u>
Total other financing sources (uses)	<u>(179,614)</u>	<u>(179,614)</u>	<u>(179,614)</u>	<u>-</u>	<u>(179,408)</u>
Change in fund balances	2,486	2,486	(10,276)	(12,762)	(2,479)
<b>Fund balance at beginning of year</b>	<u>46,819</u>	<u>46,819</u>	<u>46,819</u>	<u>-</u>	<u>49,298</u>
<b>Fund balance at end of year</b>	<u>\$ 49,305</u>	<u>49,305</u>	<u>36,543</u>	<u>(12,762)</u>	<u>46,819</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, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Intergovernmental revenues	\$ 16,895,829	16,895,829	17,231,882	336,053	15,390,908
Investment earnings	-	-	84,015	84,015	85,574
Net change in fair value of investments	-	-	12,956	12,956	(1,164)
Rental income	-	-	105,395	105,395	101,938
Miscellaneous revenues	<u>200,000</u>	<u>200,000</u>	<u>331,403</u>	<u>131,403</u>	<u>435,198</u>
Total revenues	<u>17,095,829</u>	<u>17,095,829</u>	<u>17,765,651</u>	<u>669,822</u>	<u>16,012,454</u>
<b>Expenditures:</b>					
Current:					
Community development	16,820,875	16,844,325	17,431,899	(587,574)	15,897,571
Debt service:					
Principal retirement	353,070	353,070	260,000	93,070	250,000
Interest	<u>74,004</u>	<u>74,004</u>	<u>131,280</u>	<u>(57,276)</u>	<u>164,952</u>
Total expenditures	<u>17,247,949</u>	<u>17,271,399</u>	<u>17,823,179</u>	<u>(551,780)</u>	<u>16,312,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(152,120)</u>	<u>(175,570)</u>	<u>(57,528)</u>	<u>118,042</u>	<u>(300,069)</u>
<b>Other financing sources (uses):</b>					
Transfers in	<u>490,162</u>	<u>490,162</u>	<u>-</u>	<u>(490,162)</u>	<u>376,903</u>
Total other financing sources (uses)	<u>490,162</u>	<u>490,162</u>	<u>-</u>	<u>(490,162)</u>	<u>376,903</u>
Change in fund balances	338,042	314,592	(57,528)	(372,120)	76,834
<b>Fund balance at beginning of year</b>	<u>1,265,297</u>	<u>1,265,297</u>	<u>1,265,297</u>	<u>-</u>	<u>1,188,463</u>
<b>Fund balance at end of year</b>	<u>\$ 1,603,339</u>	<u>1,579,889</u>	<u>1,207,769</u>	<u>(372,120)</u>	<u>1,265,297</u>

**CITY OF PASADENA**  
**Donated Funds**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budget</u>		<u>Actual</u>	*	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Positive (Negative)</u>	<u>Year</u>
						<u>Actual</u>
<b>Revenues:</b>						
Investment earnings	\$ -	-	65,694		65,694	90,701
Net change in fair value of investments	-	-	13,428		13,428	11,762
Miscellaneous revenue	-	-	364,647		364,647	81,113
Contributions	-	-	37,050		37,050	10,050
Total revenues	<u>-</u>	<u>-</u>	<u>480,819</u>		<u>480,819</u>	<u>193,626</u>
<b>Expenditures:</b>						
Current:						
Culture and leisure	-	-	180,849		(180,849)	272,848
Total expenditures	<u>-</u>	<u>-</u>	<u>180,849</u>		<u>(180,849)</u>	<u>272,848</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>299,970</u>		<u>299,970</u>	<u>(79,222)</u>
<b>Other financing sources (uses):</b>						
Transfers out	-	-	-		-	(166,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>(166,000)</u>
Change in fund balances	-	-	299,970		299,970	(245,222)
<b>Fund balance at beginning of year</b>	<u>1,903,013</u>	<u>1,903,013</u>	<u>1,903,013</u>		<u>-</u>	<u>2,148,235</u>
<b>Fund balance at end of year</b>	<u>\$ 1,903,013</u>	<u>1,903,013</u>	<u>2,202,983</u>		<u>299,970</u>	<u>1,903,013</u>



**CITY OF PASADENA**  
**Low and Moderate Income Housing Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Intergovernmental revenues	\$ 600,000	600,000	970,000	370,000	-
Investment earnings	175,317	175,317	350,550	175,233	520,330
Net change in fair value of investments	-	-	58,936	58,936	63,580
Rental income	-	-	78,514	78,514	71,839
Miscellaneous revenues	<u>4,429,737</u>	<u>4,429,737</u>	<u>1,678,457</u>	<u>(2,751,280)</u>	<u>2,564,682</u>
Total revenues	<u>5,205,054</u>	<u>5,205,054</u>	<u>3,136,457</u>	<u>(2,068,597)</u>	<u>3,220,431</u>
<b>Expenditures:</b>					
Current:					
Community development	<u>10,015,007</u>	<u>10,015,007</u>	<u>2,674,320</u>	<u>7,340,687</u>	<u>2,611,338</u>
Total expenditures	<u>10,015,007</u>	<u>10,015,007</u>	<u>2,674,320</u>	<u>7,340,687</u>	<u>2,611,338</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,809,953)</u>	<u>(4,809,953)</u>	<u>462,137</u>	<u>5,272,090</u>	<u>609,093</u>
<b>Other financing sources (uses):</b>					
Issuance of long-term debt	-	-	232,380	232,380	1,000,000
Transfers in	3,573,102	3,573,102	2,926,491	(646,611)	2,903,897
Transfers out	<u>(1,511,600)</u>	<u>(1,511,600)</u>	<u>(1,034,237)</u>	<u>477,363</u>	<u>(1,426,894)</u>
Total other financing sources (uses)	<u>2,061,502</u>	<u>2,061,502</u>	<u>2,124,634</u>	<u>63,132</u>	<u>2,477,003</u>
Change in fund balances	(2,748,451)	(2,748,451)	2,586,771	5,335,222	3,086,096
<b>Fund balance at beginning of year</b>	<u>38,100,426</u>	<u>38,100,426</u>	<u>38,100,426</u>	<u>-</u>	<u>35,014,330</u>
<b>Fund balance at end of year</b>	<u>\$ 35,351,975</u>	<u>35,351,975</u>	<u>40,687,197</u>	<u>5,335,222</u>	<u>38,100,426</u>

# DEBT SERVICE FUNDS



YEAR ENDED JUNE 30

2009

# NON-MAJOR GOVERNMENTAL FUNDS

## DEBT SERVICE FUNDS

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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.

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General Debt Service Fund - to account for the payment of interest and principal of the 1999 pension bonds, the 2004 pension bonds and city-wide obligations.

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

2001 Certificates of Participation - to account for the payment of interest and principal on construction projects.

2004 Auction Certificates of Participation Debt Service Fund - to account for the payment of interest and principal on certain construction projects and infrastructure, public facilities and capital 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, which include the Rose Bowl Stadium and City Hall.

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.

**CITY OF PASADENA**  
**Non-Major Governmental Funds**

**Debt Service Funds**  
**Combining Balance Sheet**  
**June 30, 2009**

	<b>General Debt Service</b>	<b>1993 Certificates of Participation</b>	<b>2001 Certificates of Participation</b>
<b><u>Assets</u></b>			
Cash and investments	\$ 44,834,158	<u>4,826,409</u>	<u>2,197,991</u>
Total assets	<u>44,834,158</u>	<u>4,826,409</u>	<u>2,197,991</u>
<b><u>Liabilities and Fund Balances</u></b>			
Liabilities:			
Accounts payable and accrued liabilities	<u>119,250</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>119,250</u>	<u>-</u>	<u>-</u>
Fund balances:			
Reserved for:			
Debt service	<u>44,714,908</u>	<u>4,826,409</u>	<u>2,197,991</u>
Total fund balances	<u>44,714,908</u>	<u>4,826,409</u>	<u>2,197,991</u>
Total liabilities and fund balances	<u>\$ 44,834,158</u>	<u>4,826,409</u>	<u>2,197,991</u>

<b>2004 Auction Certificates of Participation</b>	<b>2006 Lease Revenue Bond Debt Service</b>	<b>2008 Series B Refunding Cop Debt Service</b>	<b>Totals</b>	
			<b>2009</b>	<b>2008</b>
-	827,356	1,286,583	53,972,497	39,424,596
-	827,356	1,286,583	53,972,497	39,424,596
-	-	-	119,250	180,638
-	-	-	119,250	180,638
-	827,356	1,286,583	53,853,247	39,243,958
-	827,356	1,286,583	53,853,247	39,243,958
-	827,356	1,286,583	53,972,497	39,424,596

**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, 2009**

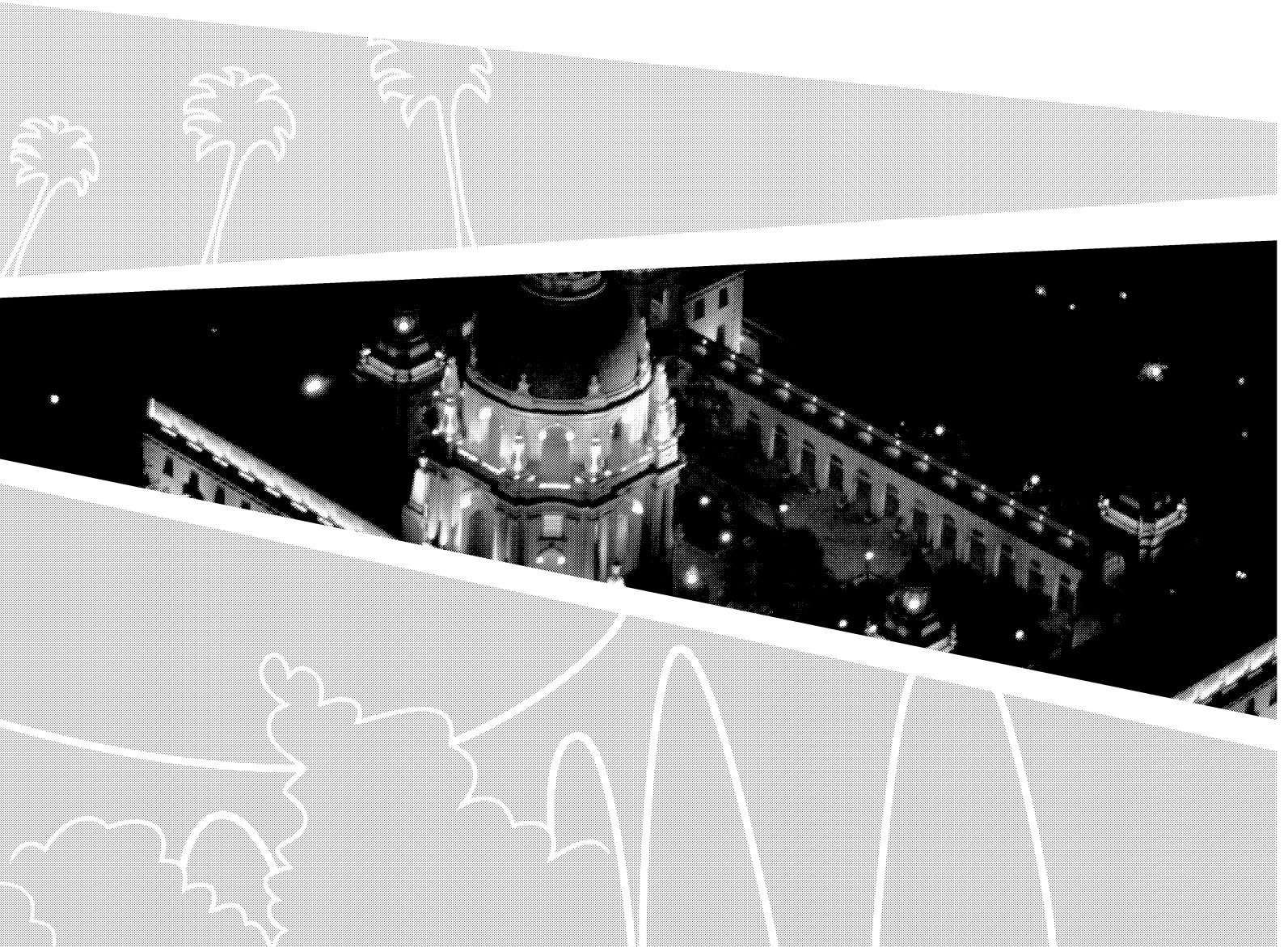
	<b>General Debt Service</b>	<b>1993 Certificates of Participation</b>	<b>2001 Certificates of Participation</b>	<b>2004 Auction Certificates of Participation</b>
<b>Revenues:</b>				
Investment earnings	\$ 1,286,366	184,880	35,512	195
Net change in fair value of investments	193,213	-	-	-
Total revenues	<u>1,479,579</u>	<u>184,880</u>	<u>35,512</u>	<u>195</u>
<b>Expenditures:</b>				
Current:				
General government	15,114	-	-	-
Debt service:				
Principal retirement	5,490,411	-	2,281,183	-
Interest	7,137,872	1,329,743	279,396	-
Total expenditures	<u>12,643,397</u>	<u>1,329,743</u>	<u>2,560,579</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,163,818)</u>	<u>(1,144,863)</u>	<u>(2,525,067)</u>	<u>195</u>
<b>Other financing sources (uses):</b>				
Issuance of long-term debt	7,410,221	-	-	-
Other Financing use-bond discount	-	-	-	-
Transfers in	19,305,402	1,329,742	2,432,301	-
Transfers out	(947,693)	-	-	(119,036)
Total other financing sources (uses)	<u>25,767,930</u>	<u>1,329,742</u>	<u>2,432,301</u>	<u>(119,036)</u>
Change in fund balances	14,604,112	184,879	(92,766)	(118,841)
<b>Fund balances at beginning of year</b>	<u>30,110,796</u>	<u>4,641,530</u>	<u>2,290,757</u>	<u>118,841</u>
<b>Fund balances at end of year</b>	<u>\$ 44,714,908</u>	<u>4,826,409</u>	<u>2,197,991</u>	<u>-</u>

2006 Lease Revenue Bond Debt Service	2008 Series B Refunding Cop Debt Service	Totals	
		2009	2008
23,227	63,939	1,594,119	1,932,857
-	-	193,213	80,496
<u>23,227</u>	<u>63,939</u>	<u>1,787,332</u>	<u>2,013,353</u>
266	4,891	20,271	170,119
480,000	677,446	8,929,040	38,325,175
306,504	800,376	9,853,891	11,475,717
<u>786,770</u>	<u>1,482,713</u>	<u>18,803,202</u>	<u>49,971,011</u>
<u>(763,543)</u>	<u>(1,418,774)</u>	<u>(17,015,870)</u>	<u>(47,957,658)</u>
-	-	7,410,221	26,759,131
-	-	-	835,801
734,011	1,480,211	25,281,667	55,776,149
-	-	(1,066,729)	(32,626,688)
<u>734,011</u>	<u>1,480,211</u>	<u>31,625,159</u>	<u>50,744,393</u>
(29,532)	61,437	14,609,289	2,786,735
<u>856,888</u>	<u>1,225,146</u>	<u>39,243,958</u>	<u>36,457,223</u>
<u>827,356</u>	<u>1,286,583</u>	<u>53,853,247</u>	<u>39,243,958</u>

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# CAPITAL PROJECTS FUNDS



YEAR ENDED JUNE 30

2009

# NON-MAJOR GOVERNMENTAL FUNDS

## CAPITAL PROJECTS FUNDS

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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.

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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.

1992 Refunding and Capital Project Certificates of Participation Fund - to account for the financing of certain construction projects.

1993 Refunding and Capital Project Certificates of Participation Fund - to account for the financing of certain construction projects and infrastructure improvements.

1996 Multi-Purpose Capital Project Certificates of Participation Fund - to account for the acquisition, construction, and installation of certain public facilities and capital improvements.

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.

2003 Variable Rate Demand Certificates of Participation Capital Projects Fund - to account for the financing of major renovation to certain municipal buildings and park facilities.

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

# NON-MAJOR GOVERNMENTAL FUNDS

## CAPITAL PROJECTS FUNDS

(Continued)

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2004 Auction Certificate of Participation Capital Project Fund – to account for the financing of certain construction projects and infrastructure, public facilities and capital improvements.

2006 Lease Revenue Bond Capital Project Fund – to account for the financing of certain construction projects and infrastructure improvements to the City's City Hall and related facilities.

Traffic Reduction and Transportation Improvement Fee Fund – to establish a 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.

Pasadena Community Development Commission Fund - to account for all redevelopment and public improvement projects of the Pasadena Community Development Commission.

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**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Capital Projects Funds**  
**Combining Balance Sheet**  
**June 30, 2009**

	<b>Charter Capital Projects</b>	<b>New Development Impact</b>	<b>Residential Development Impact</b>	<b>1992 Refunding and Capital Project Certificates of Participation</b>	<b>1993 Refunding and Capital Project Certificates of Participation</b>	<b>1996 Multi-Purpose Capital Project Certificates of Participation</b>
<b><u>Assets</u></b>						
Cash and investments	\$ 7,438,582	1,638,809	9,354,218	10,187	-	179,902
Accounts receivable	51,722	2,808	-	-	-	870
Notes receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Advances to other funds	-	355,490	-	-	-	6,750,810
Allowance for uncollectible long-term receivables	-	-	-	-	-	(2,599,670)
Property held for resale	-	-	-	-	-	-
<b>Total assets</b>	<b><u>7,490,304</u></b>	<b><u>1,997,107</u></b>	<b><u>9,354,218</u></b>	<b><u>10,187</u></b>	<b><u>-</u></b>	<b><u>4,331,912</u></b>
<b><u>Liabilities and Fund Balances</u></b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	-	-	20,466	5,166	-	-
Deposits	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>20,466</u></b>	<b><u>5,166</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund balances:</b>						
<b>Reserved for:</b>						
Encumbrances	-	-	-	-	-	-
Cultural arts	-	-	-	-	-	-
Pledges	-	-	-	-	-	-
Endowment	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Prepays and other assets	-	-	-	-	-	-
Advances to other funds	-	355,490	-	-	-	4,151,140
Property held for resale	-	-	-	-	-	-
<b>Unreserved, reported in:</b>						
Capital projects funds designated for projects and undesignated	<u>7,490,304</u>	<u>1,641,617</u>	<u>9,333,752</u>	<u>5,021</u>	<u>-</u>	<u>180,772</u>
<b>Total fund balances</b>	<b><u>7,490,304</u></b>	<b><u>1,997,107</u></b>	<b><u>9,333,752</u></b>	<b><u>5,021</u></b>	<b><u>-</u></b>	<b><u>4,331,912</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 7,490,304</u></b>	<b><u>1,997,107</u></b>	<b><u>9,354,218</u></b>	<b><u>10,187</u></b>	<b><u>-</u></b>	<b><u>4,331,912</u></b>

10% Green Fee Capital Projects	2003 Variable Rate Demand Certificate of Participation Capital Project	Capital Public Art	2004 Auction Certificate of Participation Capital Project	2006 Lease Revenue Bond Capital Project	Traffic Reduction Transportation Improvement	Pasadena Community Development Commission	Totals	
							2009	2008
619,337	3,190,535	679,058	-	-	408,080	13,862,876	37,381,584	37,141,070
123,102	-	-	-	-	1,137	288,156	467,795	561,941
-	-	-	-	-	-	7,457,148	7,457,148	7,510,084
-	-	-	-	-	-	1,404,851	1,404,851	1,466,264
-	-	-	-	-	-	3,726,294	10,832,594	10,765,328
-	-	-	-	-	-	(8,413,794)	(11,013,464)	(10,880,712)
<u>742,439</u>	<u>3,190,535</u>	<u>679,058</u>	<u>-</u>	<u>-</u>	<u>409,217</u>	<u>18,325,531</u>	<u>46,530,508</u>	<u>46,563,975</u>
-	-	2,699	-	8,160	-	257,822	294,313	354,743
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,400,686	1,400,686	1,501,278
-	-	-	-	-	-	-	-	95,042
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,932,156	4,932,156	4,790,604
<u>-</u>	<u>-</u>	<u>2,699</u>	<u>-</u>	<u>8,160</u>	<u>-</u>	<u>6,590,664</u>	<u>6,627,155</u>	<u>6,741,667</u>
-	-	-	-	-	-	122,886	122,886	88,261
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,457,148	7,457,148	7,510,084
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,726,294	8,232,924	8,351,346
-	-	-	-	-	-	-	-	-
<u>742,439</u>	<u>3,190,535</u>	<u>676,359</u>	<u>-</u>	<u>(8,160)</u>	<u>409,217</u>	<u>428,539</u>	<u>24,090,395</u>	<u>23,872,617</u>
<u>742,439</u>	<u>3,190,535</u>	<u>676,359</u>	<u>-</u>	<u>(8,160)</u>	<u>409,217</u>	<u>11,734,867</u>	<u>39,903,353</u>	<u>39,822,308</u>
<u>742,439</u>	<u>3,190,535</u>	<u>679,058</u>	<u>-</u>	<u>-</u>	<u>409,217</u>	<u>18,325,531</u>	<u>46,530,508</u>	<u>46,563,975</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, 2009**

	<b>Charter Capital Projects</b>	<b>New Development Impact</b>	<b>Residential Development Impact</b>	<b>1992 Refunding and Capital Project Certificates of Participation</b>	<b>1993 Refunding and Capital Project Certificates of Participation</b>	<b>1996 Multi-Purpose Capital Project Certificates of Participation</b>
<b>Revenues:</b>						
Taxes	\$ -	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment earnings	215,335	64,054	355,791	328	-	65,086
Net change in fair value of investments	119,738	8,898	87,161	62	-	363
Rental income	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-
Contributions	-	-	4,720,031	-	-	-
<b>Total revenues</b>	<b><u>335,073</u></b>	<b><u>72,952</u></b>	<b><u>5,162,983</u></b>	<b><u>390</u></b>	<b><u>-</u></b>	<b><u>65,449</u></b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	-	-	-	3,563	375,336	-
Community development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Debt service:</b>						
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,563</u></b>	<b><u>375,336</u></b>	<b><u>-</u></b>
Excess (deficiency) of revenues over (under) expenditures	<u>335,073</u>	<u>72,952</u>	<u>5,162,983</u>	<u>(3,173)</u>	<u>(375,336)</u>	<u>65,449</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	3,563	378,018	-
Transfers out	<u>(437,333)</u>	<u>(473,992)</u>	<u>(4,451,233)</u>	<u>-</u>	<u>-</u>	<u>(183,993)</u>
<b>Total other financing sources (uses)</b>	<b><u>(437,333)</u></b>	<b><u>(473,992)</u></b>	<b><u>(4,451,233)</u></b>	<b><u>3,563</u></b>	<b><u>378,018</u></b>	<b><u>(183,993)</u></b>
<b>Change in fund balances</b>	<b><u>(102,260)</u></b>	<b><u>(401,040)</u></b>	<b><u>711,750</u></b>	<b><u>390</u></b>	<b><u>2,682</u></b>	<b><u>(118,544)</u></b>
<b>Fund balances (deficits) at beginning of year</b>	<b><u>7,592,564</u></b>	<b><u>2,398,147</u></b>	<b><u>8,622,002</u></b>	<b><u>4,631</u></b>	<b><u>(2,682)</u></b>	<b><u>4,450,456</u></b>
<b>Fund balances (deficits) at end of year</b>	<b><u>\$ 7,490,304</u></b>	<b><u>1,997,107</u></b>	<b><u>9,333,752</u></b>	<b><u>5,021</u></b>	<b><u>-</u></b>	<b><u>4,331,912</u></b>

10% Green Fee Capital Projects	2003 Variable	Capitla Public Art	2004 Auction	2006 Lease	Traffic Reduction Trans Improvent	Pasadena	Totals	
	Rate Demand		Certificate of	Revenue		Community	2009	2008
	Certificate of		Participation	Bond		Development		
Capital Project	Participation	Project	Capital	Capital	Commission			
-	-	-	-	-	-	4,990,767	4,990,767	5,022,634
-	-	-	-	-	167,305	-	167,305	223,542
23,089	39,937	21,226	-	-	10,659	349,578	1,145,083	1,772,218
5,078	-	4,137	-	-	3,757	42,742	271,936	234,787
310,108	-	-	-	-	-	1,015,742	1,325,850	1,355,492
-	-	28,672	-	-	-	56,833	85,505	336,369
-	-	-	-	-	-	-	4,720,031	2,617,432
<u>338,275</u>	<u>39,937</u>	<u>54,035</u>	<u>-</u>	<u>-</u>	<u>181,721</u>	<u>6,455,662</u>	<u>12,706,477</u>	<u>11,562,474</u>
-	52,307	-	2,612	61,059	-	-	494,877	869,802
-	-	-	-	-	-	5,071,302	5,071,302	4,335,372
-	-	39,320	-	-	-	-	39,320	162,442
-	-	-	-	-	-	141,552	141,552	154,802
-	<u>52,307</u>	<u>39,320</u>	<u>2,612</u>	<u>61,059</u>	<u>-</u>	<u>5,212,854</u>	<u>5,747,051</u>	<u>5,522,418</u>
<u>338,275</u>	<u>(12,370)</u>	<u>14,715</u>	<u>(2,612)</u>	<u>(61,059)</u>	<u>181,721</u>	<u>1,242,808</u>	<u>6,959,426</u>	<u>6,040,056</u>
-	52,307	32,250	97,654	52,899	-	1,193,394	1,810,085	1,616,966
<u>(458,377)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,683,538)</u>	<u>(8,688,466)</u>	<u>(7,748,511)</u>
<u>(458,377)</u>	<u>52,307</u>	<u>32,250</u>	<u>97,654</u>	<u>52,899</u>	<u>-</u>	<u>(1,490,144)</u>	<u>(6,878,381)</u>	<u>(6,131,545)</u>
<u>(120,102)</u>	<u>39,937</u>	<u>46,965</u>	<u>95,042</u>	<u>(8,160)</u>	<u>181,721</u>	<u>(247,336)</u>	<u>81,045</u>	<u>(91,489)</u>
<u>862,541</u>	<u>3,150,598</u>	<u>629,394</u>	<u>(95,042)</u>	<u>-</u>	<u>227,496</u>	<u>11,982,203</u>	<u>39,822,308</u>	<u>39,913,797</u>
<u>742,439</u>	<u>3,190,535</u>	<u>676,359</u>	<u>-</u>	<u>(8,160)</u>	<u>409,217</u>	<u>11,734,867</u>	<u>39,903,353</u>	<u>39,822,308</u>



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# PERMANENT FUNDS



YEAR ENDED JUNE 30

2009

# NON-MAJOR GOVERNMENTAL FUNDS

## PERMANENT FUNDS

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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.

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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.

Holmes Bequest Fund - for charitable and humanitarian purposes.

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.

**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Permanent Funds**  
**Combining Balance Sheet**  
**June 30, 2009**

	<b>Vroman Art Bequest</b>	<b>Singer Trust</b>	<b>Noble Award</b>	<b>Holmes Bequest</b>
<b><u>Assets</u></b>				
Cash and investments	\$ 6,828	40,884	5,408	52,802
Accounts receivable	26	203	-	308
Total assets	\$ 6,854	41,087	5,408	53,110
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	-	-	-
Total liabilities	-	-	-	-
Fund balances:				
Unreserved, reported in:				
Permanent funds	6,854	41,087	5,408	53,110
Total fund balances	6,854	41,087	5,408	53,110
Total liabilities and fund balances	\$ 6,854	41,087	5,408	53,110

<b>Sheldon Memorial</b>	<b>Pasadena Center Capital</b>	<b>Cox Trust</b>	<b>Jankos Trust</b>	<b>Hudson</b>	<b>Totals</b>	
	<b>Improvement Trust</b>			<b>Family Trust</b>	<b>2009</b>	<b>2008</b>
288	962,440	4,668	25,464	103,577	1,202,359	1,055,105
12	1,775	26	132	-	2,482	7,058
<u>300</u>	<u>964,215</u>	<u>4,694</u>	<u>25,596</u>	<u>103,577</u>	<u>1,204,841</u>	<u>1,062,163</u>
-	-	-	-	-	-	33
-	-	-	-	-	-	33
<u>300</u>	<u>964,215</u>	<u>4,694</u>	<u>25,596</u>	<u>103,577</u>	<u>1,204,841</u>	<u>1,062,130</u>
<u>300</u>	<u>964,215</u>	<u>4,694</u>	<u>25,596</u>	<u>103,577</u>	<u>1,204,841</u>	<u>1,062,130</u>
<u>300</u>	<u>964,215</u>	<u>4,694</u>	<u>25,596</u>	<u>103,577</u>	<u>1,204,841</u>	<u>1,062,163</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, 2009**

	<b>Vroman Art Bequest</b>	<b>Singer Trust</b>	<b>Noble Award</b>	<b>Holmes Bequest</b>
<b>Revenues:</b>				
Investment earnings	\$ 219	1,318	175	1,703
Net change in fair value of investments	42	249	33	321
Contributions	-	-	-	-
Total revenues	<u>261</u>	<u>1,567</u>	<u>208</u>	<u>2,024</u>
<b>Expenditures:</b>				
Current:				
Culture and leisure	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>261</u>	<u>1,567</u>	<u>208</u>	<u>2,024</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	261	1,567	208	2,024
<b>Fund balances at beginning of year</b>	<u>6,593</u>	<u>39,520</u>	<u>5,200</u>	<u>51,086</u>
<b>Fund balances at end of year</b>	<u>\$ 6,854</u>	<u>41,087</u>	<u>5,408</u>	<u>53,110</u>

<u>Sheldon Memorial</u>	<u>Pasadena Center Capital Improvement Trust</u>	<u>Cox Trust</u>	<u>Jankos Trust</u>	<u>Hudson Family Trust</u>	<u>Totals</u>	
					<u>2009</u>	<u>2008</u>
9	31,040	163	892	2,839	38,358	46,397
2	5,850	28	159	738	7,422	5,281
-	-	-	-	100,000	100,000	-
<u>11</u>	<u>36,890</u>	<u>191</u>	<u>1,051</u>	<u>103,577</u>	<u>145,780</u>	<u>51,678</u>
-	-	575	2,494	-	3,069	2,398
-	-	575	2,494	-	3,069	2,398
<u>11</u>	<u>36,890</u>	<u>(384)</u>	<u>(1,443)</u>	<u>103,577</u>	<u>142,711</u>	<u>49,280</u>
-	-	-	-	-	-	(34,000)
-	-	-	-	-	-	(34,000)
11	36,890	(384)	(1,443)	103,577	142,711	15,280
289	927,325	5,078	27,039	-	1,062,130	1,046,850
<u>300</u>	<u>964,215</u>	<u>4,694</u>	<u>25,596</u>	<u>103,577</u>	<u>1,204,841</u>	<u>1,062,130</u>

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# NON-MAJOR ENTERPRISE FUNDS



YEAR ENDED JUNE 30

2009

## NON-MAJOR ENTERPRISE FUNDS

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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.

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Plaza Las Fuentes Parking Fund - to account for the operations of the underground parking facility on Los Robles Avenue and Union Street.

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.

Del Mar Goldline Parking Garage – to account for the operations of the parking facility at the Delmar Goldline Station.

**CITY OF PASADENA**  
**Non-Major Enterprise Funds**  
**Combining Statement of Net Assets**  
**June 30, 2009**

	Plaza	Refuse	Tele-	Del Mar	Totals	
	Las Fuentes			Collection	communi-	Goldline
	Parking		cations	Parking		
		Collection		Garage		
<b>Assets</b>						
Current assets:						
Cash and investments	\$ 2,138,421	4,821,476	497,473	367,736	7,825,106	10,587,434
Accounts receivable	284,489	1,612,327	146,802	30,125	2,073,743	2,076,276
Less allowance for uncollectible amounts	-	(42,859)	-	-	(42,859)	(41,717)
Total current assets	<u>2,422,910</u>	<u>6,390,944</u>	<u>644,275</u>	<u>397,861</u>	<u>9,855,990</u>	<u>12,621,993</u>
Noncurrent assets:						
Restricted assets - cash and investments:						
Other restricted cash and investments	2,759,360	-	-	-	2,759,360	2,710,424
Advances to other funds	4,376,705	-	-	-	4,376,705	55,000
Capital assets	15,852,268	7,670,664	-	2,450,000	25,972,932	26,928,419
Less accumulated depreciation	(7,277,389)	(5,669,936)	-	(122,500)	(13,069,825)	(12,974,600)
Net property, plant and equipment	<u>8,574,879</u>	<u>2,000,728</u>	<u>-</u>	<u>2,327,500</u>	<u>12,903,107</u>	<u>13,953,819</u>
Total noncurrent assets	<u>15,710,944</u>	<u>2,000,728</u>	<u>-</u>	<u>2,327,500</u>	<u>20,039,172</u>	<u>16,719,243</u>
Total assets	<u>18,133,854</u>	<u>8,391,672</u>	<u>644,275</u>	<u>2,725,361</u>	<u>29,895,162</u>	<u>29,341,236</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable and accrued liabilities	4,720	620,372	27,650	26,023	678,765	743,656
Deposits	-	3,144,531	-	-	3,144,531	3,214,335
Due to other funds	-	-	-	-	-	4,800
Certificates of participation - current	1,700,000	-	-	-	1,700,000	1,500,000
Capitalized lease obligations - current	-	30,509	-	-	30,509	29,369
Total current liabilities	<u>1,704,720</u>	<u>3,795,412</u>	<u>27,650</u>	<u>26,023</u>	<u>5,553,805</u>	<u>5,492,160</u>
Long-term liabilities:						
Advances from other funds	-	1,248,371	-	2,959,136	4,207,507	4,389,245
Certificates of participation - long-term	6,300,000	-	-	-	6,300,000	8,000,000
Capitalized lease obligations - long-term	-	143,394	-	-	143,394	173,903
Unamortized premium (discount)	(77,524)	-	-	-	(77,524)	(116,287)
Total long-term liabilities	<u>6,222,476</u>	<u>1,391,765</u>	<u>-</u>	<u>2,959,136</u>	<u>10,573,377</u>	<u>12,446,861</u>
Total liabilities	<u>7,927,196</u>	<u>5,187,177</u>	<u>27,650</u>	<u>2,985,159</u>	<u>16,127,182</u>	<u>17,939,021</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	3,411,763	1,826,825	-	2,327,500	7,566,088	7,077,258
Restricted for debt services	-	-	-	-	-	-
Unrestricted	6,794,895	1,377,670	616,625	(2,587,298)	6,201,892	4,324,957
Total net assets (deficit)	<u>\$ 10,206,658</u>	<u>3,204,495</u>	<u>616,625</u>	<u>(259,798)</u>	<u>13,767,980</u>	<u>11,402,215</u>

**CITY OF PASADENA**  
**Non-Major Enterprise Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Fiscal Year Ended June 30, 2009**

	Plaza	Refuse	Tele-	Del Mar	Totals	
	Las Fuentes Parking			Collection	communi- cations	Goldline Parking Garage
<b>Operating revenues:</b>						
Charges for services:						
Plaza Las Fuentes parking	\$ 1,848,915	-	-	-	1,848,915	1,921,365
Refuse collection	-	10,285,103	-	-	10,285,103	10,011,635
Telecommunication	-	-	595,165	-	595,165	428,414
Del Mar Goldline Parking Garage	-	-	-	351,145	351,145	164,686
Total operating revenues	<u>1,848,915</u>	<u>10,285,103</u>	<u>595,165</u>	<u>351,145</u>	<u>13,080,328</u>	<u>12,526,100</u>
<b>Operating expenses:</b>						
Plaza Las Fuentes parking	1,685,731	-	-	-	1,685,731	1,717,685
Refuse collection	-	11,191,618	-	-	11,191,618	11,140,297
Telecommunications	-	-	456,840	-	456,840	470,463
Del Mar Goldline Parking Garage	-	-	-	485,248	485,248	201,370
Depreciation	324,373	589,468	-	122,500	1,036,341	1,218,264
Total operating expenses	<u>2,010,104</u>	<u>11,781,086</u>	<u>456,840</u>	<u>607,748</u>	<u>14,855,778</u>	<u>14,748,079</u>
Operating income (loss)	<u>(161,189)</u>	<u>(1,495,983)</u>	<u>138,325</u>	<u>(256,603)</u>	<u>(1,775,450)</u>	<u>(2,221,979)</u>
<b>Nonoperating revenues (expenses):</b>						
Taxes	1,605,237	2,127,786	-	-	3,733,023	4,097,902
Intergovernmental revenues	-	181,354	-	-	181,354	157,241
Investment earnings	352,415	133,855	8,282	14,021	508,573	530,149
Net change in fair value of investments	(590)	29,013	(360)	2,049	30,112	44,845
Interest expense	(183,858)	(51,566)	-	-	(235,424)	(505,317)
Gain (loss) on disposal of assets	-	(14,371)	-	-	(14,371)	(9,730)
Miscellaneous revenues	-	-	-	-	-	-
Other nonoperating revenues (expenses)	-	144,048	-	-	144,048	195,772
Total nonoperating revenues (expenses)	<u>1,773,204</u>	<u>2,550,119</u>	<u>7,922</u>	<u>16,070</u>	<u>4,347,315</u>	<u>4,510,862</u>
Income (loss) before transfers and contributions	1,612,015	1,054,136	146,247	(240,533)	2,571,865	2,288,883
<b>Transfers:</b>						
Transfers in	-	85,000	-	-	85,000	85,000
Transfers out	-	(291,100)	-	-	(291,100)	(198,240)
Net income (loss)	1,612,015	848,036	146,247	(240,533)	2,365,765	2,175,643
<b>Net assets at beginning of year</b>	<u>8,594,643</u>	<u>2,356,459</u>	<u>470,378</u>	<u>(19,265)</u>	<u>11,402,215</u>	<u>9,226,572</u>
<b>Net assets at end of year</b>	<u>\$ 10,206,658</u>	<u>3,204,495</u>	<u>616,625</u>	<u>(259,798)</u>	<u>13,767,980</u>	<u>11,402,215</u>

**CITY OF PASADENA**  
**Non-Major Enterprise Funds**  
**Combining Statement of Cash Flows**  
**Year Ended June 30, 2009**

	Plaza	Refuse	Tele-	Del Mar	Totals	
	Las Fuentes				Collection	communi-
	<u>Parking</u>		<u>cations</u>	<u>Parking</u>		
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 1,818,516	10,364,588	510,191	351,469	13,044,764	12,346,088
Cash payments to suppliers for goods and services	(1,587,073)	(4,682,795)	(79,200)	(532,107)	(6,881,175)	(6,939,393)
Cash payments to employees for services	(66,616)	(4,614,948)	(343,309)	-	(5,024,873)	(4,731,389)
Cash payments to other funds for services	(2,117)	(1,991,185)	(6,681)	(9,338)	(2,009,321)	(2,063,370)
Other nonoperating revenues (expenses)	-	144,048	-	-	144,048	195,772
Net cash provided by (used for) operating activities	<u>162,710</u>	<u>(780,292)</u>	<u>81,001</u>	<u>(189,976)</u>	<u>(726,557)</u>	<u>(1,192,292)</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers to other funds	-	(291,100)	-	-	(291,100)	(198,240)
Transfers from other funds	-	85,000	-	-	85,000	3,044,136
Cash received (paid) on loans to other funds	(4,321,705)	(186,538)	-	-	(4,508,243)	(189,922)
Cash received (paid) on loans from other funds	-	-	-	-	-	(55,000)
Taxes received	1,605,237	2,127,786	-	-	3,733,023	4,097,902
Intergovernmental revenues	-	181,354	-	-	181,354	157,241
Net cash provided by (used for) noncapital financing activities	<u>(2,716,468)</u>	<u>1,916,502</u>	<u>-</u>	<u>-</u>	<u>(799,966)</u>	<u>6,856,117</u>
<b>Cash flows from capital and related financing activities:</b>						
Acquisition and construction of capital assets	-	-	-	-	-	(2,474,716)
Principal paid on debt	(1,500,000)	(29,369)	-	-	(1,529,369)	(1,466,687)
Interest paid on debt	(183,858)	(51,566)	-	-	(235,424)	(505,317)
Net cash used for capital and related financing activities	<u>(1,683,858)</u>	<u>(80,935)</u>	<u>-</u>	<u>-</u>	<u>(1,764,793)</u>	<u>(4,446,720)</u>
<b>Cash flows from investing activities:</b>						
Investment earnings (expenses)	371,131	180,083	8,957	17,753	577,924	574,994
Net cash provided by investing activities	<u>371,131</u>	<u>180,083</u>	<u>8,957</u>	<u>17,753</u>	<u>577,924</u>	<u>574,994</u>
Net increase (decrease) in cash and cash equivalents	(3,866,485)	1,235,358	89,958	(172,223)	(2,713,392)	1,792,099
<b>Cash and cash equivalents at beginning of year</b>	<u>8,764,266</u>	<u>3,586,118</u>	<u>407,515</u>	<u>539,959</u>	<u>13,297,858</u>	<u>11,505,759</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 4,897,781</u>	<u>4,821,476</u>	<u>497,473</u>	<u>367,736</u>	<u>10,584,466</u>	<u>13,297,858</u>
<b>Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Assets:</b>						
Cash and investments	\$ 2,138,421	4,821,476	497,473	367,736	7,825,106	10,587,434
Other restricted cash and investments	2,759,360	-	-	-	2,759,360	2,710,424
Cash and cash equivalents at end of year	<u>\$ 4,897,781</u>	<u>4,821,476</u>	<u>497,473</u>	<u>367,736</u>	<u>10,584,466</u>	<u>13,297,858</u>

(continued)

**CITY OF PASADENA**  
**Non-Major Enterprise Funds**  
**Combining Statement of Cash Flows, (Continued)**  
**Year Ended June 30, 2009**

	<u>Plaza Las Fuentes Parking</u>	<u>Refuse Collection</u>	<u>Tele- communi- cations</u>	<u>Del Mar Goldline Parking</u>	<u>Totals</u>	
					<u>2009</u>	<u>2008</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>						
Operating income (loss)	\$ (161,189)	(1,495,983)	138,325	(256,603)	(1,775,450)	(2,221,979)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	324,373	589,468	-	122,500	1,036,341	1,218,264
Amortization of bond premiums and discounts	38,763	-	-	-	38,763	38,762
Other non-operating revenues (expenses)	-	144,048	-	-	144,048	195,772
(Increase) decrease in accounts receivable	(30,399)	78,343	(84,974)	324	(36,706)	(183,622)
Increase (decrease) in allowance for uncollectible accounts	-	1,142	-	-	1,142	3,610
Increase (decrease) in accounts payable and accrued liabilities	(8,838)	(27,506)	27,650	(56,197)	(64,891)	(398,787)
Increase (decrease) in deposits payable	-	(69,804)	-	-	(69,804)	155,688
Total adjustments	<u>323,899</u>	<u>715,691</u>	<u>(57,324)</u>	<u>66,627</u>	<u>1,048,893</u>	<u>1,029,687</u>
Net cash provided by (used for) operating activities	<u>\$ 162,710</u>	<u>(780,292)</u>	<u>81,001</u>	<u>(189,976)</u>	<u>(726,557)</u>	<u>(1,192,292)</u>
<b>Non-cash investing, capital and financing related activity</b>						
Non-cash changes in fair value of investments	<u>\$ (590)</u>	<u>29,013</u>	<u>(360)</u>	<u>2,049</u>	<u>30,112</u>	<u>44,844</u>

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# INTERNAL SERVICE FUNDS



YEAR ENDED JUNE 30

2009



# INTERNAL SERVICE FUNDS

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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.

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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 maintenance and repair of City vehicles and equipment.

Benefits Fund - to account for employee compensated absences, retirement, and health benefits.

1992 Equipment Leasing Fund - to account for the leasing of equipment, machinery, vehicles, and the acquisition and construction of real property from the Pasadena Civic Improvement Corporation.

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.

**CITY OF PASADENA**

**Internal Service Funds**

**Combining Statement of Net Assets**

**June 30, 2009**

<b>Assets</b>	<b>Computing and Communication Services</b>	<b>Building Maintenance</b>	<b>Fleet Maintenance</b>	<b>Benefits</b>
Current assets:				
Cash and investments	\$ 2,349,827	-	2,541,687	5,978,468
Accounts receivable	-	12,395	59,890	5,677,443
Due from other funds	-	-	-	-
Inventories	-	-	213,983	-
Prepays and other assets	6,755	-	-	146,407
Total current assets	<u>2,356,582</u>	<u>12,395</u>	<u>2,815,560</u>	<u>11,802,318</u>
Noncurrent assets:				
Restricted assets - cash and investments	148,912	-	114,148	-
Advances to other funds	-	-	1,248,371	-
Less allowance for long-term receivable	-	-	-	-
Property held for resale	-	-	-	-
Capital assets	4,332,588	184,250	23,633,061	2,111
Less accumulated depreciation	<u>(2,270,427)</u>	<u>(122,399)</u>	<u>(15,646,843)</u>	<u>(739)</u>
Net property, plant and equipment	<u>2,062,161</u>	<u>61,851</u>	<u>7,986,218</u>	<u>1,372</u>
Total noncurrent asset	<u>2,211,073</u>	<u>61,851</u>	<u>9,348,737</u>	<u>1,372</u>
Total assets	<u>4,567,655</u>	<u>74,246</u>	<u>12,164,297</u>	<u>11,803,690</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	579,698	574,826	1,007,700	5,864,729
Deposits	-	-	-	-
Insurance claims payable - current	-	-	-	-
Due to other funds	-	354,556	-	-
Compensated absences	-	-	-	9,683,534
Capitalized lease obligations - current	34,513	-	361,936	-
Total current liabilities	<u>614,211</u>	<u>929,382</u>	<u>1,369,636</u>	<u>15,548,263</u>
Long-term liabilities:				
Insurance claims payable - long-term	-	-	-	-
OPEB liability	-	-	-	4,304,912
Capitalized lease obligations - long-term	35,416	-	370,891	-
Total long-term liabilities	<u>35,416</u>	<u>-</u>	<u>370,891</u>	<u>4,304,912</u>
Total liabilities	<u>649,627</u>	<u>929,382</u>	<u>1,740,527</u>	<u>19,853,175</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	2,141,144	61,851	7,367,539	1,372
Unrestricted	<u>1,776,884</u>	<u>(916,987)</u>	<u>3,056,231</u>	<u>(8,050,857)</u>
Total net assets	<u>\$ 3,918,028</u>	<u>(855,136)</u>	<u>10,423,770</u>	<u>(8,049,485)</u>

1992						
<u>Equipment Leasing</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Printing Services</u>	<u>Mail Services</u>	<u>Totals</u>	
					<u>2009</u>	<u>2008</u>
1,142,449	10,000,161	1,944,433	-	144,828	24,101,853	23,721,874
10,663	405,358	76,187	3,107	-	6,245,043	6,297,326
-	-	-	-	-	-	4,800
-	-	-	-	-	213,983	267,816
-	-	-	-	70,299	223,461	344,401
<u>1,153,112</u>	<u>10,405,519</u>	<u>2,020,620</u>	<u>3,107</u>	<u>215,127</u>	<u>30,784,340</u>	<u>30,636,217</u>
-	-	-	3,807	-	266,867	1,215,699
-	-	2,914,725	-	-	4,163,096	4,263,534
-	-	(731,709)	-	-	(731,709)	(650,409)
-	-	3,714,391	-	-	3,714,391	3,714,391
-	5,007	25,171	776,052	64,692	29,022,932	33,344,293
-	(5,007)	(25,171)	(198,355)	(33,509)	(18,302,450)	(23,023,968)
-	-	-	577,697	31,183	10,720,482	10,320,325
-	-	5,897,407	581,504	31,183	18,133,127	18,863,540
<u>1,153,112</u>	<u>10,405,519</u>	<u>7,918,027</u>	<u>584,611</u>	<u>246,310</u>	<u>48,917,467</u>	<u>49,499,757</u>
-	230,752	50,962	69,952	20,139	8,398,758	7,961,297
-	-	-	-	-	-	-
-	6,655,242	2,939,853	-	-	9,595,095	10,843,208
-	-	-	92,971	-	447,527	330,067
-	-	-	-	-	9,683,534	8,721,272
-	-	-	209,442	-	605,891	715,266
-	6,885,994	2,990,815	372,365	20,139	28,730,805	28,571,110
-	9,982,862	4,409,779	-	-	14,392,641	16,264,812
-	-	-	-	-	4,304,912	2,142,822
-	-	-	214,659	39	621,005	1,494,329
-	9,982,862	4,409,779	214,659	39	19,318,558	19,901,963
-	16,868,856	7,400,594	587,024	20,178	48,049,363	48,473,073
-	-	-	157,403	31,144	9,760,453	13,040,820
<u>1,153,112</u>	<u>(6,463,337)</u>	<u>517,433</u>	<u>(159,816)</u>	<u>194,988</u>	<u>(8,892,349)</u>	<u>(12,014,136)</u>
<u>1,153,112</u>	<u>(6,463,337)</u>	<u>517,433</u>	<u>(2,413)</u>	<u>226,132</u>	<u>868,104</u>	<u>1,026,684</u>

**CITY OF PASADENA**

**Internal Service Funds**

**Combining Statement of Revenues, Expenses and Changes in Net Assets**

**For the Fiscal Year Ended June 30, 2009**

	<b>Computing and Communication Services</b>	<b>Building Maintenance</b>	<b>Fleet Maintenance</b>	<b>Benefits</b>
<b>Operating revenues:</b>				
Charges for services:				
Computing and communication services	\$ 8,400,526	-	-	-
Building maintenance	-	8,490,638	-	-
Fleet maintenance	-	-	9,458,819	-
Employee benefits	-	-	-	30,545,078
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating revenues	<u>8,400,526</u>	<u>8,490,638</u>	<u>9,458,819</u>	<u>30,545,078</u>
<b>Operating expenses:</b>				
Computing and communication services	8,437,894	-	-	-
Building maintenance	-	9,474,708	-	-
Fleet maintenance	-	-	7,494,851	-
Depreciation	494,253	7,907	1,467,859	106
Benefits	-	-	-	34,806,225
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating expenses	<u>8,932,147</u>	<u>9,482,615</u>	<u>8,962,710</u>	<u>34,806,331</u>
Operating income (loss)	<u>(531,621)</u>	<u>(991,977)</u>	<u>496,109</u>	<u>(4,261,253)</u>
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	97,312	17,308	118,912	271,706
Net change in fair value of investments	21,252	(5,494)	11,274	121,246
Miscellaneous revenue	-	-	-	-
Interest expense	(8,765)	-	(29,108)	-
Gain (loss) on disposal of assets	(60,474)	(216)	2,042	-
Other nonoperating revenues (expenses)	-	214,819	-	-
Total nonoperating revenues (expenses)	<u>49,325</u>	<u>226,417</u>	<u>103,120</u>	<u>392,952</u>
Income (loss) before operating transfers	<u>(482,296)</u>	<u>(765,560)</u>	<u>599,229</u>	<u>(3,868,301)</u>
<b>Transfers from (to) other funds:</b>				
Transfers in	800,000	262,353	-	-
Transfers out	<u>(402,069)</u>	<u>(1,142,943)</u>	<u>(74,545)</u>	<u>(10,967)</u>
Net income (loss)	<u>(84,365)</u>	<u>(1,646,150)</u>	<u>524,684</u>	<u>(3,879,268)</u>
<b>Net assets at beginning of year</b>	<u>4,002,393</u>	<u>791,014</u>	<u>9,899,086</u>	<u>(4,170,217)</u>
<b>Net assets (deficit) at end of year</b>	<u>\$ 3,918,028</u>	<u>(855,136)</u>	<u>10,423,770</u>	<u>(8,049,485)</u>

1992						Totals	
Equipment	Workers'	General	Printing	Mail			
Leasing	Compensation	Liability	Services	Services	2009	2008	
-	-	-	-	-	8,400,526	8,613,905	
-	-	-	-	-	8,490,638	8,319,674	
-	-	-	-	-	9,458,819	9,901,098	
-	-	-	-	-	30,545,078	28,575,284	
-	11,645,675	2,092,517	-	-	13,738,192	11,967,587	
-	-	-	1,122,800	-	1,122,800	1,071,794	
-	-	-	-	421,816	421,816	420,288	
-	11,645,675	2,092,517	1,122,800	421,816	72,177,869	68,869,630	
-	-	-	-	-	8,437,894	8,502,857	
-	-	-	-	-	9,474,708	8,817,319	
-	-	-	-	-	7,494,851	7,811,484	
-	150	2,517	74,729	8,014	2,055,535	1,965,901	
-	-	-	-	-	34,806,225	32,836,204	
-	9,430,361	(712,784)	-	-	8,717,577	14,634,615	
-	-	-	1,106,241	-	1,106,241	1,057,096	
-	-	-	-	471,275	471,275	471,144	
-	9,430,511	(710,267)	1,180,970	479,289	72,564,306	76,096,620	
-	2,215,164	2,802,784	(58,170)	(57,473)	(386,437)	(7,226,990)	
46,107	274,694	103,934	(10,207)	3,438	923,204	1,307,440	
6,987	69,804	9,126	(179)	64	234,080	124,708	
-	-	-	-	-	-	-	
-	-	-	(13,171)	-	(51,044)	(81,057)	
-	(150)	-	-	(7,412)	(66,210)	20,011	
-	-	-	-	-	214,819	215,810	
53,094	344,348	113,060	(23,557)	(3,910)	1,254,849	1,586,912	
53,094	2,559,512	2,915,844	(81,727)	(61,383)	868,412	(5,640,078)	
-	-	-	-	-	1,062,353	186,433	
(445,847)	-	-	-	(12,974)	(2,089,345)	(2,062,509)	
(392,753)	2,559,512	2,915,844	(81,727)	(74,357)	(158,580)	(7,516,154)	
1,545,865	(9,022,849)	(2,398,411)	79,314	300,489	1,026,684	8,542,838	
1,153,112	(6,463,337)	517,433	(2,413)	226,132	868,104	1,026,684	

**CITY OF PASADENA**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended June 30, 2009**

	<b>Computing and Communication Services</b>	<b>Building Maintenance</b>	<b>Fleet Maintenance</b>	<b>Benefits</b>
<b>Cash flows from operating activities:</b>				
Cash payments to suppliers for goods or services	\$ (3,154,367)	(3,441,566)	(4,075,766)	(2,992,628)
Cash payments to employees for services	(4,727,281)	(5,506,941)	(2,400,434)	(28,543,894)
Cash payments to other funds for services	(463,706)	(604,050)	(471,422)	(31,002)
Cash payments from other funds for services	8,394,786	8,478,243	9,489,079	30,529,854
Other nonoperating revenues (expenses)	-	214,819	-	-
Net cash provided by (used for) operating activities	<u>49,432</u>	<u>(859,495)</u>	<u>2,541,457</u>	<u>(1,037,670)</u>
<b>Cash flows from noncapital financing activities:</b>				
Operating transfers in	800,000	262,353	-	-
Operating transfers out	(402,069)	(1,142,943)	(74,545)	(10,967)
Cash paid on loans to other funds	-	354,556	181,738	-
Net cash provided by (used for) noncapital financing activities	<u>397,931</u>	<u>(526,034)</u>	<u>107,193</u>	<u>(10,967)</u>
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from long-term debt	-	-	-	-
Acquisition and construction of capital assets	(781,407)	24,966	(1,797,415)	-
Proceeds from sale of capital assets	-	-	31,952	-
Principal paid on debt	(799,687)	-	(411,406)	-
Interest paid on debt	(8,765)	-	(29,108)	-
Net cash used for capital and related financing activities	<u>(1,589,859)</u>	<u>24,966</u>	<u>(2,205,977)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Investment earnings (expenses)	<u>130,625</u>	<u>14,627</u>	<u>139,917</u>	<u>422,497</u>
Net cash provided by investing activities	<u>130,625</u>	<u>14,627</u>	<u>139,917</u>	<u>422,497</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,011,871)</b>	<b>(1,345,936)</b>	<b>582,590</b>	<b>(626,140)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>3,510,610</u></b>	<b><u>1,345,936</u></b>	<b><u>2,073,245</u></b>	<b><u>6,604,608</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 2,498,739</u></b>	<b><u>-</u></b>	<b><u>2,655,835</u></b>	<b><u>5,978,468</u></b>
<b>Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Assets:</b>				
Cash and investments	\$ 2,349,827	-	2,541,687	5,978,468
Stranded investments	-	-	-	-
Other restricted cash and investments	148,912	-	114,148	-
Less non-cash equivalents	-	-	-	-
Cash and cash equivalents at end of year	<u>\$ 2,498,739</u>	<u>-</u>	<u>2,655,835</u>	<u>5,978,468</u>

1992						
<u>Equipment</u>	<u>Workers'</u>	<u>General</u>	<u>Printing</u>	<u>Mail</u>	<u>Totals</u>	
<u>Leasing</u>	<u>Compensation</u>	<u>Liability</u>	<u>Services</u>	<u>Services</u>	<u>2009</u>	<u>2008</u>
-	(3,195,177)	(2,867,573)	(424,216)	(44,172)	(20,195,465)	(21,842,397)
-	(5,376,287)	(316,014)	(531,457)	(301,912)	(47,704,220)	(44,056,041)
-	(50,410)	(145,303)	(372,251)	(91,736)	(2,229,880)	(1,634,439)
-	11,572,320	2,114,537	1,124,743	422,801	72,126,363	68,235,121
-	-	-	-	-	214,819	(3,498,581)
-	<u>2,950,446</u>	<u>(1,214,353)</u>	<u>(203,181)</u>	<u>(15,019)</u>	<u>2,211,617</u>	<u>(2,796,337)</u>
-	-	-	-	-	1,062,353	186,433
(445,847)	-	-	-	(12,974)	(2,089,345)	(2,062,509)
-	-	-	-	-	536,294	185,122
(445,847)	-	-	-	(12,974)	(490,698)	(1,690,954)
-	-	-	32,203	-	32,203	-
-	-	-	-	-	(2,553,856)	(2,593,979)
-	-	-	-	-	31,952	29,799
-	-	-	196,191	-	(1,014,902)	(728,702)
-	-	-	(13,171)	-	(51,044)	(81,057)
-	-	-	215,223	-	(3,555,647)	(3,373,939)
59,019	378,961	128,168	(12,007)	4,068	1,265,875	1,456,478
59,019	378,961	128,168	(12,007)	4,068	1,265,875	1,456,478
(386,828)	3,329,407	(1,086,185)	35	(23,925)	(568,853)	(6,404,752)
1,529,277	6,670,754	3,030,618	3,772	168,753	24,937,573	31,342,325
<u>1,142,449</u>	<u>10,000,161</u>	<u>1,944,433</u>	<u>3,807</u>	<u>144,828</u>	<u>24,368,720</u>	<u>24,937,573</u>
						(Continued)
1,142,449	10,000,161	1,944,433	-	144,828	24,101,853	23,721,874
-	-	-	-	-	-	-
-	-	-	3,807	-	266,867	1,215,699
-	-	-	-	-	-	-
<u>1,142,449</u>	<u>10,000,161</u>	<u>1,944,433</u>	<u>3,807</u>	<u>144,828</u>	<u>24,368,720</u>	<u>24,937,573</u>

**CITY OF PASADENA**  
**Internal Service Funds**  
**Combining Statement of Cash Flows, (Continued)**  
**Year Ended June 30, 2009**

	<b>Computing and Communication Services</b>	<b>Building Maintenance</b>	<b>Fleet Maintenance</b>	<b>Benefits</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ (531,621)	(991,977)	496,109	(4,261,253)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	494,253	7,907	1,467,859	106
Taxes reported as nonoperating revenue	-			
Other nonoperating revenues (expenses)	-	214,819	-	-
(Increase) decrease in accounts receivable	(5,740)	(12,395)	25,460	(15,224)
(Increase) decrease in due from other funds	-	-	4,800	-
(Increase) decrease in inventories	-	-	53,833	-
(Increase) decrease in prepaids and other assets	(6,755)	-	-	27,791
Increase (decrease) in accounts payable and accrued liabilities	99,295	(77,849)	493,396	86,558
Increase (decrease) in deposits payable	-	-	-	-
Increase (decrease) in insurance claims payable	-	-	-	-
Increase (decrease) in OPEB liability	-	-	-	2,162,090
Increase (decrease) in compensated absences	-	-	-	962,262
<b>Total adjustments</b>	<b>581,053</b>	<b>132,482</b>	<b>2,045,348</b>	<b>3,223,583</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 49,432</b>	<b>(859,495)</b>	<b>2,541,457</b>	<b>(1,037,670)</b>
<b><u>Non-cash investing, capital and financing related activity:</u></b>				
Non-cash changes in fair value of investments	\$ 38,555	(25,583)	146,277	337,775



<b>1992</b>	<b>Equipment Leasing</b>	<b>Workers' Compensation</b>	<b>General Liability</b>	<b>Printing Services</b>	<b>Mail Services</b>	<b>Totals</b>	
						<b>2009</b>	<b>2008</b>
	<u>-</u>	<u>2,215,164</u>	<u>2,802,784</u>	<u>(58,170)</u>	<u>(57,473)</u>	<u>(386,437)</u>	<u>(7,226,990)</u>
		150	2,517	74,729	8,014	2,055,535	1,965,901
	-	-	-	-	-	-	-
	-	-	-	-	-	214,819	(3,498,581)
	-	(73,355)	22,020	1,943	985	(56,306)	(639,309)
	-	-	-	(237,096)	-	(232,296)	334,867
	-	-	-	-	-	53,833	(2,665)
	-	-	-	-	99,904	120,940	(5,068)
	-	(36,931)	(75,972)	15,413	(66,449)	437,461	400,026
	-	-	-	-	-	-	-
	-	845,418	(3,965,702)	-	-	(3,120,284)	2,869,736
	-	-	-	-	-	2,162,090	2,142,822
	-	-	-	-	-	962,262	862,924
	<u>-</u>	<u>735,282</u>	<u>(4,017,137)</u>	<u>(145,011)</u>	<u>42,454</u>	<u>2,598,054</u>	<u>4,430,653</u>
	<u>-</u>	<u>2,950,446</u>	<u>(1,214,353)</u>	<u>(203,181)</u>	<u>(15,019)</u>	<u>2,211,617</u>	<u>(2,796,337)</u>
	<u>106,580</u>	<u>277,848</u>	<u>175,176</u>	<u>(2,187)</u>	<u>(703)</u>	<u>1,053,738</u>	<u>124,708</u>

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# FIDUCIARY FUNDS



YEAR ENDED JUNE 30

2009

# FIDUCIARY FUNDS

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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.

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## **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:**

South Lake Business Improvement District Fund - to account for the collection and payment of business license tax levied on South Lake Avenue.

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).

Community Facilities District No. 1 Fund - to account for the funds used for the Civic Center West Project bond in accordance with the trust agreement.

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.

**CITY OF PASADENA**  
**Pension Trust Funds**  
**Combining Statement of Net Assets**  
**June 30, 2009**

	<u>Deferred Compensation</u>	<u>Fire and Police Retirement System</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 144,689,613	11,699,917	156,389,530	154,808,906
Receivables:				
Interest	-	231,541	231,541	329,623
Total receivables	-	231,541	231,541	329,623
Investments, at fair value:				
Government and agencies		11,043,617	11,043,617	23,204,987
Domestic corporate obligations		16,900,799	16,900,799	18,547,978
International corporate obligations	-	941,454	941,454	674,572
Real estate investment trust (REIT)	-	4,035,853	4,035,853	7,181,379
Domestic corporate stocks		33,647,369	33,647,369	55,746,986
International corporate stocks	-	8,755,287	8,755,287	18,061,526
Total investments	-	75,324,379	75,324,379	123,417,428
Total assets	144,689,613	87,255,837	231,945,450	278,555,957
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	46,810	46,810	88,569
Total liabilities	-	46,810	46,810	88,569
<b>Net assets reserved in trust for employees' pension benefits</b>	<u>\$ 144,689,613</u>	<u>87,209,027</u>	<u>231,898,640</u>	<u>278,467,388</u>

**CITY OF PASADENA**  
**Pension Trust Funds**  
**Combining Statement of Changes in Net Assets**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Deferred Compensation</u>	<u>Fire and Police Retirement System</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
<b>Additions:</b>				
Contributions:				
Employer	\$ -	956,097	956,097	3,193,583
Plan members	<u>14,669,324</u>	<u>23,531</u>	<u>14,692,855</u>	<u>15,048,488</u>
Total contributions	<u>14,669,324</u>	<u>979,628</u>	<u>15,648,952</u>	<u>18,242,071</u>
Net investment income:				
Net change in fair value of investments	(13,235,671)	(26,461,586)	(39,697,257)	(17,782,244)
Interest	-	2,052,803	2,052,803	2,571,805
Dividends	<u>-</u>	<u>1,248,986</u>	<u>1,248,986</u>	<u>1,605,881</u>
Gross investment income (loss)	(13,235,671)	(23,159,797)	(36,395,468)	(13,604,558)
Less investment expenses	<u>-</u>	<u>(465,746)</u>	<u>(465,746)</u>	<u>(407,095)</u>
Net investment income (loss)	<u>(13,235,671)</u>	<u>(23,625,543)</u>	<u>(36,861,214)</u>	<u>(14,011,653)</u>
Total additions	<u>1,433,653</u>	<u>(22,645,915)</u>	<u>(21,212,262)</u>	<u>4,230,418</u>
<b>Deductions:</b>				
Benefits paid to participants	10,247,169	14,898,488	25,145,657	23,997,649
Administrative expenses	<u>-</u>	<u>210,829</u>	<u>210,829</u>	<u>300,721</u>
Total deductions	<u>10,247,169</u>	<u>15,109,317</u>	<u>25,356,486</u>	<u>24,298,370</u>
Net increase (decreases)	(8,813,516)	(37,755,232)	(46,568,748)	(20,067,952)
<b>Net assets reserved in trust for employees' pension benefits:</b>				
Beginning of year	<u>153,503,129</u>	<u>124,964,259</u>	<u>278,467,388</u>	<u>298,535,340</u>
End of year	<u>\$ 144,689,613</u>	<u>87,209,027</u>	<u>231,898,640</u>	<u>278,467,388</u>

**CITY OF PASADENA**

**Agency Funds**

**Combining Balance Sheet**

**June 30, 2009**

	<b><u>South Lake Business Improvement District</u></b>	<b><u>Lake/ Washington Special Assessment District</u></b>	<b><u>Library Equipment Replacement</u></b>	<b><u>Workforce Investment Act</u></b>	<b><u>Community Facilities District No. 1</u></b>
<b><u>Assets</u></b>					
Cash and investments	\$ 103,052	1,045	1,426,206	-	1,431,122
Accounts receivable	-	-	-	945,631	-
Other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>905</u>	<u>-</u>
Total assets	<b><u>\$ 103,052</u></b>	<b><u>1,045</u></b>	<b><u>1,426,206</u></b>	<b><u>946,536</u></b>	<b><u>1,431,122</u></b>
<b><u>Liabilities</u></b>					
Accounts payable and accrued liabilities	\$ 103,052	61	16,373	946,536	-
Due to other funds	-	-	-	-	-
Due to other governments	<u>-</u>	<u>984</u>	<u>1,409,833</u>	<u>-</u>	<u>1,431,122</u>
Total liabilities	<b><u>\$ 103,052</u></b>	<b><u>1,045</u></b>	<b><u>1,426,206</u></b>	<b><u>946,536</u></b>	<b><u>1,431,122</u></b>

<b>Open Space Assessment District</b>	<b>Totals</b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>
-	2,961,425	2,981,479
-	945,631	940,662
-	<u>905</u>	<u>905</u>
-	<u>3,907,961</u>	<u>3,923,046</u>
-	1,066,022	1,076,813
-	-	-
-	<u>2,841,939</u>	<u>2,846,233</u>
-	<u>3,907,961</u>	<u>3,923,046</u>



**CITY OF PASADENA**

**Agency Funds**

**Combining Statements of Changes in Assets and Liabilities**

**For the Fiscal Year Ended June 30, 2009**

	<u>Balance at</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2009</u>
<b><u>SOUTH LAKE BUSINESS IMPROVEMENT DISTRICT</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 98,463	4,589	-	103,052
Total assets	<u>\$ 98,463</u>	<u>4,589</u>	<u>-</u>	<u>103,052</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 98,463	4,589	-	103,052
Total liabilities	<u>\$ 98,463</u>	<u>4,589</u>	<u>-</u>	<u>103,052</u>
<b><u>LAKE/WASHINGTON SPECIAL ASSESSEMENT DISTRICT</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 1,556	27,296	27,807	1,045
Total assets	<u>\$ 1,556</u>	<u>27,296</u>	<u>27,807</u>	<u>1,045</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 74	-	13	61
Due to other governments	1,482	27,120	27,618	984
Total liabilities	<u>\$ 1,556</u>	<u>27,120</u>	<u>27,631</u>	<u>1,045</u>

(Continued)

**CITY OF PASADENA**

**Agency Funds**

**Combining Statements of Changes in Assets and Liabilities, (Continued)**

**For the Fiscal Year Ended June 30, 2009**

	<u>Balance at</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2009</u>
 <b><u>LIBRARY EQUIPMENT REPLACEMENT</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 1,442,927	266,084	282,805	1,426,206
Accounts receivable	<u>3,357</u>	<u>3,353</u>	<u>6,710</u>	<u>-</u>
Total assets	<u>\$ 1,446,284</u>	<u>269,437</u>	<u>289,515</u>	<u>1,426,206</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 40,066	196,426	220,119	16,373
Due to other governments	<u>1,406,218</u>	<u>237,173</u>	<u>233,558</u>	<u>1,409,833</u>
Total liabilities	<u>\$ 1,446,284</u>	<u>433,599</u>	<u>453,677</u>	<u>1,426,206</u>
 <b><u>WORKFORCE INVESTMENT ACT</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ -	4,690,628	4,690,628	-
Accounts receivable	937,305	3,771,691	3,763,365	945,631
Other assets	<u>905</u>	<u>-</u>	<u>-</u>	<u>905</u>
Total assets	<u>\$ 938,210</u>	<u>8,462,319</u>	<u>8,453,993</u>	<u>946,536</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 938,210	7,029,996	7,021,670	946,536
Total liabilities	<u>\$ 938,210</u>	<u>7,029,996</u>	<u>7,021,670</u>	<u>946,536</u>

(Continued)

**CITY OF PASADENA**

**Agency Funds**

**Combining Statements of Changes in Assets and Liabilities, (Continued)**

**For the Fiscal Year Ended June 30, 2009**

	<u>Balance at</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2009</u>
 <b><u>COMMUNITY FACILITIES DISTRICT NO. 1</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 1,438,533	1,406,950	1,414,361	1,431,122
Total assets	\$ 1,438,533	1,406,950	1,414,361	1,431,122
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ -	3,015	3,015	-
Due to other governments	1,438,533	466,756	474,167	1,431,122
Total liabilities	\$ 1,438,533	469,771	477,182	1,431,122
 <b><u>OPEN SPACE ASSESSMENT DISTRICT</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ -	1,364,000	1,364,000	-
Total assets	\$ -	1,364,000	1,364,000	-
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ -	-	-	-
Total liabilities	\$ -	-	-	-

**CITY OF PASADENA**

**Agency Funds**

**Combining Statements of Changes in Assets and Liabilities, (Continued)**

**For the Fiscal Year Ended June 30, 2009**

	<u>Balance at July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2009</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 2,981,479	7,759,547	7,779,601	2,961,425
Accounts receivable	940,662	3,775,044	3,770,075	945,631
Other assets	905	-	-	905
Total assets	<u>\$ 3,923,046</u>	<u>11,534,591</u>	<u>11,549,676</u>	<u>3,907,961</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 1,076,813	7,234,026	7,244,817	1,066,022
Due to other governments	<u>2,846,233</u>	<u>731,049</u>	<u>735,343</u>	<u>2,841,939</u>
Total liabilities	<u>\$ 3,923,046</u>	<u>7,965,075</u>	<u>7,980,160</u>	<u>3,907,961</u>

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# COMPONENT UNITS



YEAR ENDED JUNE 30

2009

## DISCRETELY PRESENTED COMPONENT UNIT

### ROSE BOWL OPERATING COMPANY

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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.

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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 Unit**  
**Rose Bowl Operating Company**  
**Combining Statement of Net Assets**  
**June 30, 2009**

	<u>Rose Bowl</u>	<u>Golf Course</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 8,520,776	1,433,025	9,953,801	7,296,404
Accounts receivable, net	739,723	415,375	1,155,098	1,061,295
Prepays and other assets	28,530	-	28,530	4,686
Due from other funds	317	-	317	12,880
Other receivable	-	55,397	55,397	55,397
Total current assets	<u>9,289,346</u>	<u>1,903,797</u>	<u>11,193,143</u>	<u>8,430,662</u>
Noncurrent assets:				
Cash and investments with fiscal agent	2,952,249	-	2,952,249	3,057,630
Other receivable	-	64,631	64,631	120,028
Unamortized bond issuance costs	227,790	-	227,790	244,061
Construction in progress	2,083,184	284,440	2,367,624	1,860,211
Other capital assets, net	<u>43,861,625</u>	<u>4,140,269</u>	<u>48,001,894</u>	<u>49,891,445</u>
Total noncurrent assets	<u>49,124,848</u>	<u>4,489,340</u>	<u>53,614,188</u>	<u>55,173,375</u>
Total assets	<u>58,414,194</u>	<u>6,393,137</u>	<u>64,807,331</u>	<u>63,604,037</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and other liabilities	1,907,748	125,859	2,033,607	1,493,238
Accrued salaries and benefits	26,819	5,500	32,319	41,712
Interest payable	582,501	-	582,501	33,882
Due to other funds	-	317	317	12,880
Deposits	108,800	-	108,800	36,900
Deferred revenue	1,439,237	-	1,439,237	1,391,508
Current portion of certificates of participation	50,808	-	50,808	48,817
Revenue Bonds-current (notes 9 and 13)	<u>1,795,000</u>	-	<u>1,795,000</u>	<u>1,720,000</u>
Total current liabilities	<u>5,910,913</u>	<u>131,676</u>	<u>6,042,589</u>	<u>4,778,937</u>
Noncurrent liabilities:				
Compensated absences	125,957	21,737	147,694	147,597
Long term portion of certificates of participation	52,903	-	52,903	103,711
Revenue Bonds- long-term (notes 9 and 13)	31,790,000	-	31,790,000	33,585,000
Unamortized premium (discount)	<u>(238,522)</u>	-	<u>(238,522)</u>	<u>(314,419)</u>
Total noncurrent liabilities	<u>31,730,338</u>	<u>21,737</u>	<u>31,752,075</u>	<u>33,521,889</u>
Total liabilities	<u>37,641,251</u>	<u>153,413</u>	<u>37,794,664</u>	<u>38,300,826</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	15,446,869	4,424,709	19,871,578	19,876,356
Unrestricted:				
Designated	5,326,074	1,230,276	6,556,350	4,880,256
Undesignated	-	584,739	584,739	546,599
Total net assets	<u>\$ 20,772,943</u>	<u>6,239,724</u>	<u>27,012,667</u>	<u>25,303,211</u>



**CITY OF PASADENA**  
**Discretely Presented Component Units**  
**Rose Bowl Operating Company**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Rose Bowl</u>	<u>Golf Course</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
<b>Operating revenues:</b>				
Charges for services:				
Rose Bowl	\$ 9,065,547	-	9,065,547	8,762,911
Golf course	-	2,708,624	2,708,624	2,849,362
Total operating revenues	<u>9,065,547</u>	<u>2,708,624</u>	<u>11,774,171</u>	<u>11,612,273</u>
<b>Operating expenses:</b>				
Rose Bowl	7,431,021	-	7,431,021	7,110,097
Golf course	-	887,558	887,558	892,331
Depreciation	2,841,394	195,553	3,036,947	2,786,969
Total operating expenses	<u>10,272,415</u>	<u>1,083,111</u>	<u>11,355,526</u>	<u>10,789,397</u>
(not Operating income	<u>(1,206,868)</u>	<u>1,625,513</u>	<u>418,645</u>	<u>822,876</u>
<b>Nonoperating revenues (expenses):</b>				
Investment gain (loss)	98,748	265,227	363,975	579,443
Interest expense	(1,499,354)	-	(1,499,354)	(1,264,041)
Other nonoperating revenues (expenses)	199,170	227,020	426,190	218,796
Total nonoperating revenues (expenses)	<u>(1,201,436)</u>	<u>492,247</u>	<u>(709,189)</u>	<u>(465,802)</u>
Income before other revenues, expenses, gains, losses, and other items	<u>(2,408,304)</u>	<u>2,117,760</u>	<u>(290,544)</u>	<u>357,074</u>
Transfer (to) from other funds	1,848,151	(1,848,151)	-	-
Capital contributions	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>385,000</u>
Change in net assets	1,439,847	269,609	1,709,456	742,074
<b>Net assets at beginning of year</b>	<u>19,333,096</u>	<u>5,970,115</u>	<u>25,303,211</u>	<u>24,561,137</u>
<b>Net assets at end of year</b>	<u>\$ 20,772,943</u>	<u>6,239,724</u>	<u>27,012,667</u>	<u>25,303,211</u>

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# CAPITAL ASSETS



YEAR ENDED JUNE 30

2009

# GOVERNMENTAL FUNDS

## CAPITAL ASSETS

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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.

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**CITY OF PASADENA**

**Capital Assets Used in the Operation of Government Funds  
Comparative Schedule by Source <sup>(1)</sup>  
June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Governmental funds capital assets:		
Land	\$ 55,467,474	55,467,474
Buildings and improvements	274,305,276	272,589,398
Machinery and equipment	18,046,601	20,815,655
Infrastructure	214,780,755	203,196,466
Construction in progress	<u>101,001,412</u>	<u>93,806,398</u>
 Total governmental funds capital assets	 <u>\$ 663,601,518</u>	 <u>645,875,391</u>
 Investment in governmental funds capital assets by source:		
General Fund	\$ 166,351,065	169,809,915
Special revenue fund	18,399,578	19,414,812
Capital projects funds	<u>478,850,875</u>	<u>456,650,664</u>
 Total governmental funds capital assets	 <u>\$ 663,601,518</u>	 <u>645,875,391</u>

<sup>(1)</sup> 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 assets.

**CITY OF PASADENA**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity<sup>(1)</sup>  
June 30, 2009**

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Totals</u>
<b>General government:</b>						
City Council	\$ -	-	67,471	-	-	67,471
City Manager	-	-	16,066	-	-	16,066
City Attorney	-	-	(6,156)	-	-	(6,156)
City Prosecutor	-	-	61,545	-	-	61,545
City Clerk	-	-	52,199	-	-	52,199
Finance	-	7,013,021	293,306	-	-	7,306,327
Human Resources	-	-	14,280	-	-	14,280
Affirmative Action	-	-	-	-	-	-
Non-departmental	<u>54,226,482</u>	<u>153,019,898</u>	<u>185,650</u>	<u>-</u>	<u>-</u>	<u>207,432,030</u>
Total general government	<u>54,226,482</u>	<u>160,032,919</u>	<u>684,361</u>	<u>-</u>	<u>-</u>	<u>214,943,762</u>
<b>Public safety:</b>						
Fire	-	4,463,958	2,274,762	-	-	6,738,720
Police	<u>-</u>	<u>27,258,534</u>	<u>5,695,717</u>	<u>-</u>	<u>-</u>	<u>32,954,251</u>
Total public safety	<u>-</u>	<u>31,722,492</u>	<u>7,970,479</u>	<u>-</u>	<u>-</u>	<u>39,692,971</u>
<b>Transportation:</b>						
Public Works and Transportation	<u>1,240,992</u>	<u>18,173,649</u>	<u>3,914,029</u>	<u>214,780,755</u>	<u>101,001,412</u>	<u>339,110,837</u>
<b>Health:</b>						
Public Health	<u>-</u>	<u>7,287,271</u>	<u>176,288</u>	<u>-</u>	<u>-</u>	<u>7,463,559</u>
<b>Culture and leisure:</b>						
Human Services, Recreation and Neighborhoods	<u>-</u>	<u>17,727,940</u>	<u>1,352,477</u>	<u>-</u>	<u>-</u>	<u>19,080,417</u>
<b>Community development:</b>						
Planning and Permitting	-	6,927,375	1,535,998	-	-	8,463,373
Housing and Development	<u>-</u>	<u>32,433,630</u>	<u>2,412,969</u>	<u>-</u>	<u>-</u>	<u>34,846,599</u>
Total community development	<u>-</u>	<u>39,361,005</u>	<u>3,948,967</u>	<u>-</u>	<u>-</u>	<u>43,309,972</u>
Total general fixed assets	<u>\$ 55,467,474</u>	<u>274,305,276</u>	<u>18,046,601</u>	<u>214,780,755</u>	<u>101,001,412</u>	<u>663,601,518</u>

# 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 assets.

**CITY OF PASADENA**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity<sup>(1)</sup>  
For the period ended June 30, 2009**

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Governmental Funds Capital Assets June 30, 2009</u>
<b>General government:</b>				
City Council	\$ 75,503	-	(8,032)	67,471
City Manager	296,324	-	(280,258)	16,066
City Attorney	185,651	-	(191,807)	(6,156)
City Prosecutor	67,372	-	(5,827)	61,545
City Clerk	312,104	-	(259,905)	52,199
Finance	7,707,697	-	(401,370)	7,306,327
Human Resources	148,459	-	(134,179)	14,280
Affirmative Action and Diversity	40,818	-	(40,818)	-
Non-departmental	206,630,030	802,000	-	207,432,030
Total general government	<u>215,463,958</u>	<u>802,000</u>	<u>(1,322,196)</u>	<u>214,943,762</u>
<b>Public safety:</b>				
Fire	6,547,564	490,159	(299,003)	6,738,720
Police	33,364,715	91,363	(501,827)	32,954,251
Total public safety	<u>39,912,279</u>	<u>581,522</u>	<u>(800,830)</u>	<u>39,692,971</u>
<b>Transportation:</b>				
Public Works and Transportation	320,759,425	39,568,792	(21,217,380)	339,110,837
<b>Health:</b>				
Public Health	6,003,845	1,687,861	(228,147)	7,463,559
<b>Culture and leisure:</b>				
Human Services, Recreation and Neighborhoods	20,062,545	392,312	(1,374,440)	19,080,417
<b>Community development:</b>				
Planning and Permitting	8,028,607	879,122	(444,356)	8,463,373
Housing and Development	35,644,732	-	(798,133)	34,846,599
Total community development	<u>43,673,339</u>	<u>879,122</u>	<u>(1,242,489)</u>	<u>43,309,972</u>
Total governmental funds capital assets	<u>\$ 645,875,391</u>	<u>43,911,609</u>	<u>(26,185,482)</u>	<u>663,601,518</u>

<sup>(1)</sup> 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 assets.

STATISTICAL SECTION



YEAR ENDED JUNE 30

2009



# STATISTICAL SECTION

(Unaudited)

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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.

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<b>Contents</b>	<b>Page</b>
<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.	266
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	271
<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.	278
<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.	286
<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.	288

## 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 Assets by Component**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands)**

	<b>Fiscal Year</b>						
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$ 148,883	178,073	177,710	221,450	284,366	318,192	325,410
Restricted	15,077	3,326	11,021	37,608	44,513	73,830	94,360
Unrestricted	58,176	81,998	84,615	52,625	15,402	(19,054)	(28,083)
Total governmental activities net assets	<u>\$222,136</u>	<u>263,397</u>	<u>273,346</u>	<u>311,683</u>	<u>344,281</u>	<u>372,968</u>	<u>391,687</u>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	\$ 125,217	120,562	144,993	172,776	211,672	254,992	257,831
Restricted	280,460	-	184,290	191,111	191,731	153,935	158,337
Unrestricted	-	295,394	108,110	76,034	88,377	119,139	146,345
Total business-type activities net assets	<u>\$405,677</u>	<u>415,956</u>	<u>437,393</u>	<u>439,921</u>	<u>491,780</u>	<u>528,066</u>	<u>562,513</u>
<b>Primary government</b>							
Invested in capital assets, net of related debt	\$ 274,100	298,635	322,703	394,226	496,038	573,185	583,241
Restricted	295,537	3,326	195,311	228,719	236,244	227,763	252,697
Unrestricted	58,176	377,392	192,725	128,659	103,779	104,085	118,261
Total primary government net assets *	<u>\$627,813</u>	<u>679,353</u>	<u>710,739</u>	<u>751,604</u>	<u>836,061</u>	<u>905,033</u>	<u>954,199</u>

\*

*The City of Pasadena implemented GASB 34 for the fiscal year ended June 30, 2002. Information prior to the implementation of GASB 34 is not available.*

\* As restated. See Note 30.

Table 2

**CITY OF PASADENA**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**  
 (accrual basis of accounting)  
 (in thousands)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>							
Governmental activities:							
General government	\$ 49,562	27,947	50,248	38,301	45,708	44,788	43,926
Public safety	64,948	70,480	78,920	82,372	95,181	99,785	103,180
Transportation	33,787	30,918	37,322	42,277	34,109	50,035	49,979
Sanitation	2,669	2,739	2,409	3,104	3,110	3,189	4,061
Health	10,070	10,991	10,834	11,548	12,469	12,444	13,373
Culture and leisure	22,115	22,602	23,379	24,725	26,123	27,608	26,048
Community development	32,108	37,996	31,593	33,655	38,596	40,763	42,791
Interest and other fiscal charges	16,739	15,592	15,740	15,979	16,753	15,345	18,755
Total governmental activities expenses	<u>231,998</u>	<u>219,265</u>	<u>250,445</u>	<u>251,961</u>	<u>272,049</u>	<u>293,957</u>	<u>302,113</u>
Business-type activities:							
Electric	115,360	126,921	125,859	143,063	141,189	162,719	170,428
Water	27,996	29,132	30,281	29,424	32,886	36,394	36,877
Refuse	8,401	8,975	9,331	10,737	10,785	12,098	11,833
Parking	10,615	10,209	10,727	11,293	11,960	12,437	12,775
Telecommunication	-	-	416	382	364	470	457
Total business-type activities expenses	<u>162,372</u>	<u>175,237</u>	<u>176,614</u>	<u>194,899</u>	<u>197,184</u>	<u>224,118</u>	<u>232,370</u>
Total primary government expenses	<u>\$ 394,370</u>	<u>394,502</u>	<u>427,059</u>	<u>446,860</u>	<u>469,233</u>	<u>518,075</u>	<u>534,483</u>
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
General government	\$ 12,882	14,481	14,246	14,786	16,161	16,679	17,899
Public safety	13,739	10,698	16,497	12,068	13,274	14,064	15,504
Transportation	4,035	9,076	5,466	10,964	12,275	13,802	13,852
Sanitation	4,331	4,796	4,884	5,358	5,593	5,583	6,685
Health	712	724	734	766	731	788	737
Culture and leisure	1,215	1,857	2,029	2,112	2,152	2,114	1,957
Community development	9,066	10,014	11,735	11,768	9,867	10,503	9,244
Operating grants and contributions	26,242	36,220	32,560	34,842	33,668	41,254	28,808
Capital grants and contributions	13,816	15,421	22,602	16,113	17,166	14,456	18,112
Total governmental activities program revenues	<u>86,038</u>	<u>103,287</u>	<u>110,753</u>	<u>108,777</u>	<u>110,887</u>	<u>119,243</u>	<u>112,798</u>
Business-type activities:							
Charges for services:							
Electric	126,425	138,530	138,642	149,985	167,538	185,043	193,158
Water	28,958	31,860	34,267	34,508	39,942	39,560	43,096
Refuse	8,392	7,996	8,744	9,136	9,627	10,012	10,285
Parking	8,778	10,337	11,075	11,878	12,282	13,867	13,124
Telecommunication	180	452	446	356	358	428	595
Operating grants and contributions	3,168	2,495	2,764	2,693	2,670	3,233	4,216
Total business-type activities program revenues	<u>175,901</u>	<u>191,670</u>	<u>195,938</u>	<u>208,556</u>	<u>232,417</u>	<u>252,143</u>	<u>264,474</u>
Total primary government program revenues	<u>\$ 261,939</u>	<u>294,957</u>	<u>306,691</u>	<u>317,333</u>	<u>343,304</u>	<u>371,386</u>	<u>377,272</u>
<b>Net Revenues (Expenses)</b>							
Governmental activities	\$(145,960)	(115,978)	(139,692)	(143,184)	(161,162)	(174,714)	(189,315)
Business-type activities	13,529	16,433	19,324	13,657	35,233	28,025	32,104
Total net revenues (expenses)	<u>\$(132,431)</u>	<u>(99,545)</u>	<u>(120,368)</u>	<u>(129,527)</u>	<u>(125,929)</u>	<u>(146,689)</u>	<u>(157,211)</u>

(continued)

**CITY OF PASADENA**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands)**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Taxes:							
Property tax, levied for general purpose	\$ 42,843	46,966	46,268	51,116	61,736	63,449	69,062
Sales tax	33,219	32,472	34,025	33,992	34,634	36,519	32,913
Utility users' tax	24,142	25,928	26,639	26,766	28,063	29,640	31,162
Transient occupancy tax	6,610	7,022	7,445	8,481	8,565	8,848	7,382
Construction tax	3,339	4,474	3,974	3,223	3,828	3,984	2,367
Business license tax	4,021	4,784	4,147	5,289	5,321	5,604	5,861
Franchise tax	1,756	2,026	2,079	2,194	2,187	2,108	2,402
Other taxes	4,960	5,440	5,475	5,721	6,153	6,222	6,078
Other intergovernmental	10,738	8,929	14,213	13,478	14,145	14,565	15,094
Investment earnings	10,567	7,254	10,091	11,302	13,808	11,688	8,619
Net change in fair value of investments	466	(1,883)	(311)	(2,482)	2,640	1,163	1,268
Gain on sale of assets	604	31	-	23	-	146	665
Miscellaneous revenues	4,775	4,733	12,094	9,429	6,361	5,329	6,121
Transfers	14,321	14,257	16,587	22,915	6,320	14,137	15,040
<b>Total governmental activities</b>	<b>162,361</b>	<b>162,433</b>	<b>182,726</b>	<b>191,447</b>	<b>193,761</b>	<b>203,402</b>	<b>204,034</b>
Business-type activities:							
Taxes:							
Transient occupancy tax	1,017	1,174	1,439	1,766	1,793	1,883	1,605
Franchise tax	749	792	1,110	1,659	1,957	2,215	2,128
Investment earnings	13,216	9,094	9,895	10,059	13,580	11,918	9,771
Net change in fair value of investments	592	(5,260)	906	(5,604)	2,476	3,529	1,097
Gain on sale of assets	13	-	1,106	-	-	(149)	(188)
Miscellaneous revenues	2,498	2,302	4,244	3,906	3,139	3,004	2,970
Transfers	(14,321)	(14,257)	(16,587)	(22,915)	(6,320)	(14,137)	(15,040)
<b>Total business-type activities</b>	<b>3,764</b>	<b>(6,155)</b>	<b>2,113</b>	<b>(11,129)</b>	<b>16,625</b>	<b>8,263</b>	<b>2,343</b>
<b>Total primary government</b>	<b>\$ 166,125</b>	<b>156,278</b>	<b>184,839</b>	<b>180,318</b>	<b>210,386</b>	<b>211,665</b>	<b>206,377</b>
<b>Changes in Net Assets</b>							
Governmental activities	\$ 16,401	46,455	43,034	48,263	32,599	28,688	14,719
Business-type activities	17,293	10,278	21,437	2,528	51,858	36,288	34,447
<b>Total primary government</b>	<b>\$ 33,694</b>	<b>56,733</b>	<b>64,471</b>	<b>50,791</b>	<b>84,457</b>	<b>64,976</b>	<b>49,166</b>

*The City of Pasadena implemented GASB 34 for the fiscal year ended June 30, 2002. Information prior to the implementation of GASB 34 is not available.*

**CITY OF PASADENA**  
**Fund Balances of Governmental Funds**  
**Last Seven Fiscal Years**  
(modified accrual basis of accounting)  
(in thousands)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Fund:							
Reserved	\$ 14,883	9,906	7,085	7,065	6,971	7,127	11,982
Unreserved	35,566	49,391	61,996	72,401	59,517	62,798	48,401
Total general fund	<u>\$ 50,449</u>	<u>59,297</u>	<u>69,081</u>	<u>79,466</u>	<u>66,488</u>	<u>69,925</u>	<u>60,383</u>
						*	
All Other Governmental Funds:							
Reserved	\$ 68,211	58,468	67,444	90,640	85,131	98,390	112,237
Unreserved, reported in:							
Special revenue funds	38,455	51,444	43,104	44,033	43,025	46,593	48,859
Capital project funds	103,581	93,985	95,572	54,847	38,463	22,592	21,961
Debt service funds	(38,719)	(32,775)	(24,786)	(25,363)	(24,475)	(23,379)	(17,547)
Permanent funds	870	946	971	993	1,047	1,062	1,205
Total all other governmental funds	<u>\$172,398</u>	<u>172,068</u>	<u>182,305</u>	<u>165,150</u>	<u>143,191</u>	<u>145,258</u>	<u>166,715</u>

*The City of Pasadena has elected to show only seven years of data for this schedule.*

\* As restated. See Note 30.

Table 4

**CITY OF PASADENA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Seven Fiscal Years**  
(modified accrual basis of accounting)  
(in thousands)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>Revenues:</b>							
Taxes	\$120,889	129,111	130,053	136,783	150,487	156,373	157,227
Licenses and permits	7,333	7,386	9,438	9,185	7,121	8,646	7,136
Intergovernmental revenues	48,799	53,974	64,173	56,485	60,304	57,531	61,410
Charges for services	29,063	25,299	32,358	34,653	37,892	39,088	42,783
Fines and forfeits	4,120	5,425	6,542	7,080	7,758	8,025	8,844
Investment earnings	21,469	25,066	22,870	24,970	30,192	28,311	27,389
Net change in fair value of investments	399	(1,351)	(288)	(2,096)	2,258	1,039	1,034
Rental income	4,502	4,931	4,870	4,867	4,991	5,370	5,277
Miscellaneous revenues	5,707	7,949	15,148	11,336	8,756	7,894	6,570
Contributions	2,546	2,560	2,382	4,836	7,292	6,005	8,012
Forgiveness of advances	-	2,900	-	-	-	-	-
Total revenues	<u>244,827</u>	<u>263,250</u>	<u>287,546</u>	<u>288,099</u>	<u>317,051</u>	<u>318,282</u>	<u>325,682</u>
<b>Expenditures:</b>							
Current:							
General government	25,788	25,939	27,261	31,037	34,717	35,124	35,826
Public safety	64,139	69,450	77,965	81,861	92,713	96,211	102,518
Transportation	27,655	29,822	31,012	33,923	34,193	36,717	36,904
Sanitation	2,669	2,739	2,409	3,104	3,109	3,189	4,061
Health	9,960	10,880	10,727	11,430	12,247	12,124	11,471
Culture and leisure	21,564	22,095	22,912	24,293	25,518	26,821	26,936
Community development	32,324	38,543	35,142	37,059	38,052	39,682	42,652
Capital outlay	16,370	33,803	38,786	75,111	60,902	34,999	29,991
Debt service:							
Principal retirement	10,702	10,488	53,054	12,322	12,296	41,972	86,074
Interest	28,055	30,630	29,577	31,557	35,212	34,165	33,432
Bond issuance costs	912	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	1,408	-	-	-
Total expenditures	<u>240,138</u>	<u>274,389</u>	<u>328,845</u>	<u>343,105</u>	<u>348,959</u>	<u>361,004</u>	<u>409,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,689</u>	<u>(11,139)</u>	<u>(41,299)</u>	<u>(55,006)</u>	<u>(31,908)</u>	<u>(42,722)</u>	<u>(84,183)</u>
<b>Other financing sources (uses):</b>							
Discount on debt issued	(210)	-	-	(36)	-	836	-
Issuance of long-term debt	73,790	40,168	42,932	17,542	87	27,939	80,032
Payment to refunded bond escrow agent	-	(38,527)	-	(5,186)	-	-	-
Transfers in	77,173	82,052	134,570	136,498	109,124	112,228	158,735
Transfers out	(61,160)	(64,035)	(116,182)	(112,144)	(99,825)	(96,215)	(142,668)
Transfers to component units	-	-	-	-	-	-	-
Transfers from component units	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>89,593</u>	<u>19,658</u>	<u>61,320</u>	<u>36,674</u>	<u>9,386</u>	<u>44,788</u>	<u>96,099</u>
Net change in fund balances	<u>\$ 94,282</u>	<u>8,519</u>	<u>20,021</u>	<u>(18,332)</u>	<u>(22,522)</u>	<u>2,066</u>	<u>11,916</u>
Debt service as a percentage of noncapital expenditures	17.3%	17.1%	28.5%	16.4%	16.5%	23.4%	31.5%

The City of Pasadena has elected to show only seven years of data for this schedule.

**CITY OF PASADENA**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
(in thousands)

<b>Fiscal Year</b>	<b>Secured Valuations</b>	<b>Homeowners Exemption</b>	<b>Net Secured Valuations</b>	<b>Unsecured Valuations</b>	<b>Total Assessed Valuation</b>	<b>Total Direct Tax Rate</b>
2000	9,620,391	(135,869)	9,484,522	465,739	9,950,261	n/a
2001	10,236,475	(134,430)	10,102,045	503,730	10,605,775	n/a
2002	10,781,460	(133,467)	10,647,993	577,896	11,225,889	n/a
2003	11,537,777	(132,466)	11,405,311	606,087	12,011,398	0.36%
2004	12,667,923	(131,710)	12,536,213	587,938	13,124,151	0.36%
2005	13,672,183	(134,055)	13,538,128	564,808	14,102,936	0.34%
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%

## 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.

**CITY OF PASADENA**  
**Direct and Overlapping Property Tax Rates**  
**(Rate per \$100 of assessed value)**  
**Last Five Fiscal Years**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>City Direct Rates:</b>					
City basic rate	0.1894	0.1925	0.2139	0.1926	0.1932
Pasadena Community Development Commission	<u>0.1515</u>	<u>0.1480</u>	<u>0.1552</u>	<u>0.1447</u>	<u>0.1396</u>
Total City Direct Rate	0.3409	0.3405	0.3691	0.3373	0.3328
<b>Overlapping Rates:</b>					
Los Angeles County General	0.3332	0.3225	0.3067	0.3277	0.3635
Pasadena School District	0.3316	0.3555	0.2847	0.2993	0.2765
Pasadena Community College District	0.1019	0.0964	0.1122	0.1103	0.1018
Flood Control District	0.0003	0.0001	0.0001	-	-
Metropolitan Water District	<u>0.0058</u>	<u>0.0052</u>	<u>0.0047</u>	<u>0.0045</u>	<u>0.0043</u>
Total Direct Rate	<u>1.1137</u>	<u>1.1202</u>	<u>1.0775</u>	<u>1.0791</u>	<u>1.0789</u>

**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.

Source: County of Los Angeles Tax Assessor and California Municipal Statistics, Inc.



Table 7

**CITY OF PASADENA**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

<u>Property Owner</u>	<u>2009</u>		<u>2000</u>	
	<u>Total Assessed Valuation</u>	<u>Percent of Total City Taxable Assessed Valuation</u>	<u>Total Assessed Valuation</u>	<u>Percent of Total City Taxable Assessed Valuation</u>
Leonard M. Marangi	\$ 381,183,097	1.84%	\$ -	0.00%
Kaiser Foundation Health Plan Inc.	206,177,343	0.99%	181,387,333	0.87%
Equity Office Properties Trust	182,580,000	0.88%	-	0.00%
Paseo Colorado Holdings LLC	129,939,533	0.63%	-	0.00%
SPF 888 Walnut Pasadena LLC	129,358,440	0.62%	-	0.00%
Tishman Speyer Archstone Smith Del Mar Station	120,608,426	0.58%	-	0.00%
Wells REIT II Pasadena Corporate Park LP	116,000,000	0.56%	-	0.00%
SSR Paseo Colorado LLC	108,315,203	0.52%	-	0.00%
Pasadena Towers LLC	106,247,937	0.51%	36,157,815	0.17%
Operating Engineers Funds, Inc.	86,095,979	0.41%	50,963,416	0.25%
Spieker Properties	-	0.00%	110,421,991	0.53%
Aetna Life Insurance Company	-	0.00%	86,862,029	0.42%
One Colorado Associates	-	0.00%	63,215,015	0.30%
Ralph M. Parsons Company	-	0.00%	60,846,391	0.29%
EOP Pasadena Towers LLC	-	0.00%	47,870,910	0.23%
Agbri Pasadena	-	0.00%	47,361,645	0.23%
Gateway Huntington Property Inc.	-	0.00%	39,719,110	0.19%
Total principal property taxpayers gross assessed value	<u>\$ 1,566,505,958</u>	7.54%	<u>\$ 724,805,655</u>	3.48%

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: California Municipal Statistics, Inc.

**CITY OF PASADENA**  
**Property Tax Levies and Collections (1)**  
**Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2000	17,507,487	18,152,353	103.68%		18,149,109	103.66%
2001	18,486,531	19,324,844	104.53%		19,307,904	104.44%
2002	19,343,432	20,538,378	106.18%		20,538,105	106.18%
2003	21,614,925	21,657,649	100.20%		21,647,412	100.15%
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%	386,497	27,093,695	100.16%
2007	32,496,995	31,420,267	96.69%	484,510	31,904,777	98.18%
2008	33,781,403	34,227,671	101.32%	59,000	34,227,671	101.32%
2009	37,380,921	37,841,426	101.23%	*	37,841,426	101.23%

(1) Excludes collections from Police Building General Obligation Bond Assessment.

For fiscal years 1999-2005, 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 2009 is not available.

As of fiscal year 2007, we recorded both secured and unsecured taxes levied in column B.

Source: County of Los Angeles Tax Assessor and California Municipal Statistics, Inc.

Table 9

**CITY OF PASADENA**  
**Electricity Sold by Type of Customer**  
**Last Ten Fiscal Years**  
**(in Megawatt-Hours)**

	<u>2000</u>	<u>2001<sup>3</sup></u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Type of Customer:										
Residential	277,673	289,371	268,803	287,717	306,776	313,470	314,235	337,905	338,855	337,531
Commercial and Industrial <sup>1</sup>	824,196	802,181	766,785	815,701	844,449	830,523	862,664	880,661	884,070	887,698
Street Lights and Traffic Signals <sup>1</sup>	13,921	13,934	13,944	16,488	18,563	18,667	16,841	15,744	15,701	16,266
Wholesales to other Utilities	77,006	150,214	144,714	50,249	113,919	125,250	27,816	122,496	315,484	118,231
Other	<u>39,684</u>	<u>34,543</u>	<u>36,613</u>	<u>40,366</u>	<u>6,120</u>	<u>8,369</u>	<u>(6,119)</u>	<u>9,045</u>	<u>(7,212)</u>	<u>3,513</u>
Total	1,232,480	1,290,243	1,230,859	1,210,521	1,289,827	1,296,279	1,215,437	1,365,851	1,546,898	1,363,239
Total direct rate per megawatt hour <sup>2</sup>	138.60	233.77	94.70	104.44	107.40	106.95	123.40	109.81	119.62	141.69

<sup>1</sup> Commercial and Industrial Sales were reported separately prior to 2001.

<sup>2</sup> Rate represents average cost per megawatt hour with respect to total revenue sales from electricity.

<sup>3</sup> Increase in total energy revenue in Fiscal Year 2001 resulted from unusually high market prices and sales volume. Wholesale sales to other utilities was \$33,335,325 in 2000 and \$132,890,825 in 2001.

Source: Pasadena Water and Power

**CITY OF PASADENA**  
**Electricity Rates**  
**Last Ten Fiscal Years**  
**(Average Rate in Dollars per Kilowatt-Hour)**

<b>Fiscal Year Ended June 30</b>	<b>Residential</b>	<b>Commercial &amp; Industrial</b>	<b>Street Lights &amp; Traffic Signals</b>	<b>Other</b>
2000	0.1087	0.2147	0.0920	0.1036
2001	0.1364	0.2655	0.1252	0.1156
2002	0.1070	0.2170	0.0960	N/A
2003	0.1060	0.0940	0.0950	0.2300
2004	0.1150	0.1030	0.1050	0.7140
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	0.1450	0.1210	0.1220	N/A
2009	0.1495	0.1412	0.1321	N/A

Source: Pasadena Water and Power

**CITY OF PASADENA**  
**Electricity Customers**  
**Current Year and Nine Years Ago**

<u>Electricity Customer</u>	<u>2009</u>	
	<u>Electricity Charges</u>	<u>Percent of Operating Electric Revenues</u>
California Institute of Technology	\$ 7,505,162	4.06%
Huntington Memorial Hospital	4,652,832	2.51%
Kaiser Permanente	1,949,801	1.05%
AT&T	1,937,976	1.05%
Street Lights-Public Works	1,804,872	0.98%
City of Pasadena	1,753,994	0.95%
Pasadena City College	1,744,236	0.94%
Parfinco EWA LLC	1,407,568	0.76%
Aetna Insurance	1,253,514	0.68%
Equity Office Properties	<u>1,203,883</u>	<u>0.65%</u>
	<u>\$ 25,213,838</u>	<u>13.63%</u>

Source: Pasadena Water and Power

**CITY OF PASADENA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities						Total Governmental Activities
	General Obligation Bonds	Pension Bonds <sup>1</sup>	Certificates of Participation <sup>2</sup>	Tax Allocation Bonds	Capitalized Lease Obligations	Notes Payable	
2000	\$ 9,365,000	101,940,000	97,948,000	16,231,766	1,614,000	4,835,000	231,933,766
2001	8,225,000	101,470,000	94,248,484	15,421,254	5,242,699	5,675,000	230,282,437
2002	7,025,000	100,655,000	89,251,551	14,654,231	4,836,605	11,727,247	228,149,634
2003	5,760,000	99,460,000	157,550,913	13,839,947	4,427,913	9,949,097	290,987,870
2004	4,425,000	97,850,000	154,346,344	12,977,606	4,051,253	10,088,812	283,739,015
2005	3,025,000	135,590,000	149,034,480	12,065,364	9,618,935	7,811,133	317,144,912
2006	1,550,000	131,960,000	154,256,497	10,607,328	9,291,742	8,144,865	315,810,432
2007		128,045,000	149,318,861	9,928,550	7,812,910	7,162,835	302,268,156
2008		123,610,000	140,931,605	8,819,025	6,527,207	7,120,623	287,008,460
2009	-	118,365,000	134,147,976	7,656,689	12,499,210	6,258,463	278,927,338

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> Taxable Pension Funding Bonds issued in 1999 for \$101,940,000 and \$40,750,000 in 2005.

<sup>2</sup> Electric Revenue Bonds in the amount of \$82,320,000 issued in 2003.

Electric Revenue Bonds and Water Revenue Bonds in the amount of \$9,905,000 and \$47,425,000, respectively, issued in 2004.

Lease Revenue Bonds in the amount of \$10,355,000 issued in 2006.

Water Revenue Bonds in the amount of \$21,550,000 issued in 2007, Certificates of Participation (2008 Series B) and Electric Revenue Bonds in the amount of \$27,650,000 and \$58,555,000 issued in 2008.

Certificates of Participation (2008 Series C) and Revenue Bonds (2008 Paseo Colorado) in the amount of \$71,450,000 and \$28,800,000, respectively, issued in 2009.

\* Percentage of Personal Income and Debt Per Capital is an estimated.

Per Capita Personal Income data not available for last two fiscal years. Used data from 2007. See table 18.

Table 12

<b>Business-type Activities</b>							
<b>Revenue Bonds <sup>2</sup></b>	<b>Certificates of Participation</b>	<b>Capitalized Lease Obligations</b>	<b>Notes Payable</b>	<b>Total Business-type Activities</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income *</b>	<b>Debt Per Capita *</b>
\$ 95,455,000	42,056,000	4,650,000	2,562,000	144,723,000	376,656,766	95.08	2,779
125,345,000	40,625,180	4,130,109	2,481,690	172,581,979	402,864,416	96.19	2,934
122,735,000	39,057,516	4,996,009	2,397,665	169,186,190	397,335,824	92.83	2,862
196,095,000	37,341,495	4,238,258	2,309,369	239,984,122	530,971,992	118.72	3,734
220,220,000	35,705,243	3,437,886	2,216,898	261,580,027	545,319,042	114.10	3,786
210,515,000	33,688,067	3,247,905	2,119,416	249,570,388	566,715,300	113.28	3,900
201,535,000	31,469,000	2,353,109	2,016,981	237,374,090	553,184,522	101.32	3,785
213,785,000	29,106,683	1,284,128	1,909,341	246,085,152	548,353,308	93.57	3,724
262,250,000	26,530,869	740,391	1,796,485	291,317,745	578,326,205	98.11	3,904
253,675,000	23,798,315	448,305	1,677,796	279,599,416	558,526,754	93.45	3,719

**CITY OF PASADENA**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Outstanding General Bonded Debt					Percent of Assessed Value <sup>1</sup>	Per Capita
	General Obligation Bonds	Pension Bonds	Certificates of Participation and Revenue Bonds	Tax Allocation Bonds	Total		
2000	9,365,000	101,940,000	97,948,000	16,231,766	225,484,766	2.27%	1,664
2001	8,225,000	101,470,000	94,248,484	15,421,254	219,364,738	2.07%	1,598
2002	7,025,000	100,655,000	89,251,551	14,654,231	211,585,782	1.88%	1,524
2003	5,760,000	99,460,000	157,550,913	13,839,947	276,610,860	2.30%	1,945
2004	4,425,000	97,850,000	154,346,344	12,977,606	269,598,950	2.05%	1,872
2005	3,025,000	135,590,000	149,034,480	12,065,364	299,714,844	2.13%	2,063
2006	1,550,000	131,960,000	154,256,497	10,607,328	298,373,825	1.92%	2,042
2007	-	128,045,000	149,318,861	9,928,550	287,292,411	1.67%	1,951
2008	-	123,610,000	140,931,605	8,819,025	273,360,630	1.45%	1,845
2009	-	118,365,000	134,147,976	7,656,689	260,169,665	1.26%	1,732

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

<sup>1</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.



Table 14

**CITY OF PASADENA**  
**Direct and Overlapping Debt**  
**June 30, 2009**

City Assessed Valuation		\$ 17,952,496,366	
Redevelopment Agency Incremental Valuation		<u>2,799,790,634</u>	
Total Assessed Valuation		<u>\$ 20,752,287,000</u>	
	Percentage Applicable <sup>1</sup>	Outstanding Debt 6/30/09	Estimated Share of Overlapping Debt
<b>Overlapping Tax and Assessment Debt:</b>			
Los Angeles County Flood Control District	2.063%	84,705,000	1,747,464
Metropolitan Water District	0.981%	293,425,000	2,878,499
Pasadena Area Community College District	33.387%	76,458,398	25,527,165
La Canada Unified School District	0.220%	34,761,127	76,474
Pasadena Unified School District	70.899%	189,635,000	134,449,319
City of Pasadena Community Facilities District No. 1	100.000%	8,685,000	8,685,000
Los Angeles County Improvement District No. 2658-M	98.261%	3,860,000	3,792,875
Los Angeles County Regional Park and Open Space Assessment District	1.938%	<u>246,875,000</u>	<u>4,784,438</u>
Total overlapping tax and assessment debt		<u>938,404,525</u>	<u>181,941,234</u>
<b>Overlapping Other Debt:</b>			
Los Angeles County General Fund Obligations	1.938%	\$ 928,941,195	18,002,880
Los Angeles County Pension Obligations	1.938%	235,690,861	4,567,689
Los Angeles County Superintendent of Schools Certificates of Participation	1.938%	15,904,264	308,225
Los Angeles County Sanitation District Nos. 15, 16 & 17 Certificates of Participation	0.413-58.530%	63,655,053	13,835,269
Pasadena Area Community College District Certificates of Participation	33.387%	<u>2,890,000</u>	<u>964,884</u>
Total gross overlapping other debt		<u>1,247,081,373</u>	<u>37,678,947</u>
Total net overlapping debt		<u>\$ 2,185,485,898</u>	219,620,181
City direct debt			<u>558,526,754</u>
Total direct and overlapping debt			<u>\$ 778,146,935</u>

## Notes:

<sup>1</sup> 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.

Source: California Municipal Statistics, Inc.

**CITY OF PASADENA**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(in thousands)**

	<b>Fiscal Year</b>				
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Assessed valuation	9,950,261	10,605,775	11,225,889	12,011,398	13,124,151
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	2,487,565	2,651,444	2,806,472	3,002,850	3,281,038
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	373,135	397,717	420,971	450,427	492,156
Total net debt applicable to limit:					
General obligation bonds	<u>9,365</u>	<u>8,225</u>	<u>7,025</u>	<u>5,760</u>	<u>4,425</u>
Legal debt margin	<u>363,770</u>	<u>389,492</u>	<u>413,946</u>	<u>444,667</u>	<u>487,731</u>
Total debt applicable to the limit as a percentage of debt limit	2.5%	2.1%	1.7%	1.3%	0.9%

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**

<b>Fiscal Year</b>				
<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
14,102,936	15,535,968	17,246,657	18,812,937	20,752,287
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
3,525,734	3,883,992	4,311,664	4,703,234	5,188,072
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
528,860	582,599	646,750	705,485	778,211
<u>3,025</u>	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>525,835</u>	<u>581,049</u>	<u>646,750</u>	<u>705,485</u>	<u>778,211</u>
0.6%	0.3%	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	<u>General Obligation Bonds</u>				<u>Tax Allocation Bonds</u>			
	Property Taxes	Debt Service		Coverage	Tax Increment	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2000	21,815	1,095	500	13.68	13,389	6,512	1,087	1.76
2001	22,944	1,140	453	14.40	14,030	5,426	743	2.27
2002	23,674	1,200	403	14.77	15,128	767	778	9.79
2003	24,857	1,265	343	15.46	17,987	814	888	10.57
2004	27,434	1,335	280	16.99	19,532	862	839	11.48
2005	26,717	1,400	217	16.52	21,372	912	786	12.59
2006	28,122	1,475	150	17.31	22,994	963	738	13.52
2007	34,969	1,550	76	21.51	26,767	678	459	23.54
2008	36,228	-	-	-	27,221	1,109	383	18.24
2009	40,084	-	-	-	28,978	1,162	442	18.07

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF PASADENA**  
**Pledged-Revenue Coverage**  
**Business-Type Activity Debt**  
**Last Ten Fiscal Years**  
**(in thousands)**

Fiscal Year Ended June 30	Light & Power Revenue Bonds					
	Light & Power Revenue <sup>1</sup>	Less Operating Expenses <sup>2</sup>	Net Available Revenue	Debt Service <sup>3</sup>		Coverage
				Principal	Interest	
2000	179,065	114,120	64,945	1,590	3,287	1331.66%
2001	319,079	227,215	91,864	1,690	3,241	1862.99%
2002	128,480	109,715	18,765	1,760	3,132	383.59%
2003	138,395	100,434	37,961	7,400	5,942	284.52%
2004	146,699	111,410	35,289	7,470	6,626	250.35%
2005	147,346	105,701	41,645	7,575	6,472	296.47%
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	202,613	145,961	56,652	7,210	7,908	374.73%

Fiscal Year Ended June 30	Water Revenue Bonds					
	Water Revenue <sup>1</sup>	Less Operating Expenses <sup>2</sup>	Net Available Revenue	Debt Service <sup>3</sup>		Coverage
				Principal	Interest	
2000	25,492	20,956	4,536	755	1,459	204.88%
2001	25,884	21,550	4,334	805	1,437	193.31%
2002	26,934	22,822	4,112	850	1,392	183.41%
2003	29,099	24,326	4,773	905	1,335	213.08%
2004	32,487	24,659	7,828	2,430	1,976	177.67%
2005	35,008	25,502	9,506	1,385	2,235	262.60%
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	1,995	267.72%
2009	43,552	30,170	13,382	2,095	2,881	268.93%

<sup>1</sup> Total operating revenues including investment earnings

<sup>2</sup> Total operating expenses exclusive of depreciation

<sup>3</sup> 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.

**CITY OF PASADENA**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income <sup>(2)</sup></b>	<b>Unemployment Rate <sup>(3)</sup></b>
2000	135,513	3,961,316	29,232	4.3%
2001	137,300	4,188,062	30,503	4.6%
2002	138,839	4,280,129	30,828	5.5%
2003	142,202	4,472,537	31,452	5.6%
2004	144,044	4,779,236	33,179	5.3%
2005	145,314	5,002,580	34,426	4.3%
2006	146,138	5,460,008	37,362	4.7%
2007	147,262	5,860,144	39,794	4.9%
2008	148,126	5,894,526	39,794 *	4.3%
2009	150,185	5,976,462	39,794 *	9.9%

\* Per Capita Personal Income data not available for last two fiscal years

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

**CITY OF PASADENA**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2009</u>		<u>2000</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Jet Propulsion Laboratory	5,065	5.07%	6,950	6.88%
Kaiser Permanente	3,500	3.50%	450	0.45%
Huntington Memorial Hospital	3,000	3.00%	3,100	3.07%
Pasadena Unified School District	2,600	2.60%	3,000	2.97%
California Institute of Technology	2,550	2.55%	3,500	3.47%
ATT (SBC IN 2007, Pacific Bell in 1998)	2,500	2.50%	1,250	1.24%
The City of Pasadena	2,307	2.31%	1,949	1.93%
Pasadena City College	1,789	1.79%	810	0.80%
Bank of America	1,500	1.50%	1,500	1.49%
Art Center college of Design	810	0.81%	200	0.20%
Parsons Corporation	773	0.77%	2,200	2.18%
Hathaway-Sycamores	615	0.62%	*	*
The Langham Huntington Hotel (The Ritz-Carlton)	584	0.58%	650	0.64%
Pacific Clinics Administration	550	0.55%	*	*
San Gabriel Valley Newspapers	525	0.53%	400	0.40%
Rusnak Pasadena	450	0.45%	*	*
Avon Products	320	0.32%	600	0.59%

\* Data not available

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: Municipal Information Services, Pasadena Public Library and Pasadena Chamber of Commerce

**CITY OF PASADENA**  
**Full-time and Part-time City Employees**  
**by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General government	416.4	427.0	444.2	461.8	470.1	471.8	474.3	480.1	487.6	489.6
Public safety	535.5	537.5	555.5	562.5	564.6	563.6	564.6	575.6	591.6	594.6
Public works	354.3	357.0	384.2	361.6	361.3	355.8	357.3	360.3	372.3	373.3
Transportation <sup>1</sup>	-	-	-	39.6	40.0	43.0	43.0	44.0	46.0	48.0
Health	89.8	86.0	85.9	88.6	90.6	93.1	103.4	104.3	108.8	103.1
Culture and leisure	128.0	130.5	140.9	147.5	151.5	148.1	147.3	146.2	147.2	148.2
Water & power	308.5	304.0	324.5	343.2	363.0	383.0	402.0	413.0	423.0	428.0
Information Services <sup>2</sup>	<u>116.7</u>	<u>119.2</u>	<u>122.0</u>	<u>122.0</u>	<u>122.0</u>	<u>118.9</u>	<u>119.8</u>	<u>120.2</u>	<u>121.8</u>	<u>121.8</u>
Total	<u>1,949.1</u>	<u>1,961.1</u>	<u>2,057.1</u>	<u>2,126.7</u>	<u>2,163.0</u>	<u>2,177.3</u>	<u>2,211.6</u>	<u>2,243.7</u>	<u>2,298.3</u>	<u>2,306.6</u>

<sup>1</sup> The Public Works and Transportation Departments were combined prior to 2003.

<sup>2</sup> Information Services (Library).

Source: City Budget Office



**CITY OF PASADENA**  
**Operating Indicators**  
**by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police:										
Arrests	10,328	8,930	8,982	9,248	10,699	9,815	9,655	10,117	9,722	9,055
Parking citations issued	41,417	37,671	37,501	29,978	39,355	48,067	47,058	32,098	34,466	44,115
Fire:										
Number of emergency calls	13,696	14,361	14,532	15,024	14,975	*	*	11,565	16,089	15,921
Inspections	*	*	*	*	3,607	4,827	*	3,855	5,017	5,720
Water:										
New connections	124	69	48	73	172	99	84	99	61	99
Average daily consumption (thousands of gallons)	30,710	31,030	32,150	32,700	33,090	30,130	29,960	32,970	31,537	29,872

\* Information was not available.

Source: City of Pasadena

**CITY OF PASADENA**  
**Capital Asset Statistics**  
**by Function**  
**Last Nine Fiscal Years**

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Police:</b>									
Stations	1	1	1	1	1	1	1	1	1
Substations	3	3	3	3	3	3	3	3	4
<b>Fire:</b>									
Fire stations	8	8	8	8	8	8	8	8	8
<b>Transportation:</b>									
Streets (miles)	321	321	321	321	321	322	322	322	322
Streetlights	16,430	16,455	16,500	16,595	16,720	16,798	17,047	17,047	17,047
Traffic signals	297	291	291	309	312	312	324	340	325
Parking facilities	13	13	12	11	11	11	11	11	11
<b>Culture and leisure</b>									
Park sites	24	23	23	23	23	24	24	24	24
Community centers	6	6	6	6	6	6	6	6	6
Libraries	10	10	10	10	10	10	10	10	10
<b>Electric Utility:</b>									
Power plants	5	1	1	1	1	1	1	1	1
Customers	59,364	58,715	59,613	60,795	61,401	62,256	62,793	62,902	63,576
Miles of service	606.0	650.0	650.0	650.0	650.0	640.0	531.0	525.0	525
Maximum capacity (megawatts)	353	355	355	355	355	258	197	197	197
<b>Water:</b>									
Water mains (miles)	500	500	500	500	500	508	508	508	508
Customers	37,353	37,643	37,933	37,143	37,359	37,135	37,463	37,522	37,602
Average daily consumption (mgd)	31.03	32.15	32.70	33.09	30.13	29.96	32.97	31.53	29.87

Source: City of Pasadena



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