

**General Fund Comparative Operating Budget**

The following table shows a three-year history of the City's General Fund Comparative Operating Budget.

**CITY OF PASADENA  
GENERAL FUND  
COMPARATIVE OPERATING BUDGET  
Fiscal Years 2010 through 2012**

<b>REQUIREMENTS</b>	<b>for Fiscal Year Ending June 30</b>		
	<b>2010</b>	<b>2011</b>	<b>2012</b>
Operating Expenditures	\$177,586,081	\$168,034,120	\$169,404,258
Capital Expenditures	-	-	-
Debt Service	34,697,156	34,930,000	32,683,158
Transfers Out	12,860,109	14,122,093	13,755,839
<b>TOTAL REQUIREMENTS</b>	<b><u>\$225,143,346</u></b>	<b><u>\$217,086,213</u></b>	<b><u>\$215,843,255</u></b>
 <b>AVAILABLE FUNDS</b>			
Revenues	\$197,991,875	\$193,662,176	\$194,412,034
Transfers In	6,104,792	1,906,741	1,071,762
Reserves	-	-	-
Utility Contributions	16,167,840	16,167,840	15,490,972
<b>TOTAL AVAILABLE FUNDS</b>	<b><u>\$220,264,507</u></b>	<b><u>\$211,736,757</u></b>	<b><u>\$210,974,768</u></b>

Pursuant to City Charter Sections 1407 and 1408 the City makes annual transfers from the City's Water Fund (the "Water Fund") and from the City's Light and Power Fund (the "Light and Power Fund") to the General Fund. The amount transferred from the Water Fund is not to exceed 6% of gross income received during the preceding fiscal year and shall not exceed net income. This transfer may be used for any municipal purpose. The amount transferred from the Light and Power Fund is not to exceed 16% of gross income received during the preceding fiscal year and shall not exceed net income. Of the total 16% which may be transferred, up to 8% may be used for any municipal purpose and the remaining 8% is restricted for municipal improvements and bond redemption.

Set forth below is a table indicating the amount transferred from the Light and Power Fund and the Water Fund to the City's General Fund during each of the last four fiscal years and the amount budgeted for the current fiscal year, expressed in dollars and as a percentage of the prior year's gross income.

**CITY OF PASADENA  
 TRANSFERS FROM THE LIGHT AND POWER FUND AND WATER FUND  
 TO GENERAL FUND  
 Fiscal Years 2008 through 2012  
 (Dollar Amounts in Thousands)**

	Fiscal Year Ended June 30,				
	2008 <sup>(2)</sup>	2009 <sup>(2)</sup>	2010 <sup>(2)</sup>	2011	2012 <sup>(4)</sup>
<b><u>Light and Power Fund</u></b>					
Amount Transferred	\$11,341	\$12,922	\$15,475	\$13,899	\$12,636
Amount a Percentage of Prior Year's Gross Income <sup>(1)</sup>	8.0%	8.0%	9.2%	8.0%	8.0%
<b><u>Water Fund</u></b>					
Amount Transferred	\$2,923	\$2,872	\$3,066	\$3,104	\$3,395
As a Percentage of Prior Year's Gross Income <sup>(1)</sup>	6.0%	6.0%	6.0%	6.0%	6.0%

<sup>(1)</sup> Reflects percentage of prior fiscal year's gross revenue of the Water Fund and the Light and Power Fund, respectively.

<sup>(2)</sup> Includes Public Benefit Charge Contribution to City Hall Retrofit of \$1.1 million.

<sup>(3)</sup> Budgeted. [check to determine when actual number is available ]

**Tax Revenue Sources**

The City relies on a number of revenue sources that could be reduced or eliminated by State legislation, including, among others, sales and use taxes, property taxes and motor vehicle license fees. The State has in prior years experienced budgetary difficulties and has balanced its budget by requiring local political subdivisions to fund certain costs previously borne by the State. The State's fiscal year 2009-10 budget act included a diversion of a portion of the share of property tax revenues allocated by the State to cities, counties and local agencies as described above.

Listed below is a historical summary of the City's five largest revenue sources resulting from taxes.

**CITY OF PASADENA  
GENERAL TAX REVENUES  
Fiscal Years 2006 through 2011  
(in Thousands)**

<u>Tax</u>	<u>Fiscal Year Ended June 30,</u>					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011<sup>(2)</sup></u>
Property <sup>(1)</sup>	\$ 51,116	\$ 61,763	\$63,480	\$ 69,062	\$ 68,648	\$ 68,607
Sales	33,992	34,634	36,519	31,941	28,949	26,419
Utility Users	26,766	28,063	29,640	31,162	29,520	26,792
Street Light & Traffic Signal	5,480	6,352	6,779	7,051	6,565	5,989
Transient Occupancy	10,246	10,358	10,731	7,382	8,406	8,987
<b>Total</b>	<b>\$127,600</b>	<b>\$141,170</b>	<b>\$147,149</b>	<b>\$146,598</b>	<b>\$142,088</b>	<b>\$136,794</b>

<sup>(1)</sup> Includes assessments.

<sup>(2)</sup> Unaudited numbers subject to change.

Source: City of Pasadena, Department of Finance.

Property taxes are levied for each fiscal year on taxable real and personal property which is situated in the City as of the preceding March 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed public utilities property and property the taxes on which a lien on real property is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

Property taxes on the secured roll are due in two installments, on November 1 and February 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. If such taxes remain unpaid as of June 30 of the fiscal year in which the tax is levied, the property securing the taxes may only be redeemed by payment of the delinquent payment, plus a redemption penalty of 1½% per month from the original June 30 date 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 Treasurer and Tax Collector, as provided by law.

Property taxes on the unsecured roll are due as of the March 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 1½% per month begins to accrue commencing on November 11 of the fiscal year. Collection of delinquent unsecured taxes is the responsibility of the County of Los Angeles which may utilize any of several means legally available to it.

The tax roll for fiscal year ended June 30, 2011, reflected a total assessed valuation of approximately \$20.9 billion for the City, of which \$2.8 billion reflects the redevelopment project areas incremental assessed valuations of which the payable taxes are due to its redevelopment agency. Assessed net valuation for revenue purposes increase by approximately 1.13% for the fiscal year ended June 30, 2011, over the assessed net valuation for fiscal year ended June 30, 2010, and the compounded average annual increase between assessed valuation for the fiscal year ended June 30, 2000 and the fiscal year ended June 30, 2011 was approximately 7.5%.

**CITY OF PASADENA  
 ASSESSED VALUATION OF TAXABLE PROPERTY  
 Fiscal Years 2002 through 2011  
 (in thousands)**

<b>Fiscal Year Ended June 30</b>	<b>Secured Valuations</b>	<b>Homeowner Exemption</b>	<b>Net Secured Valuations</b>	<b>Unsecured Valuations</b>	<b>Total Assessed Valuation</b>	<b>Less PCDC<sup>(1)</sup> Increment</b>	<b>Net Valuation</b>
2002	\$10,781,460	\$(133,467)	\$10,647,993	\$577,896	\$11,225,889	\$(1,386,579)	\$9,839,310
2003	11,537,408	(132,466)	11,404,942	606,087	12,011,029	(1,552,121)	10,459,277
2004	12,667,923	(131,710)	12,536,213	587,938	13,124,151	(1,786,002)	11,338,149
2005	13,672,183	(134,055)	13,538,128	564,808	14,102,936	(1,946,336)	12,156,600
2006	15,071,976	(134,404)	14,937,572	598,396	15,535,968	(2,097,532)	13,438,436
2007	16,759,246	(133,112)	16,626,134	620,524	17,246,658	(2,522,337)	14,724,321
2008	18,339,519	(134,380)	18,205,139	607,779	18,812,938	(2,405,375)	16,407,563
2009	20,237,173	(136,262)	20,100,911	651,375	20,752,286	(2,799,791)	17,952,495
2010	20,204,880	(138,630)	20,066,250	644,888	20,711,138	(2,828,387)	17,882,751
2011	20,2081,388	(138,275)	20,343,113	605,404	20,948,517	(2,829,885)	18,118,632

Source: Los Angeles County Auditor-Controller and California Municipal Statistics, Inc.

<sup>(1)</sup> Pasadena Community Development Commission, the redevelopment agency for the City.

The following two tables reflect the typical property tax rate per \$100 of assessed value in various jurisdictions and the ten largest secured taxpayers in the City.

**CITY OF PASADENA  
 PROPERTY TAX RATES  
 DIRECT AND OVERLAPPING GOVERNMENTS  
 For Fiscal Years 2001 through 2010  
 (unaudited)**

<b>Fiscal Year</b>	<b>General City</b>	<b>City Debt Service</b>	<b>Los Angeles County General</b>	<b>Pasadena School District</b>	<b>Pasadena Comm. College District</b>	<b>Flood Control District</b>	<b>Metropolitan Water District</b>	<b>Total</b>
2001	1.000000	0.016731	0.001314	0.067891	0.000000	0.001552	0.008800	1.096288
2002	1.000000	0.015297	0.001128	0.090396	0.000000	0.001073	0.007700	1.115594
2003	1.000000	0.014611	0.001033	0.070304	0.000000	0.000811	0.006700	1.093529
2004	1.000000	0.012515	0.000992	0.088903	0.006814	0.000462	0.006100	1.115786
2005	1.000000	0.011643	0.000923	0.086312	0.008786	0.000245	0.005800	1.113709
2006	1.000000	0.009792	0.000795	0.109911	0.004103	0.000049	0.005200	1.129850
2007	1.000000	0.011643	0.000923	0.086312	0.008786	0.000245	0.005800	1.113709
2008	1.000000	0.009792	0.000795	0.109911	0.004103	0.000049	0.005200	1.129850
2009	1.000000	0.000000	0.000000	0.063747	0.017417	0.000000	0.004300	1.085464
2010	1.000000	0.000000	0.000000	.0108364	.023002	0.000000	0.004300	1.135666

Source: County of Los Angeles Tax Assessor and California Municipal Statistics, Inc.

**CITY OF PASADENA  
TOP TEN PROPERTY TAXPAYERS  
As of June 30, 2011**

<b>Property Owner</b>	<b>Primary Land use</b>	<b>June 30, 2011 Assessed Valuation</b>	<b>% of Total</b>
Marangi Leonard M Les	Hospital	\$ 406,181,952	1.94
Kaiser Foundation Health Plan Inc.	Office Building	218,417,684	1.04
Paseo Colorado Holding LLC	Shopping Center	190,750,405	0.91
Pacific Huntington Hotel Corp	Office Building	154,489,387	0.74
Wells Reit II Pasadena Corp	Office Building	137,317,976	0.66
Maguire Partners Wap LLC	Office Building	128,823,529	0.61
Equity Office Properties Trust	Office Building	127,400,000	0.61
Tishman Speyer Archstone Smith	Apartments	119,186,722	0.57
SSR Paseo Colorado LLC	Apartments	109,888,463	0.52
Pasadena Towers LLC	Office Building	<u>106,247,937</u>	<u>0.51</u>
Total principal property taxpayers gross assessed value		<u>\$1,698,704,055</u>	<u>8.11%</u>
Total city assessed value		<u>\$20,948,384,608</u>	<u>100.00%</u>

Source: California Municipal Statistics, Inc.

**General Fund Comparative Financial Statements**

The following two tables describe the financial condition of the City's General Fund by showing a three-year history of the City's Comparative Balance Sheet and a three-year history of the City's Statement of Revenues, Expenditures and Changes in Fund Balances.

**CITY OF PASADENA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
Fiscal Years 2009 through 2011**

<u>Assets</u>	<u>Fiscal year Ended June 30,</u>		
	<u>2009</u>	<u>2010</u>	<u>2011*</u>
Cash and investments	\$48,512,851	\$36,887,035	\$27,561,067
Accounts receivable	17,135,513	21,367,164	19,701,363
Less allowance for uncollectible amounts	(1,346,986)	(3,624,251)	(2,568,437)
Notes receivable	398,403	404,403	410,403
Due from other funds	4,781,495	4,794,116	8,582,519
Prepays and other assets	25,042	723,380	26,833
Advances to other funds	15,878,806	14,476,596	15,332,198
Advances to component units	902,624	835,384	764,740
Allowance uncollectible for long term receivables	(8,151,520)	(8,556,376)	(10,000,845)
Total assets	<u>\$78,136,228</u>	<u>\$67,307,451</u>	<u>\$59,809,841</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$11,565,569	\$8,609,063	\$8,062,810
Deposits	1,885,384	1,911,281	1,984,321
Due to other governments	28,787	83,291	50,234
Deferred revenue	4,273,445	3,526,629	3,147,469
Total liabilities	<u>\$17,753,185</u>	<u>\$14,130,264</u>	<u>\$13,244,834</u>
Fund Balances:			
Reserved for:			
Encumbrances	\$2,928,222	113,113	113,113
Notes receivable	398,403	404,403	410,403
Prepays and other assets	25,042	723,380	26,833
Advances to other funds	8,629,910	6,755,604	6,096,093
Unreserved:			
General Fund	48,401,466	45,180,687	39,918,565
Total Fund balances	<u>\$60,383,043</u>	<u>\$53,177,187</u>	<u>\$46,565,007</u>
Total liabilities and fund balances	<u>\$78,136,228</u>	<u>\$67,307,451</u>	<u>\$59,809,841</u>

\*Unaudited numbers.

**CITY OF PASADENA  
GENERAL FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
Fiscal Years 2009 through 2011**

	Fiscal Year Ended June 30,		
	2009	2010	2011*
<b>Revenues:</b>			
Taxes	\$119,771,602	\$112,030,511	\$113,809,641
Licenses and permits	2,360,182	2,640,177	2,471,544
Intergovernmental revenues	13,745,985	14,004,673	14,570,521
Charges for services	34,523,301	32,734,949	32,092,354
Fines and forfeits	8,844,377	5,135,244	6,362,032
Investment earnings	21,922,550	24,136,783	23,018,866
Net changes in fair value of investments	167,106	278,208	(91,192)
Rental income	1,425,723	1,010,973	1,073,420
Miscellaneous revenue	2,394,249	2,441,828	2,307,555
Total revenues	<u>\$205,155,075</u>	<u>\$194,413,346</u>	<u>\$195,614,741</u>
<b>Expenditures:</b>			
Current:			
General government	\$ 34,809,501	\$ 36,864,197	\$ 39,277,386
Public Safety	99,457,043	98,167,257	97,209,419
Transportation	26,337,739	22,370,798	23,026,269
Culture and leisure	14,228,573	13,288,417	13,783,967
Community development	9,990,270	9,531,323	8,104,996
Capital outlay		3,230,000	--
Debt service:			
Principal retirement	--	--	--
Total expenditures	<u>\$184,823,126</u>	<u>\$183,451,992</u>	<u>\$181,402,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 20,331,949</u>	<u>\$ 10,961,354</u>	<u>\$ 14,212,704</u>
<b>Other financing sources (uses):</b>			
Issuance of long-term debt	\$ 331,944	--	--
Transfers in	18,007,072	30,055,525	26,931,281
Transfers out	<u>(48,213,053)</u>	<u>(48,222,735)</u>	<u>(47,756,165)</u>
Total other financing sources (uses)	(29,874,037)	(18,167,210)	(20,824,884)
Change in fund balances	(9,542,088)	(7,205,856)	(6,612,180)
Fund balances at beginning of year, as restated	<u>69,925,131</u>	<u>60,383,043</u>	<u>53,177,187</u>
Fund balances at end of year	<u>\$ 60,383,043</u>	<u>\$ 53,177,187</u>	<u>\$ 46,565,007</u>

\*Unaudited numbers.

General Fund taxes decreased by approximately \$7.7 million from the fiscal year ended June 30, 2009 to June 30, 2010. These changes were due primarily to decreases in retail sales taxes, utility users' tax, Franchise Tax and property taxes over such time period. Revenues received from charges for services decreased by approximately \$1.7 million during such period. Revenues received in Fines and forfeits decreased by \$3.7 due to the county court fees portion for parking citation that the County court collect per each parking citation issued, which included an increase in the County court fees. These fees were from a prior fiscal year, but were paid in current fiscal year. The City however was able to increase its investment earnings by \$2.2 million although with the current economic decrease in interest rate.

## Investment Practices

**General.** The City Treasurer is responsible for investing City funds pursuant to an Investment Policy (the “Investment Policy”) established by the City Council.

The Treasurer invests temporarily idle cash for the City as part of a pooled investment program which combines general receipts with special funds for investment purposes. The City’s accounting division then allocates interest earnings on a *pro rata* basis when the interest is earned and distributes interest receipts based on the previously established allocations. All funds of the City, other than bond proceeds, the investment assets of the Commission, the City’s Capital Endowment Fund and the Stranded Investment Reserve Fund, are invested pursuant to this pooled investment program. Funds of the Commission are invested pursuant to the Investment Policy, but are kept separate from other City funds. The Treasurer does not invest funds of any other governmental entities as part of its pooled investment program. All bond proceeds are invested in accordance with the permitted investments described in the applicable trust indenture.

**Pooled Investment Portfolio.** As of June 30, 2011, the funds invested pursuant to the pooled investment program had a market value of \$306,851,206. The City Treasurer prices the pooled portfolio and all other funds and investments under management on a monthly basis. The market values are obtained from Interactive Data Corporation (“IDC”) and Bloomberg Financial Systems. The modified duration of the City’s Pooled Investment Portfolio as of June 30, 2011 was 2.21 years. Of the investments on that date, approximately 31.40% had maturities of thirty days or less.

The assets of the portfolio as of June 30, 2011 are shown in the following table:

### CITY OF PASADENA POOLED INVESTMENT PORTFOLIO

	<b>Market Value</b>	<b>Percentage of Total<sup>(1)</sup></b>
Money Market Fund	\$ 15,121,197	4.94%
Money Market FDIC Insured	5,245,000	1.71
Money Market-Collateralized	14,017,323	4.58
LAIF	49,384,769	16.14
Municipal Bonds	14,092,434	4.61
Corporate Bonds	40,998,746	13.40
Mortgage Backed Securities/GNMAs	202	0.00
Federal Agencies	150,323,876	49.13
Certificates of Deposit	1,000,000	0.33
Repurchase Agreements	10,043,077	3.28
Cash in Bank	<u>5,716,488</u>	<u>1.87</u>
Total	305,943,113	100.00%
Accrued Interest Receivable	<u>908,093</u>	
Grand Total	<u>\$306,851,206</u>	

Source: City of Pasadena.

<sup>(1)</sup> At market value.

The Weighted Average Maturity of the above portfolio is 2.21 years.

**The Investment Policy.** The City’s treasury operations are managed according to the Investment Policy which sets forth permitted investment vehicles, liquidity parameters and maximum maturities. The Investment Policy is reviewed and authorized by the City Council on an annual basis. The City Council approved the Investment Policy for fiscal year ending June 30, 2011 on September 27, 2010.



The Investment Policy establishes three primary objectives, in the following order of priority, for the City's investment activities.

1. *Safety of Principal.* The City will seek to preserve principal by mitigating credit risk and market risk (by structuring the portfolio so that securities mature at the same time as major cash outflows occur and by prohibiting the taking of short positions).

2. *Liquidity.* The City will maintain sufficient liquidity in the investment portfolio to enable the City to meet all operating requirements which might be reasonably anticipated and investments will be authorized only in securities that are actively traded in the secondary market. The City operates its own electric and water utility and bills monthly for these services. The utility billing program generates significant cash flow on a daily basis. Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that the City's investment portfolio will remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements.

3. *Return on Investment.* The City will design its investment portfolio to attain a "market average rate of return" through economic cycles and, whenever possible, consistent with risk limitations and prudent investment principles, to augment returns above the market average rate of return.

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to earn the highest yield obtainable while keeping within the investment criteria established by the Investment Policy for the safety and liquidity of public funds.

To meet its short-term cash flow needs, the City typically maintains an average investment balance of about \$40 million in securities with a maturity of 30 days or less.

*Authorized Investments.* Funds are invested only in those securities authorized by the various sections of the California Government Code and the City's Investment Policy, which include obligations of the United States Treasury, agencies of the United States Government, local and State bond issues, bankers acceptances, commercial paper of prime quality, certificates of deposit (both collateralized and negotiable), repurchase and reverse repurchase agreements, medium-term corporate bonds, shares of beneficial interest in diversified management companies (mutual funds), and asset-backed (including mortgage-related) and pass-through securities.

The City does not invest funds in any security that could result in a zero interest accrual if held to maturity, and has no investments in derivative products such as interest rate swaps, futures, options or reverse purchase agreements in connection with its investments. The City has entered into interest rate swap agreements in connection with certain of its obligations. The City does not have any investments which are reverse repurchase agreements. A reverse repurchase agreement is a transaction in which a holder of securities, such as the City, sells the same to a third party and agrees to repurchase them at a later date. The proceeds received by the seller can in turn be invested in additional securities, thus producing "leverage."

The Government Code stipulates that no investments may be made in securities with maturities in excess of five years without express authority from the City's legislative body. The Government Code and the City's Investment Policy place various other restrictions on investment in and allocation of funds to various investment categories, including the following:

- The value of bankers acceptances, bills of exchange or time drafts drawn on and accepted by commercial banks may not exceed 40% of the City's portfolio book value as measured

on the date of purchase and the days to maturity of such investments may not exceed 180 days.

- Commercial paper must be rated P1 and issued by U.S. corporations with assets greater than \$500 million and a long-term debenture rating of A or better. The City is not permitted to purchase commercial paper that exceeds 270 days to maturity nor hold more than 10% of a corporation's outstanding commercial paper. The value of the City's holdings of commercial paper may not exceed 15% of the book value of the City's portfolio as measured on the date of purchase.
- The value of the City's holdings of negotiable certificates of deposits may not exceed 30% of the book value of the City's portfolio as measured on the date of purchase.
- The market value of the securities used as collateral for repurchase agreements may not be permitted to fall below 102% of the value of the repurchase agreement. Execution of a PSA Master Repurchase Agreement is required for all repurchase agreements transacted and the maturity of repurchase agreements may not exceed one year.
- The value of City's reverse repurchase agreement holdings may not exceed 20% of the book value of the City's portfolio as measured on the day of purchase. Reverse repurchase agreements may not exceed 92 days to maturity unless the agreement includes a written guarantee of minimum earnings for the entire period. Term reverse repurchase transactions in excess of 92 days are only permitted if the securities underlying the reverse are matched to the maturities of the reinvestments.
- No more than 25% of the City's investment portfolio may be invested in time deposits.
- Medium-term corporate bonds must be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. The value of the City's holdings of medium-term corporate bonds is limited to 30% of the City's portfolio book value as measured on the date of purchase and no more than 5% of the cost value may be invested in bonds held by one corporation.
- The value of the City's mutual fund holdings may not exceed 20% of the City's portfolio book value as measured on the date of purchase.
- Any eligible mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond must be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. In addition, purchases of such securities may not exceed 20% of all of the City's surplus funds that may be invested in accordance with the foregoing investment guidelines and restrictions.

None of the moneys on deposit in the City's investment portfolio is currently invested in leveraged products or inverse floating rate bonds. The City has no investments in outside investment pools except for the State's Local Agency Investment Fund (LAIF). The City does not have a practice of lending its portfolio's securities to others in return for a fee, although it is not prohibited from doing so.

### **General Obligation Debt**

Under the City Charter, the City may not incur indebtedness by general obligation bonds which would in the aggregate exceed 15% of the total assessed valuation of all the real and personal property within the City subject to assessment for taxation for municipal purposes. In addition, no bonded indebtedness which will constitute a general obligation of the City may be created unless authorized by the affirmative vote of two-thirds of the electorate voting on such proposition at any election at which the question is submitted. Such bonds are secured by an *ad valorem* property tax assessed against the property owners of the City. The City currently has no general obligation debt outstanding.

### **Estimated Direct and Overlapping Bonded Debt**

The estimated direct and overlapping bonded debt of the City as of June 30, 2011 is shown on the following page.

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**CITY OF PASADENA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
As of June 30, 2011**

2010-11 Assessed Valuation:	\$21,086,792,638
Redevelopment Incremental Valuation:	<u>2,824,789,269</u>
Adjusted Assessed Valuation:	\$18,262,003,369

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable<sup>(1)</sup></u>	<u>Debt 06/30/11</u>
Los Angeles County Flood Control District	2.131%	\$1,146,371
Metropolitan Water District	1.024	2,331,341
Pasadena Area Community College District	32.841	37,827,028
La Cañada Unified School District	0.234	74,377
Pasadena Unified School District	71.118	205,939,949
City of Pasadena Community Facilities District No. 1	100.000	8,685,000
Los Angeles County Improvement District No. 2658-M	98.287	3,253,300
Los Angeles County Regional Park and Open Space Assessment District	1.998	3,941,754
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<u>\$263,199,120</u>

<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>		
Los Angeles County General Fund Obligations	1.998%	\$ 29,909,616
Los Angeles County Superintendent of Schools Certificates of Participation	1.998	243,854
Los Angeles County Sanitation District Nos. 15, 16 & 17 Certificates of Participation	0.422-58.097	12,429,181
Pasadena Area Community College District Certificates of Participation	32.841	591,138
<b>City of Pasadena General Fund Obligations</b>	<b>100.000</b>	<b>503,639,935</b>
<b>City of Pasadena Pension Obligations</b>	<b>100.000</b>	<b><u>104,825,319</u></b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$651,639,043</b>

COMBINED TOTAL DEBT \$914,838,163<sup>(2)</sup>

<sup>(1)</sup> Percentage of overlapping agency's assessed valuation located within the boundaries of the city.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2010-11 Assessed Valuation:

Total Direct and Overlapping Tax and Assessment Debt ..... 1.25%

Ratios to Adjusted Assessed Valuation:

**Combined Direct Debt (\$608,465,254) ..... 3.33%**

Combined Total Debt..... 5.01%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: \$0

Source: MuniServices, LLC