

YEAR ENDED

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

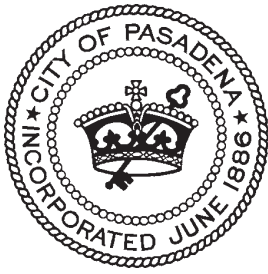
JUNE 30
2012



CITY OF PASADENA
CALIFORNIA



City of Pasadena, California



COMPREHENSIVE ANNUAL FINANCIAL REPORT

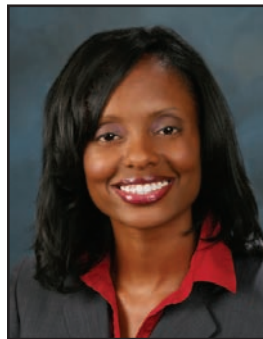
Year Ended June 30, 2012



Bill Bogaard
Mayor



Margaret McAustin
Vice-Mayor
District 2



Jacque Robinson
Council Member
District 1



Chris Holden
Council Member
District 3



Gene Masuda
Council Member
District 4



Victor Gordo
Council Member
District 5



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

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JUNE 30
2012

Introductory
Section

INTRODUCTORY SECTION



City of Pasadena
City Hall



DEPARTMENT OF FINANCE

November 29, 2012

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, 2012. 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 Brown Armstrong Accountancy Corporation, 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, 2012, fairly state the City's financial position. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Pasadena's financial statements for the fiscal year ended June 30, 2012, 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.

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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 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 City Clerk. The City Manager is responsible for carrying out policies and ordinances of the City Council, appointing the heads of the City's departments 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 2011 population of 138,915, according to the State Department of Finance. The City is bounded on the west by the cities of Los Angeles, Glendale and La Canada, on the south by South Pasadena and San Marino, on the east by Arcadia and Sierra Madre, and on the north by the unincorporated community of Altadena.

REPORTING ENTITY AND ITS SERVICES

This report includes all funds of the City, as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are included in this CAFR as part of the City. Accordingly, the Pasadena Public Financing Authority, Pasadena Parking Authority, the Pasadena Civic Improvement Corporation (PCIC), the Pasadena Fire and Police Retirement System (FPRS), and the final seven months of Pasadena Community Development Commission (PCDC) are reported as part of the City. As of February 1, 2012 PCDC no longer exists pursuant to State law under AB 1X 26. The five months from February 1, 2012 to June 30, 2012 show the Successor Agency to PCDC as a Private Purpose Trust Fund reported in the Fiduciary Fund Section. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City and to differentiate their financial position, results of operations and cash flows from those of the City. The Rose Bowl Operating Company (RBOC), the Pasadena Center Operating Company (PCOC), and the Pasadena Community Access Corporation (PCAC) are discretely presented component units.

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 collection utilities, library, recreation and human services, 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.

FACTORS AFFECTING FINANCIAL CONDITION

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

The Current Economic Climate

The great recession, as it has been termed, technically ended once the U.S. economy began to experience positive growth in July 2009. And while growth has been slow, there are continuing signs that the economy is recovering. Key City revenues such as sales tax, construction tax, property tax, and transient occupancy tax have yet to retain their pre-recession levels, but all are trending upward. Other economic factors, such as increases in both the number and value of building permits, demonstrate cause for cautious optimism.

Unemployment rates have declined over the past year, although rates remain relatively high. Fortunately, while Pasadena is experiencing an unusually high unemployment rate, it is one of the lowest in the region and a testament to the City's diverse economic base. The California Employment Development Department reports that as of June 2012, Pasadena's unemployment rate was 8.5 percent versus 9.7 percent in Glendale, 9.0 percent in Burbank, 11.1 percent in LA County, and 10.7 percent for the state of California.

Housing, another indicator of economic stability, is showing signs of improvement. In Los Angeles County, the California Association of Realtors reported that home sales rose 5.8 percent for the period of January 2012 through June 2012 over the same period in 2011. Increased sales activity appears to be reducing the inventory of homes on the market. While home prices continue to be weak, recent data indicates the downward trend may have begun to turnaround. The median home sales price in Los Angeles County increased 1.7 percent in May 2012 and 5.3 percent in June 2012 over the same months in 2011. Locally, Pasadena's housing market has held its value relative to other areas of Los Angeles County and the state of California. Additionally, the demand for multi-unit housing has fueled an increase in construction activity across the country, which is felt in Pasadena as well.

Pasadena's office market remains strong with a vacancy rate of 15.4 percent, which is lower than Glendale, 23.6 percent, Burbank, 16.4 percent, and Los Angeles County average of 17.4%.

State Budget Impacts

The state of California continues to struggle financially. Heavily dependent on sales tax and income tax revenues, the downturn in the economy dramatically impacted the state. The state recently projected a deficit of \$15.7 billion. While the state's adopted FY 2013 budget appeared to resolve this anticipated deficit, more recent analysis indicates that the state may fall short of projected revenues. With the passage of Proposition 30, which was assumed as part of the FY 2013 budget, the trigger cuts to education were avoided and the projected deficit has declined to \$1.9 billion.

Recently, to reduce the cost of the state prison system, the state introduced a program through Assembly Bill 109 that releases non-violent felons back into the community without the benefit of supervised parole. While this "parole realignment" effort is relatively new, it remains to be seen whether such actions will increase the cost for local law enforcement. As a precaution, the Police Department has developed a new program called Parolee Reintegration Enforcement to address the impacts of the potential influx of parolees to the City.

Last fiscal year staff reported that the state's then budget plan included proposals which could effectively end redevelopment agencies in California. At the time there was optimism that a compromise agreement would be reached to preserve redevelopment while providing much needed financial support to the state. Unfortunately, through legislation and subsequent court action, more than 400 local redevelopment agencies in California were dissolved as of February 1, 2012, thereby eliminating a critical mechanism to improve communities and create jobs through the elimination of blight and support for economic development.

For Pasadena, the unwinding of redevelopment has been difficult due to the uncertainties that still exist in the interpretation of the new law. As an example, through special legislation, Senate Bill 481 (SB481) approved in 1987, the majority of tax increment received by the City's former redevelopment agency's downtown project area, in excess of \$20 million annually, is used to pay bonded indebtedness associated with the City's closed Fire and Police Retirement System. While the state initially determined the requirements of SB 481 were not an enforceable obligation, after an appeal by the City, the state reversed their original decision and has approved the SB 481 transfer to the General Fund as an enforceable obligation. This reversal by the state is critical to maintaining Pasadena's financial health and will help ensure that the City continues to receive the property tax increment revenues pledged to make bond and other enforceable obligation payments. As we produce these financial statements, the State has reversed its favorable decision and the City has filed an appeal under the California Department of Finance's "meet and confer" process and is awaiting a decision.

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Fiscal year ended June 30, 2012

It should be noted that the financial reporting of the dissolution of the Pasadena Community Development Commission has resulted in some one time restatements of beginning fund balances as well as extraordinary gains and losses. These treatments are required by Generally Accepted Accounting Principles and are explained in more detail in the Management Discussion and Analysis and footnotes to the financial statements.

Last year the FY 2012 state budget ended the per capita allocation of motor vehicle license fees to municipal governments. While this revenue has been in decline for a number of years, the loss to the City for FY 2013 is approximately \$530,000.

In October 2011, Governor Brown released his 12 point pension reform plan to address the growing unfunded liability of public pension costs. Pasadena has been working with its bargaining groups to have employees pay the employee portion of their pension costs. Over 60 percent of the city employees today pay 100 percent of the employee share of pension costs. This number will increase to over 70% by the end of December. In September 2012 Governor Brown signed the Pension Reform Bill which requires agencies such as Pasadena to begin implementing new cost sharing formulas with all new hires. Staff will continue to work with our bargaining groups to both reduce and limit the cost to the City of employee pensions. The on-going challenge will be that CalPERS continues to increase our pension rates as they address their unfunded liability.

Federal Budget Impacts

The growing federal deficit is also likely to impact City finances, as most federal budget reductions have come at the expense of domestic spending in federal programs, primarily in the areas of housing, community development block grants, public transportation, and public safety. With the election results in, the importance of addressing the midnight December 31, 2012 scheduled tax increases and spending reductions, the “federal fiscal cliff”, are critical. The biggest threat posed by the \$7 trillion fiscal cliff is that it could throw the U.S. economy into recession next year.

Long-term Financial Planning

In mid-2009 as the realities and depth of the recession were becoming clear, the City Council adopted a 5-year plan to address the growing structural deficit in the General Fund. The Plan takes a measured approach to reducing expenditures to minimize the impacts on services and programs. The Plan utilized over \$25 million in undesignated General Fund reserves over 4 years during which time structural changes were implemented to ensure long term fiscal health under the “new normal.” The reserves were

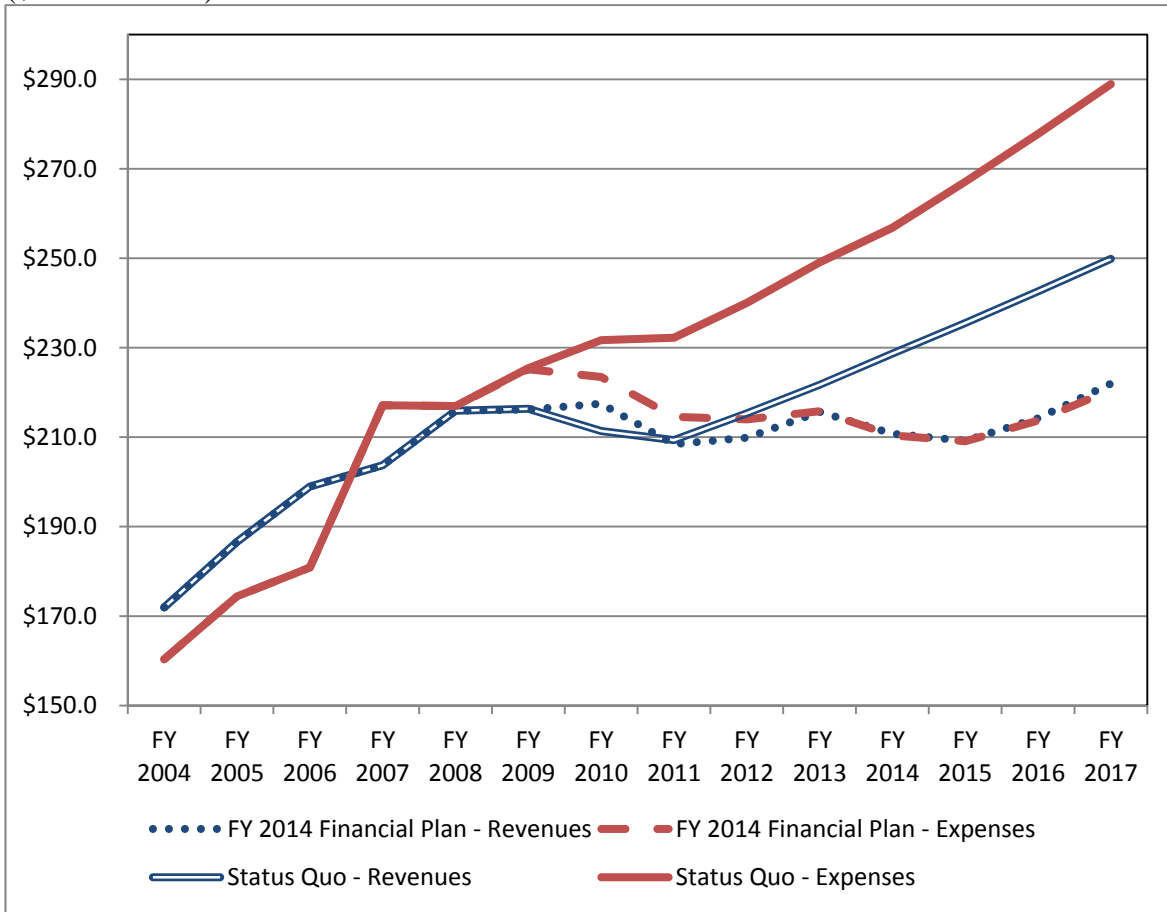
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used to ensure devastating programmatic reductions that would have otherwise been necessary to eliminate the structural deficit sooner. The most significant structural expenditure reductions have come from the reduction of filled and unfilled positions, and the willingness of City employees to forgo salary increases and offset other employee-related costs. These same employees have taken on new challenges as the organization adjusts to have fewer positions while service expectations continue.

As shown on the General Fund 5-Year Financial Plan Forecast graph below, if action had not been taken, the General Fund would have faced a widening gap between projected revenues and expenses. Absent action, the City's annual deficit in the General Fund was projected to grow to more than \$39 million by FY 2017. Cost reductions began to be implemented in mid-FY 2009 and have continued in each succeeding fiscal year. Through the actions already taken and those incorporated into the FY 2013 Adopted Budget, the City is on track to eliminate over \$200 million in cumulative costs between FY 2009 and FY 2017 in the General Fund. Added to this are additional cost reductions of approximately \$4.5 million included and absorbed in the FY 2012 Adopted Budget as a result of the significant increase to the City's pension contribution rates. The adopted total budget for FY 2012 was \$776.7 million and the FY 2013 budget is \$745.5. The General Fund adopted budgets for FY 2012 was \$215.8 and FY 2013 is \$215.7 million. Adherence to the elements of the five year plan allowed for a balanced budget to be brought forward one year earlier than planned in FY 2013 rather than FY 2014.

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General Fund 5-Year Financial Plan Forecast (updated with projections through FY 2017)
 (\$'s in Millions)



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The General Fund 5-year financial chart below provides estimated operating results based upon actions previously taken and those included in the FY 2013 Adopted Budget.

General Fund 5-year Financial Plan (\$000)					
As of June 2012					
	FY 2013 Adopted	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected
Beginning Amount Available for Appropriations	\$4,183	\$4,347	\$4,723	\$4,832	\$5,370
REVENUES					
Tax Revenues	127,178	131,266	136,791	142,399	148,247
Other Revenues	88,644	80,425	73,160	73,201	75,189
TOTAL REVENUES	215,822	211,691	209,951	215,600	223,436
EXPENDITURES					
Personnel	124,623	128,586	131,826	135,605	140,878
Debt Service	32,683	23,175	17,557	18,076	18,069
Contributions to Other Funds/Misc	13,680	14,355	14,725	15,106	16,660
Other Expenses	44,672	45,199	45,734	46,275	47,200
TOTAL EXPENDITURES	215,658	211,315	209,842	215,062	222,807
Net Income/(Loss)	164	376	109	538	629
Ending Amount Available for Appropriations	\$4,347	\$4,723	\$4,832	\$5,370	\$5,999

Prepared on modified accrual basis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The FY 2013 budget was prepared with the City Council Strategic Plan goals in mind as virtually all activities of the municipal organization fall under one or more of these goals:

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

Typically, the City begins its annual budget process early in the calendar year; however, for the FY 2013 budget, the process began in September 2011 when forecasts indicated

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that annual revenues were falling short of budgeted levels. In response, City departments were directed to develop proposals for cost reductions and/or revenue enhancements to fully resolve the anticipated shortfall and balance the budget for FY 2013. These proposals were presented to the City Council at a special budget workshop held in November 2011. The City Council accepted a large number of those proposals which were carried forward into the FY 2013 Adopted Budget along with additional actions to ensure a balanced budget for the coming fiscal year.

The FY 2013 budget continues the practice of conservative revenue estimates, especially in the General Fund. Overall, the FY 2013 Adopted Budget anticipates modest increases in most revenues. For the General Fund this translates into a projected 2.8 percent increase over FY 2012 revenues.

An element of any budget strategy is to consider enhancements to revenue streams within the City's control; however, any such increases must be weighed against the impact on City residents and businesses. For FY 2013 modest increases to a number of City fees and charges were approved by the City Council to better reflect the true cost of providing services. An example of this approach are fee increases for Human Services & Recreation programs aimed at achieving a greater level of cost-recovery and generating funds to provide scholarships for those whose family income makes it otherwise difficult to participate in the City's recreation programs.

The General Fund revenue budget for FY 2013 anticipates a level of transfer from the Power Fund equal to 9 percent of gross revenues or \$14.3 million, down from 10% in 2012. Pursuant to City Charter Sections 1407 and 1408, the City makes an annual transfer (dividend) from the Power Fund to the General Fund to support municipal operations and capital improvements. In combination, the provisions of the Charter limit the annual transfer to the lessor of 16 percent of gross revenues or the net income of the Power Utility. Historically, the transfer has averaged 8 percent. Based on current forecasts, staff projects a 9 percent annual transfer through FY 2015.

The FY 2013 Adopted Budget also includes a one-time transfer of \$1 million from the Workers Compensation Fund to the General Fund. Management believes the Workers Compensation Fund has sufficient balance to sustain this one-time transfer and over time will rebuild its fund balance through charges to the General Fund and other City funds and anticipated operational savings resulting from program improvements recently implemented.

General Fund expenses are projected to remain relatively flat when compared to the FY 2012 Adopted Budget and no additional layoffs are anticipated in FY 2013. Given that personnel-related expenses account for nearly 74 percent of all General Fund operating

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expenditures (excluding transfers), achieving this low level of expense growth necessitates the continued support of employees. Most bargaining units agreed to a multiyear fourth year without salary increases and/or have agreed to a combination of multiple years without salary increases, increased pick-up of their employee pension costs, restructuring of health premiums, and other changes to reduce overall personnel costs. In contrast to other jurisdictions that have been forced to implement salary reductions, Pasadena has maintained current salary levels through these difficult financial times. Going forward, it is recognized that the City must provide a competitive salary and benefit package to recruit and retain the talent it requires.

A major factor in ensuring that Pasadena remains vigilant in maintaining financial stability is long-range planning. The 5-Year General Fund Financial Plan defined above was developed to address this objective. Similar plans are being developed for all funds that had similar structural deficits, including the Refuse, Public Health, Water, and Building Services Funds.

As previously noted, it was only through prudent financial management and adherence to sound fiscal policies that the City of Pasadena was able to accumulate reserves used to cushion the impacts of the past several years. As Pasadena's economy improves, it is critical that reserves be increased to guard against the next downturn or other unexpected catastrophes. Maintaining healthy reserves also helps reduce borrowing costs to the benefit of taxpayers. Future budget recommendations will include setting aside additional reserves.

Looking beyond the General Fund, the upcoming fiscal year holds both promise and challenges for a number of key City funds. Pasadena is one of only three cities in California with its own health department and in recent years, reductions in state funding resulted in a restructuring of service, staff layoffs, and the need for subsidy from the City's General Fund. After restructuring the Pasadena Health Department, the FY 2013 budget no longer includes a subsidy from the General Fund

As a result of the elimination of the redevelopment funding, declining local inclusionary revenues and cuts in federal housing and community development funds (Section 8 administration, HOME, CDBG), the City's Housing Department FY 2013 Adopted Budget of \$25.1 million is \$8.7 million or 26 percent lower than the prior year. The dissolution of redevelopment has eliminated approximately \$3 million in tax increment housing revenues which historically were relied on to support affordable housing projects/programs, debt service on housing loans/bonds, and program administration. Federal program reductions, including cuts in program administration support, are HOME (-46 percent), CDBG (-15 percent) and Section 8 (-7 percent). The impact of these reductions over the past few years has required staff reductions of 45 percent. To maintain its primary service

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Fiscal year ended June 30, 2012

responsibilities, the Housing Department's FY 2013 budget includes an increase of the General Fund subsidy to the Housing Department of \$500,000 to partially compensate for the loss of these key funding sources. Over the course of the next fiscal year, as the true impact of the redevelopment wind-down becomes clear, new revenues will likely need to be identified to ensure the long-term viability of the Housing Fund.

Reduced local demand for water is resulting in continued challenges for sufficient funding for capital programs in the Water Fund. The recent adoption of the Water Integrated Resources Plan (WIRP) and corresponding rate increases added renewed focus to improving local water supplies through conservation and investment in projects that will improve access to groundwater. Rate increases have begun to address the cash flow issues experienced over the past few years and the WIRP continues to provide the roadmap for the development and implementation of future water supply and distribution projects and water conservation programs to meet the needs of customers. In FY 2013, the first phase of the Well Collector Pipeline project will begin. This project will facilitate the collection and distribution of well water to Jones Reservoir for customer use on the east side of Pasadena and will also improve the capability to treat water to meet compliance regulations and blend with water from Metropolitan Water District.

In November 2011, Pasadena was hit by an unprecedented windstorm. The resulting damage required the removal of approximately 60,000 tons (120 million pounds) of trees, limbs, and debris from city streets, caused the loss of power to an estimated 6,330 customers, and damaged City facilities, parks, and water and power infrastructure. The total cost of the damage totaled approximately \$14.5 million, of which less than 4 percent will be reimbursed by state and federal agencies. The balance of the costs must be absorbed primarily by the City's Refuse, Water and Power Funds which will negatively affect relative cash positions and may impact future rates.

Prior to the great recession, the City's Building Services Fund, which accounts for development related income and expenses, including building permits and plan check fees, was in surplus. The dramatic reduction in building activity which occurred as part of the recession caused Building Fund revenues to plummet, while expenses continued to grow. As a result the Building Services Fund shifted into a deficit position, hitting its lowest point in FY 2009 when the fund stood at roughly \$2.8 million in deficit. Aggressive cost-cutting has narrowed this gap considerably. The Adopted FY 2013 operating budget anticipates that the deficit will have fallen to less than \$770,000. As development activity picks up and the benefits of prior cost reductions continue this fund is expected to return to a positive position by FY2015.

Capital Projects

Pasadena has a rich history and a bright future. The City's Capital Improvement Program (CIP) Budget is one important way in which the City plans for the future. The CIP is a compilation of new construction and major maintenance projects designed to preserve and expand the City's infrastructure and has remained strong throughout the great recession. The FY2013-FY2017 CIP contains 218 active projects with a total estimated cost of \$960.4 million. The FY 2013 Budget includes \$88.5 million in appropriations for 90 projects, of which 19 are new projects. In addition to the City Council's strategic plan goals discussed previously, the following considerations are made for developing and prioritizing the CIP:

- The project is needed to address a particular safety concern;
- The project is necessary because existing maintenance efforts are no longer satisfactory and the cost of repair exceeds the replacement cost; and,
- An existing facility or system is no longer adequate to meet City needs/demand.

The CIP document provides a detailed description of each funded project including a Future Projects section that identifies 164 additional projects with a total estimated project cost of \$635.6 million. These future projects are not yet funded; however, identifying these projects as part of the program allows staff to pursue funding opportunities when, and if, they become available. The complete FY 2013 – FY 2017 CIP document is posted on the City's website at:

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

An effective CIP will assist the City's reduced staff in providing services which are critical to the future of Pasadena. Staff at all levels is involved in efforts to improve service-delivery and increase efficiency and effectiveness. Indicative of these efforts is the smartphone application released earlier this year which enables users to advise the City of new issues or track existing customer issues until resolved. To date, the system has logged 503 customer contacts and has obtained a closure rate of 94 percent.

Approximately 82 percent of the contacts were made via the web. Moreover, the adopted CIP includes funding for the establishment of a complete 311 customer relationship management system that will further expand the City's abilities to receive, track, and respond to customer-service issues.

Looking to the Future

Thinking more broadly, the City recently completed an Economic Development Strategic Plan which assesses Pasadena's comparative advantages, economic strengths, weaknesses, opportunities, and threats to help guide future economic development. To maximize the value of this process, an Economic Development Task Force was assembled consisting of prominent community members drawn from a broad range of professional interests and backgrounds. The task force will meet monthly through the end of 2012 including a meeting to hear from key stakeholder groups, as it works to develop an implementation strategy for the Strategic Plan. Information about the Economic Development Strategic Plan and Task Force is posted on the City's website at:

www.cityofpasadena.net/EconomicDevelopment/Economic_Development_Strategy

Conclusion

Over the past four years the City of Pasadena faced the daunting challenge of continuing to provide high-quality public services while addressing the most serious fiscal crisis in recent memory. That the City has been able to resolve the General Fund deficit one year earlier than originally planned, has restructured and reorganized City departments and work efforts for greater efficiency, and has stayed true to the values which make Pasadena unique, is a testament to the leadership of the City Council and the commitment of all City employees. Through continued partnership with the community that we serve, the City of Pasadena will continue to be a leader in effective municipal governance and quality of life.

ACCOMPLISHMENTS

Some of the major and noteworthy accomplishments during fiscal year 2012 are as follows:

- Completed enhancements of streets and sidewalks in the Civic Center from Central Library to the Civic Auditorium. Additionally, Monk Hill Water Treatment Plant, PWP's field operations building, and Reese's Retreat at Brookside Park were all completed; and funding was set aside to seismically upgrade two of Pasadena's seven ailing fire stations.
- Celebrated opening of the new Pasadena Ice Skating Center at the Civic Auditorium campus.

Comprehensive Annual Financial Report (CAFR)
City of Pasadena, California (City)
Fiscal year ended June 30, 2012

- Adopted the Open Space and Conservation element chapter of the General Plan.
- Management of the windstorm disaster and related clean –up efforts, including the clearing of 60,000 tons of windstorm debris from streets and 5,000 tons from parks and recycled the vast majority of the green waste debris into mulch.
- Successfully negotiated the acquisition of the YWCA to facilitate historic preservation.
- City Clerk's Office supported a nine-member citizen-based redistricting task force that successfully completed a redistricting process equalizing the population counts among the seven voting districts of the City Council based on 2010 Census Data.
- Completed Hudson Oaks and Washington Classics affordable housing projects.
- Completed lifecycle server, network equipment, and 1.0 mile of fiber optic network replacements.
- Compiled 3,000 General Plan surveys, completed study sessions with the Planning Commission and Transportation Advisory Commission to discuss policies that support the General Plan. Developed City's first Public Art Plan.
- During calendar year 2011 most Part I crimes (rape, robbery, aggravated assault larceny, and motor vehicle theft) were reduced as were all crime categories.
- Received two new Seagrave 1500 gpm pumpers. Received second Rescue Cart and 30 foot transport trailer for Rescue Carts through private funding.
- Purchased six compressed natural gas automated refuse side loaders to replace diesel vehicles. Secured funding and Council authorization to purchase fifteen new CNG-fueled ARTS buses; five of which were placed in service by June 30, 2012.
- In accordance with the Energy Integrated Resource Plan, achieved Renewable Portfolio Standard of 20 percent in calendar year 2011.

Comprehensive Annual Financial Report (CAFR)
City of Pasadena, California (City)
Fiscal year ended June 30, 2012

FINANCIAL 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, 2011. This was the 13th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

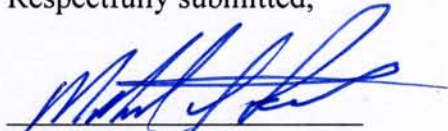
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City continues to hold a current General Obligation Bond rating of AAA which is the highest rating given by Standard and Poor's and Fitch rating agencies.

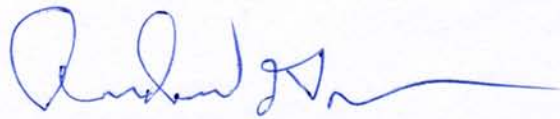
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire Department of Finance staff.

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

Respectfully submitted,



Michael J. Beck
City Manager



Andrew Green
Director of Finance

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CITY OF PASADENA

City Officials

CITY COUNCIL

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

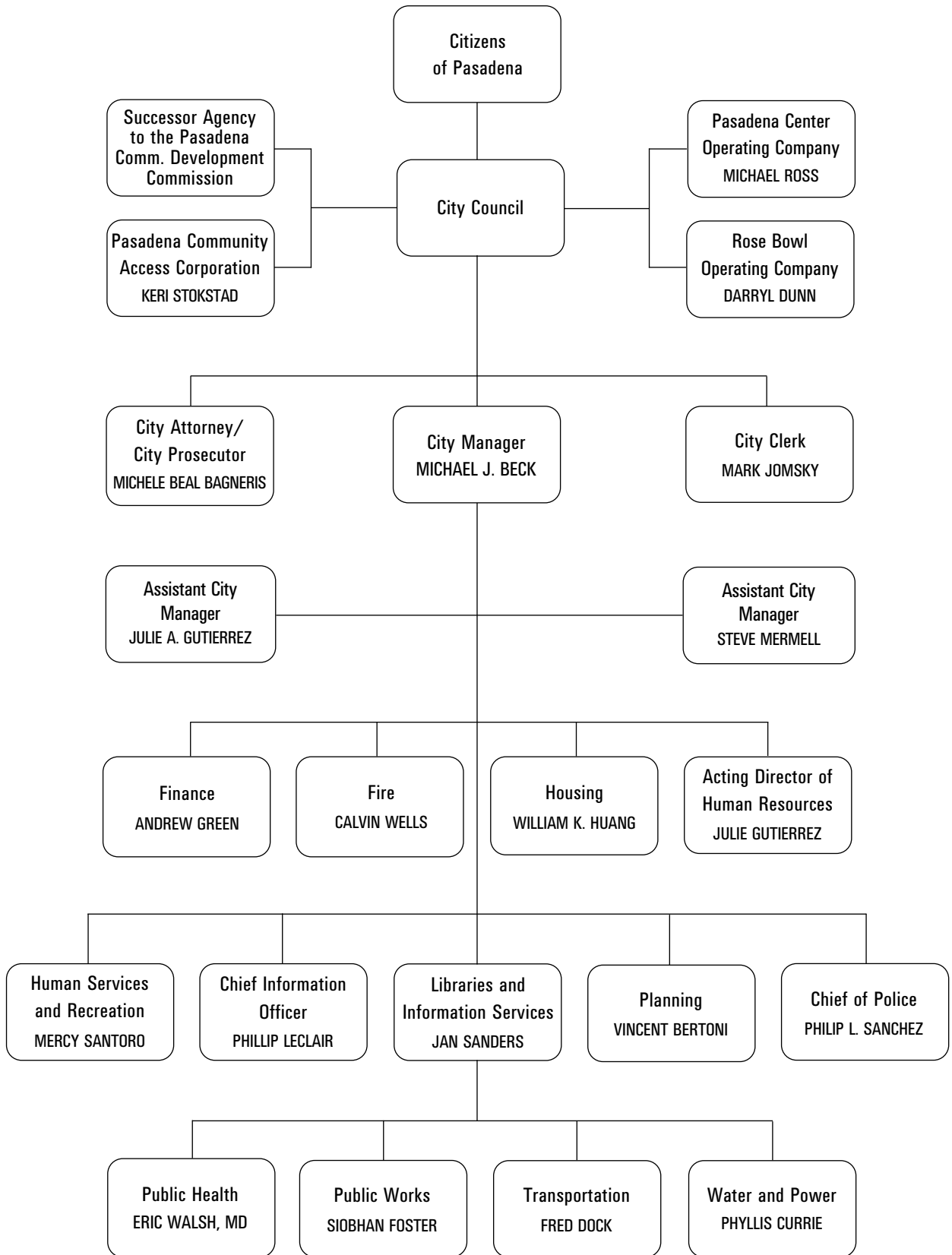
APPOINTED OFFICIALS

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

EXECUTIVE LEADERSHIP TEAM

Assistant City Manager	Julie Gutierrez
Assistant City Manager	Steve Mermell
Director of Finance	Andrew Green
Fire Chief	Calvin Wells
Director of Housing	William Huang
Acting Director of Human Resources	Julie Gutierrez
Director of Human Services and Recreation	Mercy Santoro
Director of Information Services	Jan Sanders
Chief Information Officer	Phillip Leclair
Director of Planning and Community Development	Vincent Bertoni
Chief of Police	Phillip Sanchez
Director of Public Health/Health Officer	Eric Walsh, MD
Director of Public Works	Siobhan Foster
Director of Transportation	Fred Dock
General Manager of Water and Power	Phyllis Currie
Chief Executive Officer, Pasadena Center Operating Company	Michael Ross
General Manager, Rose Bowl Operating Company	Darryl Dunn
Executive Director, Pasadena Community Access Corporation	Keri Stokstad

CITY OF PASADENA
Organization Chart
June 30, 2012



CITY OF PASADENA
Comprehensive Annual Financial Report
Year Ended June 30, 2012

**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, 2011

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.



Christopher P. Morrell

President

Jeffrey R. Emmer

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, 2011.

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.

YEAR ENDED

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

JUNE 30
2012

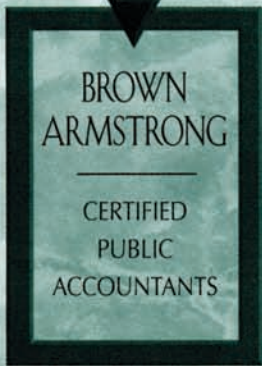


Financial
Section

FINANCIAL SECTION



*Arlington
Gardens*



BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable City Council
City of Pasadena
Pasadena, California

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, (the City) as of and for the year ended June 30, 2012, 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. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the City's 2011 financial statements and, in our report dated December 29, 2011, we expressed unqualified opinions on the respective 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.

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, 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 23 to the basic financial statements, in accordance with the State Assembly Bill 1X 26, the successor agency to the redevelopment agency has transferred the available assets that are not contractually committed to the designated public body. The City has reported an extraordinary net gain of \$161.2 million in the governmental-wide financial statements of the City due to this transfer. Management has deemed obligations of the former redevelopment agency due to the City as valid enforceable obligations payable by the successor agency trust under the requirements of Assembly Bill 1X 26. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue.

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FAX 661.746.1218

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FAX 559.476.3593

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FAX 626.240.0922

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STOCKTON, CA 95207
TEL 209.451.4833



REGISTERED with the Public Company
Accounting Oversight Board and
MEMBER of the American Institute of
Certified Public Accountants

In accordance with *Government Auditing Standards*, we have also issued a report dated November 29, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on page 151 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Pasadena, California
November 29, 2012

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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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, which can be found on pages ix-xxiii of this report.

FINANCIAL HIGHLIGHTS

- The primary government assets of the City of Pasadena exceeded liabilities at the close of fiscal year 2012 by \$1,126.3 million (*net assets*). Of this amount, \$224.2 million (*unrestricted net assets*) is for unrestricted uses in accordance with the City's charter.
- The primary government's total net assets increased by \$212.6 million. This is comprised of Governmental Activities which increased \$181.2 million and Business-Type Activities which increased net assets by \$31.5 million.
- As of the close of fiscal year 2012, the City of Pasadena's governmental funds reported combined ending fund balances of \$227.5 million, an increase of \$168.2 million or 283.5 percent in comparison with the prior year. The majority of this increase is due to the dissolution of Redevelopment per AB 1X 26 and the required accounting treatments. See note 23. Approximately 23.6 percent of the total amount or \$53.8 million is General Fund fund balance.
- The major components of the General Fund Committed fund balance are \$48.6 million for City/ Successor Agency Advances as required per AB 1X 26, \$21.6 million for emergency contingency, \$7.8 million for Capital Projects and \$2.0 million for a new advance to the Pasadena Center Operating Company (PCOC) for the ice rink.
- At the end of 2012, the Committed, Assigned, and Unassigned fund balances of the General Fund total to \$45.4 million or 21 percent of 2012 General Fund expenditures and transfers out.
- The City of Pasadena's total long term liabilities had a net decrease of \$22.9 million or 3.8 percent during fiscal year 2012. Business-Type Activity debt decreased \$14.9 million and Governmental Activity debt decreased \$8.0 million.
- On the evening of November 30, 2011, the City of Pasadena experienced unprecedented hurricane force winds that caused major damages throughout the city. Total estimated cost to the city was \$14.5 million with portions absorbed by existing operations, additional appropriations, and charges to future capital improvement projects.
- On December 29, 2011 the California Supreme Court issued an opinion in the California Redevelopment Association v. Matosantos case, upholding Assembly Bill 1X 26 (the "Redevelopment Dissolution" bill) and invalidated Assembly Bill 1X 27 (the "Voluntary Payment" bill). Please see note 23 on pages 143 to 145 for further information.
- As a result of the new law the beginning balances of the Pasadena Community Development Commission (PCDC) funds were restated to reflect obligations which the City determined to be enforceable obligations and submitted for approval. In many cases these enforceable obligations had previously been reporting only in the footnotes to the financial statements. This resulted in restatement of beginning fund balances/ net assets of \$131.7 million.

- As clarifications of the new law developed and the California Department of Finance approved and disapproved many obligations, PCDC recognized extraordinary gains as disapproved obligations owed to the City were expensed. This resulted in corresponding extraordinary gains in funds which had not already created an allowance against the receivable from PCDC. The total net of gains and losses resulted a gain of \$161.2 million.
- It should be noted that the financial reporting of the dissolution of the Pasadena Community Development Commission has resulted in one time restatements of beginning fund balances as well as extraordinary gains and losses. These treatments are required by generally accepted accounting principles and do not create new financial flexibility as a normal extraordinary gain would as these relate solely to existing obligations.
- On June 27, 2012, the Legislature passed and the Governor signed AB 1484, an FY 2012-13 budget trailer bill. AB 1484 makes technical and substantive amendments to ABx1 26, the bill enacted in late June 2011 that directed the dissolution and unwinding of the affairs of California's 400 redevelopment agencies. AB 1484 took immediate effect upon signature by the Governor.

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 20-23 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 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, General Debt Service, Community Development Commission Debt Service Fund, and the Project Management Capital Project Fund, all of which are considered to be major funds. Data from the other thirty six 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 24-29 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 32-39 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. This year a new category of fiduciary funds, private-purpose trust funds, are used to present information of the Successor Agency to the Pasadena Community Development Commission. 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 40-41 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 45-149 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary practices and budget to actual comparisons for the general fund and special revenue funds. Required supplementary information can be found on pages 151-153 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 156-197 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 \$1,126.3 million at the close of the most recent fiscal year.

Approximately 63.5 percent or \$715.1 million 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 are still outstanding. The City of Pasadena uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Pasadena's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011*	2012	2011*	2012	2011*
Current and other assets	\$ 318,999,536	264,023,455	399,758,773	390,791,763	718,758,309	654,815,218
Capital assets	483,253,215	488,936,978	562,222,232	552,474,999	1,045,475,447	1,041,411,977
Total Assets	<u>802,252,751</u>	<u>752,960,433</u>	<u>961,981,005</u>	<u>943,266,762</u>	<u>1,764,233,756</u>	<u>1,696,227,195</u>
Long-term debt outstanding	317,652,992	325,552,650	269,334,208	284,186,344	586,987,200	609,738,994
Other liabilities	29,028,018	152,997,284	21,938,548	19,847,802	50,966,566	172,845,086
Total Liabilities	<u>346,681,010</u>	<u>478,549,934</u>	<u>291,272,756</u>	<u>304,034,146</u>	<u>637,953,766</u>	<u>782,584,080</u>
Net assets:						
Invested in capital assets, net of debt	382,295,281	375,202,010	332,781,486	311,053,806	715,076,767	686,255,816
Restricted	37,259,042	97,996,730	149,763,176	151,872,032	187,022,218	249,868,762
Unrestricted	36,017,418	(198,788,241)	188,163,587	176,306,778	224,181,005	(22,481,463)
Total Net Assets	<u>\$ 455,571,741</u>	<u>274,410,499</u>	<u>670,708,249</u>	<u>639,232,616</u>	<u>1,126,279,990</u>	<u>913,643,115</u>

* As restated

An additional portion of the City of Pasadena's net assets, \$187.0 million or 16.6 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$224.2 million, or 19.9 percent is for unrestricted uses in accordance with finance-related legal requirements.

At the end of the 2012 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 2012 fiscal year, the primary government's net assets increased by \$212.6 million. Approximately \$181.2 million of this is an increase in the City's Governmental Activities and \$31.5 million of this increase is in the City Business-Type Activities. However, approximately \$161.2 million is directly attributable to an extraordinary gain recognized from the dissolution and transfers of approved PCDC assets and liabilities to the new Successor Agency (a fiduciary activity.)

City of Pasadena's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011*	2012	2011*	2012	2011*
Revenues:						
Program Revenues:						
Charges for services	\$ 61,749,197	60,942,224	264,204,305	257,482,108	325,953,502	318,424,332
Operating and capital grants and contributions	101,715,823	48,000,267	2,317,145	2,480,892	104,032,968	50,481,159
General revenues:						
Taxes:						
Property taxes, levied for general purpose	54,050,955	70,803,262	-	-	54,050,955	70,803,262
Sales taxes	32,239,062	30,301,042	-	-	32,239,062	30,301,042
Utility users' tax	29,317,950	29,355,396	-	-	29,317,950	29,355,396
Other taxes	26,127,856	23,072,008	3,301,199	4,321,563	29,429,055	27,393,571
Other revenues	35,002,039	26,886,387	16,071,980	16,207,087	51,074,019	43,093,474
Total revenues	<u>340,202,882</u>	<u>289,360,586</u>	<u>285,894,629</u>	<u>280,491,650</u>	<u>626,097,511</u>	<u>569,852,236</u>
Expenses:						
General government	35,084,646	43,954,616	-	-	35,084,646	43,954,616
Public safety	103,389,475	103,391,653	-	-	103,389,475	103,391,653
Transportation	63,838,737	51,133,763	-	-	63,838,737	51,133,763
Community development	42,166,098	45,936,512	-	-	42,166,098	45,936,512
Interest and other fiscal charges	41,480,692	12,121,197	-	-	41,480,692	12,121,197
Electric	-	-	173,410,332	167,442,449	173,410,332	167,442,449
Water	-	-	43,772,589	40,101,423	43,772,589	40,101,423
Other expenses	42,765,958	42,086,464	28,761,320	24,921,754	71,527,278	67,008,218
Total expenses	<u>328,725,606</u>	<u>298,624,205</u>	<u>245,944,241</u>	<u>232,465,626</u>	<u>574,669,847</u>	<u>531,089,831</u>
Increase (decrease) in net assets, before transfers	11,477,276	(9,263,619)	39,950,388	48,026,024	51,427,664	38,762,405
Transfers	19,284,880	16,215,460	(19,299,755)	(16,215,460)	(14,875)	-
Extraordinary gain	150,399,086	-	10,825,000	-	161,224,086	-
Increase (decrease) in net assets	181,161,242	6,951,841	31,475,633	31,810,564	212,636,875	38,762,405
Net assets at beginning of year, as restated	<u>274,410,499</u>	<u>267,458,658</u>	<u>639,232,616</u>	<u>607,422,052</u>	<u>913,643,115</u>	<u>874,880,710</u>
Net assets at end of year	<u>\$ 455,571,741</u>	<u>274,410,499</u>	<u>670,708,249</u>	<u>639,232,616</u>	<u>1,126,279,990</u>	<u>913,643,115</u>

* As restated

Governmental Activities

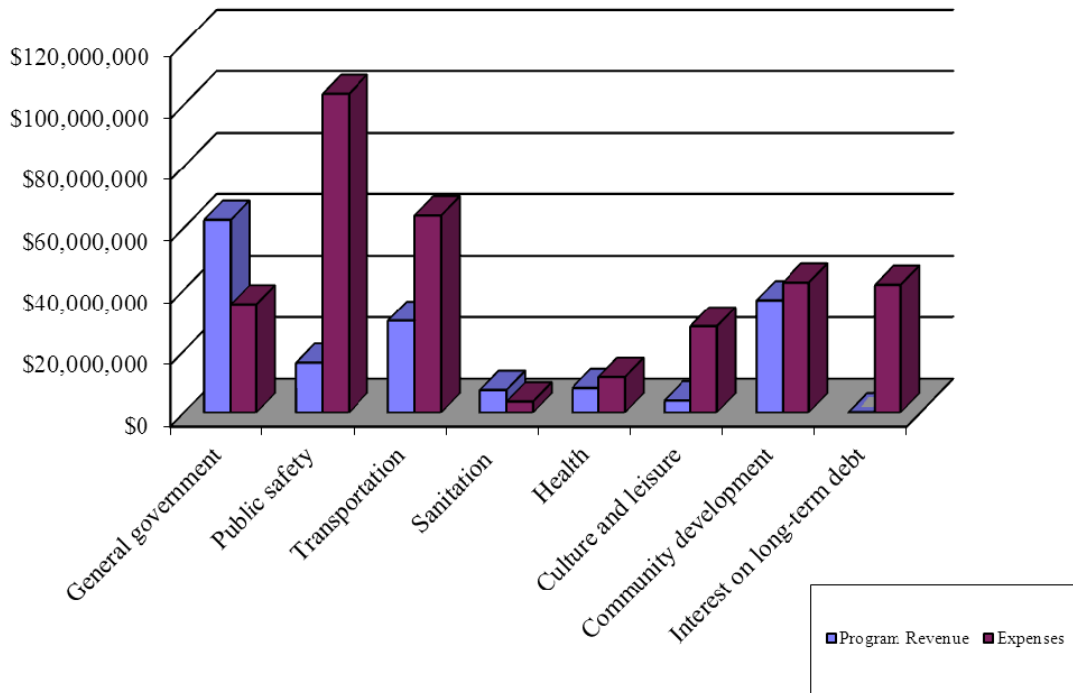
Governmental activities increased City of Pasadena's net assets by \$181.2 million a 66.0 percent increase in the primary government's net assets. Key elements of this increase are as follows:

- The largest component of this increase is \$150.4 million extraordinary gain due to the write-off of PCDC Advances.
- The second largest component of this increase is the transfers from the Water and Power utilities of the City in the amounts of \$3.3 million and \$15.9 million respectively.
- Charges for services increased \$.8 million or 1.3 percent, Capital Grants and Contributions increased \$4.6 million or 41.3 percent, and Operating Grants and Contributions increased \$49.1 million or 133.1 percent. The City continues to seek out grant opportunities; however, the largest component of the Operating Grants and Contributions is the recognition of \$47.0 million of Senate Bill (SB) 481 revenue, which has been deferred.
- Tax revenue decreased by \$11.8 million or 7.7 percent decrease from fiscal year 2011 in the Governmental Activities reporting section. However, \$14.1 million of the decrease is actually a reporting change attributable reporting in of property tax (tax increment) due to AB x26 in a new fund, a private purpose trust fund. After accounting for this shift, tax revenue increased \$2.3 million or 3.2 percent. The three largest increases were in sales tax, \$1.9 million or 6.4%; transient occupancy tax, \$1.9 million or 24.6%; and construction tax \$1.3 million with 90.4% growth.
- Investment earnings decreased 13.9% percent from \$3.7 million to \$3.2 million. The decrease reflects both lower market yields and investment gains generated by the portfolio.

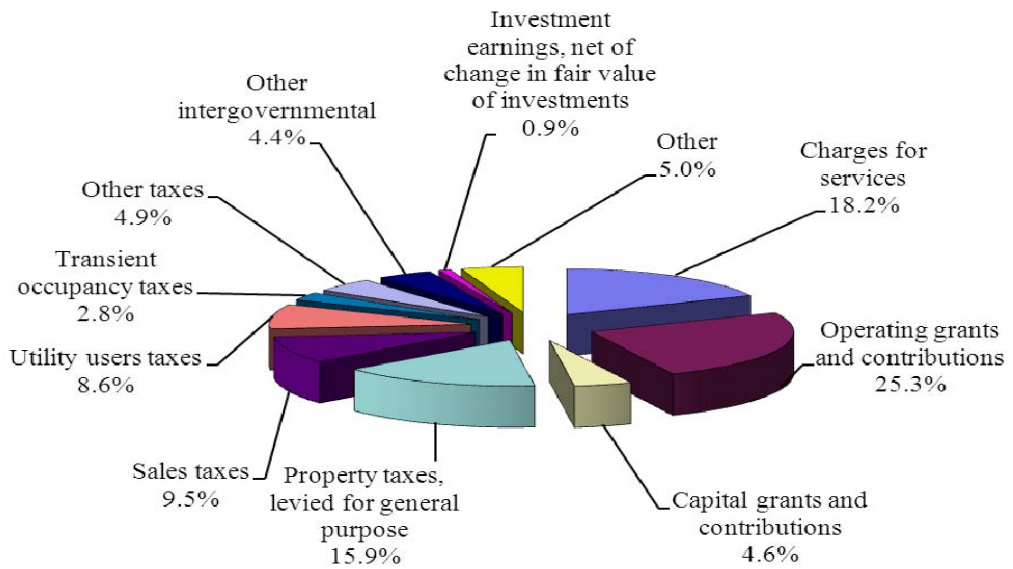
Total expenses increased \$30.1 million to \$328.7 million from \$298.6 million in fiscal year 2011, with increases in some categories offset by decreases in others. The largest increases occurred in Interest and other fiscal charges up \$29.4 million or 242 percent due to in large part to interest expense related to PCDC dissolution. Transportation spending increased \$12.7 million primarily due to \$8.6 million increase in capital outlay expenditures compare to prior fiscal year. General Government expenses decreased \$8.9 million primarily due to decrease in city portion of the Fire and Policy employee retirement contribution which was covered by the issuance of a pension obligation bond. Community Development spending decreased \$3.8 million or 8% and was related to the changes driven by the dissolution of PCDC. Culture and leisure spending increased \$1.6 million. Public Safety expenses remained the same as the prior year at \$103.4 million. Health spending decreased \$0.7 million and Sanitation spending decreased \$0.2 million.

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Program Revenues and Expenses - Governmental Activities



Revenues by Sources - Governmental Activities

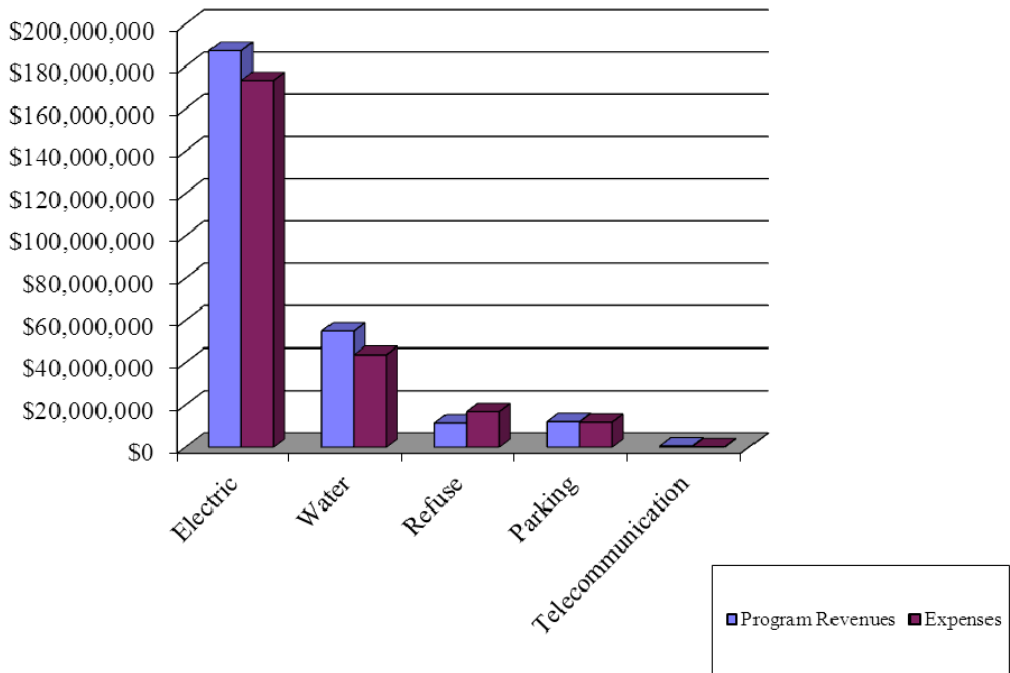


Business-Type Activities

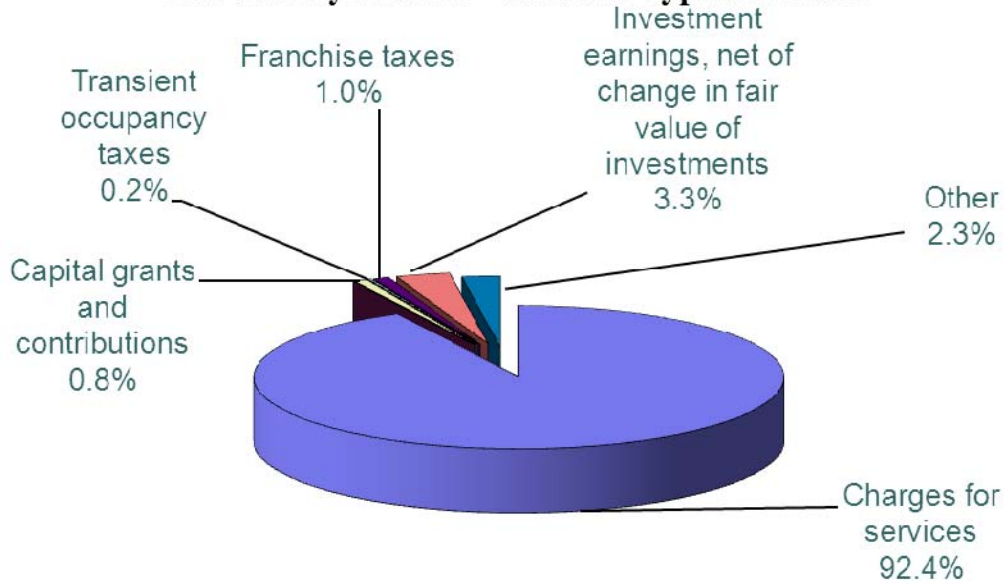
Business-type activities increased the City of Pasadena's net assets by \$31.5 million. The net assets of business-type activities increased by \$31.8 million in the prior year. Key elements of this year's increase are as follows:

- Electric revenues decreased \$1.0 million or .6 percent from the prior year due to a decrease of \$4.4 million or 2.6 percent in retail sales compared to prior year. Revenue from wholesale transactions was about \$9.0 million, an increase of approximately \$1.8 million or 24.5 percent from prior year. Participating Transmission Owners revenues and other related transmission revenues received from the California Independent System Operator (CAISO) to cover Pasadena Water and Power's (PWP's) Transmission Revenue Requirement (TRR) were about \$13.7 million, an increase of \$1.5 million or 12.5 percent compared to the prior year.
- Electric expenses increased \$6.0 million or 3.6 percent from \$167.4 million to \$173.4 million due to higher operating and transmission costs.
- Water revenues increased \$7.2 million or 15.2 percent over the prior year due to increases in the Distribution and Customer Charge (D&C) and Purchased Water Adjustment Charge (PWAC).
- Water expenses increased \$6.6 million or 16.4 percent from \$40.1 million to \$46.7 million. Purchased water expenses increased by \$2.9 million or 19.4 percent from prior year despite a 5.3 percent reduction in the amount of water purchased. The increase was due to water rate increases by the Metropolitan Water District (MWD). Water interest expense increased by \$.6 million or 17.0 percent to \$4.3 million.
- Refuse expenses increased \$3.6 million due to increased expenses related to the November 30/ December 1 windstorm.
- Investment earnings increased \$2.5 million or 36.0 percent over the prior year due to higher balances and gains on investments.
- Revenue from Franchise taxes decreased \$1.0 million or 23.6 percent from the prior year due to \$.9 million less franchise fees and \$.1 million less sold waste fee received.
- Extraordinary gain of \$10.8 million in the Old Pasadena Parking Fund is related to the recognition of the agreement with the former PCDC which provides funding for the repayment of COPs.
- Total windstorm costs are estimated at \$14.5 million, of which \$4.9 million will be charged to future CIPs, approximately \$3.7 million were absorbed through operations, and \$6.0 million required additional appropriations during the year. The Refuse Fund covered \$3.7 of the total costs and Water and Power another \$4.0 with an additional \$1.0 expected in future CIPs.

Program Revenues and Expenses - 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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds report the difference between their assets and liabilities as *fund balance*, which is divided into *nonspendable*, *restricted*, *committed*, *assigned*, and *unassigned* portions. City Council may commit a portion of the *fund balance* by formal action as was done in 2011 and 2012 when City Council *committed* 10 percent of the General Fund annual appropriations per the adopted City Budget. For fiscal year 2012 this amounted to \$21.6 million.

At the end of the 2012 fiscal year, the City's governmental funds reported combined ending fund balances of \$227.5 million, an increase of \$168.2 million in comparison with the prior year, as restated. The nonspendable fund balance of \$44.7 million represents assets generated by prepayments, permanent trust fund balances and receivables in funds, net of allowances. The restricted fund balance of \$85.2 million represents resources that are subject to externally enforceable legal restrictions, such as the restrictions on the use of Special Revenue funding and Capital Improvement contracts. The committed fund balance of \$139.1 million represents resources whose use is constrained by limitations that the City imposes upon itself through decisions made by City Council. The assigned fund balance of \$5.5 million describes the portion of fund balance that reflects the City's intended use of resources. The unassigned fund balance of a deficit \$47.0 million represents the excess of nonspendable, restricted, committed, and assigned in excess of total fund balance. The General Fund is the chief operating fund of the City of Pasadena. At the end of the 2012 fiscal year, total fund balance equaled \$53.8 million in comparison to \$49.9 million, as restated, in the prior year.

The fund balance of the City of Pasadena's General Fund increased by \$3.9 million or 7.7 percent, during 2012 fiscal year, after restatement of the FY 2011 fund balance. Key factors in this increase are as follows:

- Total expenditures decreased \$7.7 million or 4.2%. Three components that decreased were \$8.3 million in General Government, \$1.0 million in Community development, and \$.2 million in Public Safety. The General Government reduction reflected the issuance of Pension Obligation Bonds which covered the required supplemental contribution to the Fire and Police Retirement System. The Community development decrease reflected reduced personnel and costs. Culture and leisure increased \$.9 million and Transportation increased \$.9 million due to increases in other contract services.
- Miscellaneous revenues increased \$8.1 million reflecting a \$6.9 million sale of air rights related to a parking structure and other miscellaneous revenues.

- Taxes increased by a net \$6.8 million as some revenues show the beginning of recovery. Sales tax revenue led the increase, up \$2.1 million, followed by increases in transient occupancy taxes of \$1.9 million, and property taxes of \$1.4 million, and construction tax of \$1.3.
- Charges for services decreased \$2.5 million or 7.7 percent from the prior year largely due to the write off of prior balances that became uncollectable in Emergency Medical Aid Response.
- Investment earnings decreased \$13.3 million due to the impact of the dissolution of redevelopment and the cash flows allowed by the Department of Finance related to SB 481. \$8.5 million was permitted to be paid to the City versus \$21.9 million in the prior year.
- General Fund Transfers out decreased \$9.9 million and Transfers in decreased \$6.7 million for a combined net other financing source of \$3.2 million. The \$9.9 million reduction of transfers out was due to reduced receipt of tax increment under SB 481 which is transferred to pension bond fund for payment of future debt service obligations.
- General Fund Transfers in of a net decrease of \$6.7 million was composed of \$8.0 million decrease in the Fire and Police Retirement System contribution, decrease of \$1.9 million from prior year Internal Service Charge reductions in support of the General Fund, increases in the Power Fund transfer of \$3.1 million, and \$.2 million increase in the Water Fund transfer.
- Total Governmental Funds Transfer out decreased \$14.1 million and Transfers in decreased \$14.3 million. The largest components of these variances relates to the reduced transfers from the general fund to other funds and the decreased transfers related to tax increment under SB 481.

The Pasadena Community Development Commission Debt Service Fund shows an ending total fund balance of zero due to the dissolution of PCDC. The beginning fund balance of this fund was restated to reflect the long term advances to the City. Upon dissolution and writing off of the advances that were not allowed by the California Department of Finance, an extraordinary gain was recognized. The tax revenue of \$11.0 million reflects the tax increment forwarded to PCDC prior to the implementation of AB 1X 26.

The Project Management Capital Project Fund has a fund balance of \$2.3 million, which is an increase of \$.3 million over the prior year. The key factors contributing to this increase are as follows:

- A net decrease of \$.5 million in revenues is composed of \$.2 million increase in Intergovernmental Revenues. Offsetting this is a \$.8 million decrease in private Contributions.
- Total expenditures decreased \$1.0 million or 5.0 percent due to decrease of expenditures incurred on various municipal building and Public Works projects.

- Other financing sources decreased by \$3.5 million or 21.3 percent from \$16.7 million in 2011 to \$13.1 million in 2012. 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 \$157.6 million and those for the Water, Old Pasadena Parking, and Paseo Colorado Parking Funds amounted to \$16.9 million, \$14.0 million, and (\$3.7) million respectively. The total net income for each fund was \$6.9 million, \$12.8 million, \$13.2 million, and (\$8,668) respectively.

Light and Power operating revenues decreased \$1.0 million from prior year. Total retail electric energy sold was approximately 1.1 megawatt hours, a 3.9% decrease compared to prior fiscal year. Retail energy sales decreased \$4.3 million and other revenues increased \$3.3 million. Total operating expenses increased \$6.3 million or 3.9 percent to \$167.4 million and are largely attributable to increased expenses related to the Windstorm of December 2011.

Water Fund revenues increased \$7.2 million due to rate increases implemented during the year and a 2.7 percent increase, equivalent to 320,500 billing units, in total water sold. Operating expenses increased \$6.1 million. Water Fund purchased water expenses increased \$2.9 million. Other operating expenses, including source of supply, water treatment, pumping maintenance and transmission, and distribution expenses increased \$ 2.1 million due to higher operating costs.

Old Pasadena Parking Fund net income increased \$12.0 million to \$13.2 million due to an extraordinary gain of \$10.8 million which resulted from the writing off of an advance made to the former PCDC, operating income of \$1.1 million, and \$1.3 million of non-operating revenues.

Paseo Colorado Parking Funds net income increased \$.8 million from a net loss of \$.8 million in 2011 to a net loss of \$8,668 in 2012. Net income increased primarily due to \$.8 million more parking 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, 2012 amounts to \$1,045.5 million, net of accumulated depreciation. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The net increase in the City of Pasadena's investment in capital assets for the current fiscal year was 0.4 percent (a 1.2 percent decrease for governmental activities and a 1.8 percent increase for business-type activities).

Major capital asset related events during the 2012 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 three major projects: Renovation and/or Replacement of Fire Station #32, Replacement of Fire Station #39 and Building Preventive Maintenance of City Buildings and Facilities. Approximately \$2.0 million was spent on these projects during fiscal year 2012.
- In the area of technology upgrade project, the City spent \$0.9 million in the Implementation of Interagency Communications Interoperability System (ICIS), a digital radio system that allows intercity and interagency communications, and \$1,7 million in the Information Technology Services Division Equipment.
- 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: Civic Center/Mid-Town Public Improvements, Preventive Maintenance-Asphalt Streets, Preventive Maintenance-Sewer System, Sewer Capacity Upgrade, and Los Robles Avenue-Electric System Undergrounding, Washington Blvd. to North City Limits . Work on these projects during the 2012 fiscal year reached \$7.8 million. Construction in Progress for the governmental activities as of June 30, 2012 is \$18.5 million.
- As of June 30, 2012, the Water and Power utility plant amounted to \$509.2 million, net of accumulated depreciation, an increase of 2.0 percent or \$10.0 million. During the fiscal year, the City spent \$33.1 million on various water and power projects and capitalized \$30.6 million for projects completed. Some of the major Power projects completed are related to distribution line operation and maintenance service, 4KV distribution system conversion, switchgear upgrade, B-3 renewals, and Broadway plan. Water distribution mains, meter and services, well and booster pump upgrade, customer driven work requests, and reclaimed water are some of the major Water projects completed during FY 2012.

City of Pasadena's Capital Assets

(Net of Depreciation)

	Governmental Activities		Business Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$58,273,512	56,442,474	6,315,288	6,243,715	64,588,800	62,686,189
Buildings and improvements	177,409,285	189,495,832	86,877,662	87,152,040	264,286,947	276,647,872
Machinery and equipment	25,887,817	20,886,503	370,897,515	363,391,984	396,785,332	384,278,487
Infrastructure	203,223,456	199,861,763	-	-	203,223,456	199,861,763
Construction in progress	<u>18,459,145</u>	<u>22,250,406</u>	<u>98,131,767</u>	<u>95,687,260</u>	<u>116,590,912</u>	<u>117,937,666</u>
Totals	<u>\$483,253,215</u>	<u>488,936,978</u>	<u>562,222,232</u>	<u>552,474,999</u>	<u>1,045,475,447</u>	<u>1,041,411,977</u>

Additional information on the City of Pasadena's capital assets can be found in note 7 on pages 83-84 of this report.

Long-Term Debt

At year-end, the City has a number of debt issues outstanding. These include \$143.0 million of taxable pension bonds, 259.4 million of revenue bonds, \$108.6 million of certificates of participation, \$1.9 million of notes payable and \$9.6 million of capitalized lease obligations. Long-term debt decreased by a net amount of \$23.4 million as a result of new debt issuance, normal scheduled principal maturities, decreased arbitrage rebate liability, increased compensated absences, increased Other Post Employment Benefits (OPEB), increased insurance claims payable, and decreased 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 are:

- 2011 Water Revenue Bonds, \$29,770,000,
- 2011 Equipment Lease-ARTS Buses \$2,072,805,
- 2012 Taxable Pension Obligation Bonds \$47,440,000,
- 2012 Equipment Lease-Helicopter \$1,584,326
- 2012 Equipment Lease-911 System \$3,947,507

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City of Pasadena's Outstanding Long Term Liabilities

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Long-term debt:						
Notes payable	\$ 685,000	3,420,722	1,283,965	1,421,679	1,968,965	4,842,401
Bonds	150,920,000	117,489,000	251,565,000	263,190,000	402,485,000	380,679,000
Certificates of participation	94,920,443	103,651,183	13,764,557	17,393,817	108,685,000	121,045,000
Capitalized lease obligations	9,494,610	8,196,272	78,828	111,753	9,573,438	8,308,025
Unamortized premium (discount)	<u>(1,378,788)</u>	<u>(975,737)</u>	<u>2,641,858</u>	<u>2,069,095</u>	<u>1,263,070</u>	<u>1,093,358</u>
Total long-term debt	<u>254,641,265</u>	<u>231,781,440</u>	<u>269,334,208</u>	<u>284,186,344</u>	<u>523,975,473</u>	<u>515,967,784</u>
Operational Liabilities:						
Arbitrage Rebate Liability	-	31,380	-	-	-	31,380
Compensated absences	10,220,044	9,991,594	-	-	10,220,044	9,991,594
OPEB	12,144,215	9,607,745	-	-	12,144,215	9,607,745
Insurance Claims Payable	31,459,825	27,683,491	-	-	31,459,825	27,683,491
Net pension obligation	<u>8,557,000</u>	<u>46,457,000</u>	<u>-</u>	<u>-</u>	<u>8,557,000</u>	<u>46,457,000</u>
Total operational liabilities	<u>62,381,084</u>	<u>93,771,210</u>	<u>-</u>	<u>-</u>	<u>62,381,084</u>	<u>93,771,210</u>
Totals	<u>\$ 317,022,349</u>	<u>325,552,650</u>	<u>269,334,208</u>	<u>284,186,344</u>	<u>586,356,557</u>	<u>609,738,994</u>

Additional information on the City of Pasadena's long-term debt can be found in note 9 on pages 86 to 99 of this report. Information on Insurance Claims Payable can be found in note 16 on pages 121 to 124 and Other Post-Employment Benefits can be found in note 21 on pages 137 to 142.

The City reports six items of significant economic importance in its subsequent event note 24 on pages 146 to 148. Also note 23 on pages 143 to 145 describes another item of significance related to the December 29, 2011 California Supreme Court Action impacting the future of Redevelopment in California.

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, 2012

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	Primary
			Government
Assets			
Cash and investments (note 2)	\$ 187,049,181	145,450,305	332,499,486
Accounts receivable, net (note 3)	31,862,114	33,483,932	65,346,046
Notes receivable (note 4)	51,254,480	57,487,917	108,742,397
Internal balances (note 5)	188,240	(188,240)	-
Inventories	221,308	20,567,561	20,788,869
Prepays and other assets	444,058	31,069,692	31,513,750
Internal advances (note 6)	50,833,501	6,479,319	57,312,820
Advances to component units (note 6)	2,056,631	-	2,056,631
Allowance for uncollectible long-term receivables (notes 4 and 6)	(25,718,765)	-	(25,718,765)
Restricted assets - cash and investments (note 2)	-	105,408,287	105,408,287
Deferred outflow of resources (note 10)	1,623,097	-	1,623,097
Property held for resale	19,185,691	-	19,185,691
Capital assets (note 7):			
Land	58,273,512	6,315,288	64,588,800
Construction in progress	18,459,145	98,131,767	116,590,912
Other capital assets, net	406,520,558	457,775,177	864,295,735
Total assets	<u>802,252,751</u>	<u>961,981,005</u>	<u>1,764,233,756</u>
Liabilities			
Accounts payable and accrued liabilities	19,838,746	17,387,489	37,226,235
Deposits	2,570,980	4,162,005	6,732,985
Interest payable	2,634,597	-	2,634,597
Due to other governments	579,534	9,556	589,090
Deferred revenue (note 8)	2,515,108	379,498	2,894,606
Advances from primary government (note 6)	-	-	-
Derivative instrument liability (note 10)	889,053	-	889,053
Noncurrent liabilities (note 9):			
Due within one year	41,312,815	15,971,582	57,284,397
Due in more than one year	276,340,177	253,362,626	529,702,803
Total liabilities	<u>346,681,010</u>	<u>291,272,756</u>	<u>637,953,766</u>
Net Assets			
Invested in capital assets, net of related debt	382,295,281	332,781,486	715,076,767
Restricted:			
Expendable:			
Culture and leisure	3,599,884	-	3,599,884
Capital projects	-	-	-
Community development	20,720,515	-	20,720,515
Contribution	-	17,259,775	17,259,775
Debt service	-	-	-
Low and Moderate Income Housing	-	-	-
Stranded investments (note 12 and 19)	-	130,573,776	130,573,776
Transportation	10,487,196	-	10,487,196
Other purposes	-	1,929,625	1,929,625
Nonexpendable	2,451,447	-	2,451,447
Unrestricted	36,017,418	188,163,587	224,181,005
Total net assets	<u>\$ 455,571,741</u>	<u>670,708,249</u>	<u>1,126,279,990</u>

See accompanying notes to the basic financial statements.

Component	Totals	
	Units	2012
12,005,587	344,505,073	322,874,825
3,378,086	68,724,132	83,751,626
-	108,742,397	102,626,600
-	-	-
-	20,788,869	21,894,053
3,061,624	34,575,374	36,020,404
-	57,312,820	-
-	2,056,631	764,740
-	(25,718,765)	(15,348,692)
95,506,624	200,914,911	261,493,367
80,688,257	82,311,354	28,298,556
-	19,185,691	14,353,368
2,423,473	67,012,273	65,109,662
89,209,216	205,800,128	148,350,793
188,425,072	1,052,720,807	1,060,222,566
<u>474,697,939</u>	<u>2,238,931,695</u>	<u>2,130,411,868</u>
14,628,521	51,854,756	39,728,163
703,400	7,436,385	6,960,525
3,837,227	6,471,824	6,725,045
-	589,090	50,234
1,771,128	4,665,734	9,418,228
2,056,631	2,056,631	126,767,755
74,202,211	75,091,264	21,812,510
3,583,739	60,868,136	59,839,488
357,996,672	887,699,475	912,704,753
<u>458,779,529</u>	<u>1,096,733,295</u>	<u>1,184,006,701</u>
23,472,830	738,549,597	718,674,683
-	3,599,884	3,536,169
94,493,366	94,493,366	150,181,396
-	20,720,515	4,505,117
-	17,259,775	15,461,046
-	-	40,502,909
-	-	37,791,554
-	130,573,776	133,914,544
-	10,487,196	9,544,488
-	1,929,625	2,496,442
-	2,451,447	2,116,493
(102,047,786)	122,133,219	(172,319,674)
<u>15,918,410</u>	<u>1,142,198,400</u>	<u>946,405,167</u>

CITY OF PASADENA
Statement of Activities
For the Fiscal Year Ended June 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 35,084,646	17,465,351	44,124,677	851,061
Public safety	103,389,475	11,084,993	4,942,403	-
Transportation	63,838,737	12,862,929	6,390,145	10,439,130
Sanitation	3,516,602	7,220,201	-	-
Health	11,421,740	665,682	7,182,749	-
Culture and leisure	27,827,616	2,855,738	988,544	-
Community development	42,166,098	9,594,303	22,422,548	4,374,566
Interest and other fiscal charges	41,480,692	-	-	-
Total governmental activities	<u>328,725,606</u>	<u>61,749,197</u>	<u>86,051,066</u>	<u>15,664,757</u>
Business-type activities:				
Electric	173,410,332	185,950,602	-	1,640,174
Water	43,772,589	54,301,044	-	676,971
Refuse	16,783,103	11,291,409	-	-
Parking	11,711,003	11,990,829	-	-
Telecommunication	267,214	670,421	-	-
Total business-type activities	<u>245,944,241</u>	<u>264,204,305</u>	<u>-</u>	<u>2,317,145</u>
Total primary government	<u>\$ 574,669,847</u>	<u>325,953,502</u>	<u>86,051,066</u>	<u>17,981,902</u>
Component units	<u>\$ 52,952,495</u>	<u>19,058,360</u>	<u>-</u>	<u>961,330</u>

General revenues:

Taxes:

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

Transfers

Total general revenues and transfers

Extraordinary gain

Change in net assets

Net assets - beginning of year, as restated (note 22)

Net assets - end of year

See accompanying notes to the basic financial statements.

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

Primary Government					
Governmental Activities	Business-type Activities	Total Primary Government	Component Units	Totals	
				2012	2011
27,356,443	-	27,356,443	-	27,356,443	(24,488,002)
(87,362,079)	-	(87,362,079)	-	(87,362,079)	(85,557,217)
(34,146,533)	-	(34,146,533)	-	(34,146,533)	(23,440,875)
3,703,599	-	3,703,599	-	3,703,599	2,758,502
(3,573,309)	-	(3,573,309)	-	(3,573,309)	(6,562,663)
(23,983,334)	-	(23,983,334)	-	(23,983,334)	(21,558,140)
(5,774,681)	-	(5,774,681)	-	(5,774,681)	(18,712,122)
(41,480,692)	-	(41,480,692)	-	(41,480,692)	(12,121,197)
<u>(165,260,586)</u>	<u>-</u>	<u>(165,260,586)</u>	<u>-</u>	<u>(165,260,586)</u>	<u>(189,681,714)</u>
-	14,180,444	14,180,444	-	14,180,444	21,282,739
-	11,205,426	11,205,426	-	11,205,426	7,784,584
-	(5,491,694)	(5,491,694)	-	(5,491,694)	(2,239,851)
-	279,826	279,826	-	279,826	368,505
-	403,207	403,207	-	403,207	301,397
<u>-</u>	<u>20,577,209</u>	<u>20,577,209</u>	<u>-</u>	<u>20,577,209</u>	<u>27,497,374</u>
<u>(165,260,586)</u>	<u>20,577,209</u>	<u>(144,683,377)</u>	<u>-</u>	<u>(144,683,377)</u>	<u>(162,184,340)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,932,805)</u>	<u>(32,932,805)</u>	<u>(20,953,603)</u>
54,050,955	-	54,050,955	-	54,050,955	70,803,262
32,239,062	-	32,239,062	-	32,239,062	30,301,042
29,317,950	-	29,317,950	-	29,317,950	29,355,396
9,552,884	541,115	10,093,999	5,697,466	15,791,465	14,253,978
2,818,988	-	2,818,988	-	2,818,988	1,480,416
5,478,863	-	5,478,863	-	5,478,863	5,599,700
2,014,794	2,760,084	4,774,878	-	4,774,878	5,116,536
6,262,327	-	6,262,327	2,392,014	8,654,341	8,261,528
14,918,948	-	14,918,948	-	14,918,948	15,426,878
3,177,621	9,400,940	12,578,561	3,088,976	15,667,537	12,914,961
5,396,034	-	5,396,034	-	5,396,034	736,701
11,509,436	6,671,040	18,180,476	4,927,564	23,108,040	17,260,943
19,284,880	(19,299,755)	(14,875)	-	(14,875)	-
<u>196,022,742</u>	<u>73,424</u>	<u>196,096,166</u>	<u>16,106,020</u>	<u>212,202,186</u>	<u>211,511,341</u>
<u>150,399,086</u>	<u>10,825,000</u>	<u>161,224,086</u>	<u>-</u>	<u>161,224,086</u>	<u>-</u>
181,161,242	31,475,633	212,636,875	(16,826,785)	195,810,090	28,373,398
274,410,499	639,232,616	913,643,115	32,762,052	946,405,167	918,031,769
<u>\$ 455,571,741</u>	<u>670,708,249</u>	<u>1,126,279,990</u>	<u>15,935,267</u>	<u>1,142,215,257</u>	<u>946,405,167</u>

CITY OF PASADENA
Balance Sheet
Governmental Funds
June 30, 2012

	<u>General</u>	<u>General Debt Service</u>	<u>Pasadena Community Development Commission Debt Service</u>
<u>Assets</u>			
Cash and investments (note 2)	\$ 29,046,772	38,756,896	-
Accounts receivable, net (note 3)	18,450,077	91,512	-
Notes receivable (note 4)	52,397	-	-
Due from other funds (note 5)	5,509,340	-	-
Prepays and other assets	27,560	-	-
Advances to other funds (note 6)	48,636,872	-	-
Advances to component units (note 6)	2,056,631	-	-
Allowance for uncollectible long-term receivables (note 4 and 6)	-	-	-
Property held for resale	8,300,000	-	-
Total assets	<u>\$ 112,079,649</u>	<u>38,848,408</u>	<u>-</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 7,364,133	3,000	-
Deposits	2,260,891	-	-
Due to other funds (note 5)	-	-	-
Due to other governments	18,763	-	-
Deferred revenue (note 8)	48,659,994	-	-
Advances from other funds (note 6)	-	-	-
Total liabilities	<u>58,303,781</u>	<u>3,000</u>	<u>-</u>
Fund balances:			
Nonspendable	8,352,397	-	-
Restricted	-	38,845,408	-
Committed	80,043,268	-	-
Assigned	5,509,340	-	-
Unassigned	(40,129,137)	-	-
Total fund balances	<u>53,775,868</u>	<u>38,845,408</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 112,079,649</u>	<u>38,848,408</u>	<u>-</u>

See accompanying notes to the basic financial statements.

Project Management Capital Project	Non-Major Governmental Funds	Totals	
		2012	2011
596,250	100,238,331	168,638,249	171,376,892
3,744,568	9,385,136	31,671,293	31,798,435
-	51,202,083	51,254,480	40,622,433
-	-	5,509,340	10,371,042
-	3,602	31,162	33,203
-	2,196,629	50,833,501	44,918,333
-	-	2,056,631	764,740
-	(25,718,765)	(25,718,765)	(47,883,232)
-	7,171,300	15,471,300	10,638,977
<u>4,340,818</u>	<u>144,478,316</u>	<u>299,747,191</u>	<u>262,640,823</u>
1,873,843	3,295,471	12,536,447	11,926,491
-	310,089	2,570,980	2,287,768
-	3,756,684	3,756,684	9,576,188
-	560,771	579,534	50,234
170,000	3,932,340	52,762,334	9,774,435
-	-	-	169,697,747
<u>2,043,843</u>	<u>11,855,355</u>	<u>72,205,979</u>	<u>203,312,863</u>
-	36,310,885	44,663,282	47,638,411
6,726,809	39,678,226	85,250,443	85,215,658
1,284,213	57,794,154	139,121,635	93,587,279
-	-	5,509,340	8,582,519
<u>(5,714,047)</u>	<u>(1,160,304)</u>	<u>(47,003,488)</u>	<u>(175,695,907)</u>
<u>2,296,975</u>	<u>132,622,961</u>	<u>227,541,212</u>	<u>59,327,960</u>
<u>4,340,818</u>	<u>144,478,316</u>	<u>299,747,191</u>	<u>262,640,823</u>

CITY OF PASADENA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2012

Fund balances of governmental funds \$ 227,541,212

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. 466,018,544

Long-term debt has not been included in governmental fund activity.

Notes payable	\$ (685,000)	
Pension bonds	(143,040,000)	
Revenue bonds	(7,880,000)	
Certificates of participation	(94,920,443)	
Capitalized lease obligations	(5,547,103)	
Other post employment benefits liability	(12,144,215)	
Net pension obligation	(8,557,000)	
Derivative instrument deferred borrowing	(630,643)	
Unamortized premium (discount)	<u>1,378,788</u>	
Net adjustment		(272,025,616)

Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. (2,634,597)

Deferred revenue related to GASB 33 requirement, which consisted primarily of intergovernmental receivables not collected within the availability period.

Revenues not available		
General Fund	47,042,166	
Non-Major Governmental Funds	<u>3,205,060</u>	
Total revenues not available		50,247,226

The City uses derivative instruments to hedge its exposure to changing interest rates through the use of interest rate swaps. The following related items have been reflected in the Statement of Net Assets.

Fair value of interest rate swap	1,623,097	
Deferred amount related to the hedgeable portion of the derivative instrument	<u>(889,053)</u>	
		734,044

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. (14,309,072)

Net assets of governmental activities \$ 455,571,741

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, 2012

	<u>General</u>	<u>General Debt Service</u>	<u>Pasadena Community Development Commission Debt Service</u>
Revenues:			
Taxes	\$ 120,658,622	-	10,990,970
Licenses and permits	2,738,785	-	-
Intergovernmental revenues	14,388,263	-	-
Charges for services	29,613,903	-	-
Fines and forfeits	6,796,482	-	-
Investment earnings	9,665,891	755,331	49,461
Rental income	1,336,611	-	-
Miscellaneous revenues	10,390,704	-	-
Contributions	-	-	-
Total revenues	<u>195,589,261</u>	<u>755,331</u>	<u>11,040,431</u>
Expenditures:			
Current:			
General government	31,009,397	46,871,953	-
Public safety	97,057,997	-	-
Transportation	23,883,432	-	-
Sanitation	-	-	-
Health	-	-	-
Culture and leisure	14,724,109	-	-
Community development	7,063,911	-	510,336
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	10,277,414	455,000
Interest	-	5,718,856	2,330,803
Total expenditures	<u>173,738,846</u>	<u>62,868,223</u>	<u>3,296,139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,850,415</u>	<u>(62,112,892)</u>	<u>7,744,292</u>
Other financing sources (uses):			
Issuance of long-term debt	-	51,097,131	-
Other financing source (use)-bond premium (discount)	-	(459,219)	-
Transfers in (note 15)	20,225,884	9,817,479	771,760
Transfers out (note 15)	(37,847,163)	-	(1,484,525)
Total other financing sources (uses)	<u>(17,621,279)</u>	<u>60,455,391</u>	<u>(712,765)</u>
Extraordinary gain (loss)	<u>(364,808)</u>	<u>-</u>	<u>91,964,944</u>
Change in fund balances	<u>3,864,328</u>	<u>(1,657,501)</u>	<u>98,996,471</u>
Fund balances (deficits) at beginning of year, as restated (note 22)	<u>49,911,540</u>	<u>40,502,909</u>	<u>(98,996,471)</u>
Fund balances (deficits) at end of year	<u>\$ 53,775,868</u>	<u>38,845,408</u>	<u>-</u>

See accompanying notes to the basic financial statements.

Project Management Capital Project	Non-Major Governmental Funds	Totals	
		2012	2011
-	10,086,231	141,735,823	153,531,708
-	6,786,494	9,525,279	7,063,489
7,099,789	43,226,728	64,714,780	61,459,104
36,958	9,288,083	38,938,944	40,819,825
-	-	6,796,482	6,362,032
-	1,274,766	11,745,449	25,331,857
-	3,125,759	4,462,370	4,601,271
375	3,226,543	13,617,622	8,431,206
533,592	4,746,266	5,279,858	2,928,183
<u>7,670,714</u>	<u>81,760,870</u>	<u>296,816,607</u>	<u>310,528,675</u>
-	15,333	77,896,683	39,417,830
-	3,206,700	100,264,697	100,534,613
-	11,391,562	35,274,994	33,894,918
-	3,516,602	3,516,602	3,782,112
-	10,899,113	10,899,113	11,027,480
-	12,471,208	27,195,317	25,213,529
-	30,271,017	37,845,264	42,043,483
20,474,582	170,747	20,645,329	21,611,855
-	9,570,740	20,303,154	21,174,344
-	8,436,798	16,486,457	40,296,183
<u>20,474,582</u>	<u>89,949,820</u>	<u>350,327,610</u>	<u>338,996,347</u>
<u>(12,803,868)</u>	<u>(8,188,950)</u>	<u>(53,511,003)</u>	<u>(28,467,672)</u>
-	-	51,097,131	-
-	-	(459,219)	-
14,128,761	36,690,767	81,634,651	95,950,684
(994,859)	(22,803,863)	(63,130,410)	(77,238,196)
<u>13,133,902</u>	<u>13,886,904</u>	<u>69,142,153</u>	<u>18,712,488</u>
-	60,981,966	152,582,102	-
<u>330,034</u>	<u>66,679,920</u>	<u>168,213,252</u>	<u>(9,755,184)</u>
<u>1,966,941</u>	<u>65,943,041</u>	<u>59,327,960</u>	<u>69,083,144</u>
<u>2,296,975</u>	<u>132,622,961</u>	<u>227,541,212</u>	<u>59,327,960</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, 2012

Net change in fund balances - total governmental funds \$ 168,213,252

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	20,645,329
Depreciation	(14,125,374)
Capital Projects Completed	5,703,658

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (20,238,181)

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:	
Pension Bonds	\$ (47,440,000)
Capitalized lease obligations	(3,657,131)
Bond discount	459,219
Repayments:	
Changes in net pension obligations	37,900,000
To bond, certificate, and note holders	<u>27,444,284</u>
Net adjustment	14,706,372

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. 46,661,470

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. (24,788)

Interest payable related to debt services or long-term liabilities. This is the net change in interest payable expense for the current period. (33,626,476)

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. (6,754,020)

Change in net assets of governmental activities \$ 181,161,242

See accompanying notes to the basic financial statements.

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CITY OF PASADENA
Statement of Net Assets
Proprietary Funds
June 30, 2012

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>	<u>Paseo Colorado Parking</u>
Assets				
Current assets:				
Cash and investments (note 2)	\$ 130,737,083	7,579,505	3,904,997	293,279
Accounts receivable, net (note 3)	22,647,724	7,715,112	568,419	263,351
Notes receivable (note 4)	4,745,833	-	-	-
Due from other funds (note 5)	-	-	-	-
Inventories	10,626,338	9,941,223	-	-
Prepays and other assets	896,297	368,822	227,931	270,088
Total current assets	<u>169,653,275</u>	<u>25,604,662</u>	<u>4,701,347</u>	<u>826,718</u>
Noncurrent assets:				
Restricted assets - cash and investments:				
To finance stranded investments (note 12)	65,514,825	-	-	-
Other restricted cash and investments	5,065,643	27,828,372	2,302,759	1,996,159
Advances to other funds (note 6)	-	-	10,825,000	-
Less allowance for long-term receivable (note 6)	-	-	-	-
Accounts receivable from Independent System Operator (ISO), net	-	-	-	-
Notes receivable (note 4)	52,742,084	-	-	-
Property held for resale	-	-	-	-
Prepaid long-term assets	26,813,850	1,498,069	736,121	258,514
Capital assets (note 7)	661,441,536	222,522,940	24,380,322	30,830,486
Less accumulated depreciation	<u>(304,465,739)</u>	<u>(70,281,437)</u>	<u>(9,655,729)</u>	<u>(6,663,935)</u>
Net property, plant and equipment	<u>356,975,797</u>	<u>152,241,503</u>	<u>14,724,593</u>	<u>24,166,551</u>
Total noncurrent assets	<u>507,112,199</u>	<u>181,567,944</u>	<u>28,588,473</u>	<u>26,421,224</u>
Total assets	<u>676,765,474</u>	<u>207,172,606</u>	<u>33,289,820</u>	<u>27,247,942</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	9,282,052	6,873,425	518,560	222,421
Deposits	864,321	163,906	319,715	26,082
Insurance claims payable - current (note 16)	-	-	-	-
Due to other funds (note 5)	-	-	-	-
Due to other governments	-	9,556	-	-
Deferred revenue (note 8)	379,498	-	-	-
Compensated absences	-	-	-	-
Notes payable - current (note 9)	-	-	144,898	-
Revenue bonds - current (note 9)	8,850,000	2,515,000	-	500,000
Certificates of participation - current (note 9)	-	-	1,627,482	-
Capitalized lease obligations - current (note 9)	-	-	-	-
Total current liabilities	<u>19,375,871</u>	<u>9,561,887</u>	<u>2,610,655</u>	<u>748,503</u>
Long-term liabilities:				
Insurance claims payable - long-term (note 16)	-	-	-	-
OPEB liability - long-term (note 9 and 21)	-	-	-	-
Advances from other funds (note 6)	-	-	1,386,545	4,546,129
Notes payable - long-term (note 9)	-	-	1,139,067	-
Revenue bonds - long-term (note 9)	134,050,000	79,150,000	-	26,500,000
Certificates of participation - long-term (note 9)	-	-	9,837,075	-
Capitalized lease obligations - long-term (note 9)	-	-	-	-
Unamortized premium (discount)	<u>2,158,686</u>	<u>1,096,045</u>	<u>107,166</u>	<u>(720,039)</u>
Total long-term liabilities	<u>136,208,686</u>	<u>80,246,045</u>	<u>12,469,853</u>	<u>30,326,090</u>
Total liabilities	<u>155,584,557</u>	<u>89,807,932</u>	<u>15,080,508</u>	<u>31,074,593</u>
Net Assets				
Invested in capital assets, net of related debt	216,982,754	97,308,830	4,171,664	(117,251)
Restricted:				
Contribution	14,092,965	3,166,810	-	-
Stranded investments (note 12 and 19)	130,573,776	-	-	-
Other purposes	1,929,625	-	-	-
Unrestricted	<u>157,601,797</u>	<u>16,889,034</u>	<u>14,037,648</u>	<u>(3,709,400)</u>
Total net assets	<u>\$ 521,180,917</u>	<u>117,364,674</u>	<u>18,209,312</u>	<u>(3,826,651)</u>

See accompanying notes to the basic financial statements.

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds	Totals	
			2012	2011
2,935,441	145,450,305	18,410,932	163,861,237	138,096,686
2,289,326	33,483,932	190,821	33,674,753	31,524,474
-	4,745,833	-	4,745,833	4,516,250
-	-	1,057,816	1,057,816	4,678,573
-	20,567,561	221,308	20,788,869	21,894,053
-	1,763,138	316,074	2,079,212	2,007,042
<u>5,224,767</u>	<u>206,010,769</u>	<u>20,196,951</u>	<u>226,207,720</u>	<u>202,717,078</u>
-	65,514,825	-	65,514,825	63,651,067
2,700,529	39,893,462	-	39,893,462	43,576,522
4,546,129	15,371,129	-	15,371,129	8,176,181
-	-	-	-	(1,289,064)
-	-	-	-	17,000,000
-	52,742,084	-	52,742,084	57,487,917
-	-	3,714,391	3,714,391	3,714,391
-	29,306,554	96,822	29,403,376	30,844,815
28,190,672	967,365,956	37,543,359	1,004,909,315	968,898,122
<u>(14,076,884)</u>	<u>(405,143,724)</u>	<u>(20,308,688)</u>	<u>(425,452,412)</u>	<u>(401,519,257)</u>
<u>14,113,788</u>	<u>562,222,232</u>	<u>17,234,671</u>	<u>579,456,903</u>	<u>567,378,865</u>
<u>21,360,446</u>	<u>765,050,286</u>	<u>21,045,884</u>	<u>786,096,170</u>	<u>790,540,694</u>
<u>26,585,213</u>	<u>971,061,055</u>	<u>41,242,835</u>	<u>1,012,303,890</u>	<u>993,257,772</u>
491,031	17,387,489	7,302,299	24,689,788	18,075,810
2,787,981	4,162,005	-	4,162,005	3,893,599
-	-	11,010,939	11,010,939	12,420,760
188,240	188,240	2,622,232	2,810,472	5,473,427
-	9,556	-	9,556	-
-	379,498	-	379,498	1,075,153
-	-	10,220,044	10,220,044	9,991,594
-	144,898	-	144,898	137,714
-	11,865,000	-	11,865,000	10,835,000
2,300,000	3,927,482	-	3,927,482	3,629,260
34,202	34,202	582,274	616,476	537,871
<u>5,801,454</u>	<u>38,098,370</u>	<u>31,737,788</u>	<u>69,836,158</u>	<u>66,070,188</u>
-	-	20,448,886	20,448,886	15,262,731
-	-	12,144,215	12,144,215	9,607,745
2,959,136	8,891,810	-	8,891,810	9,399,782
-	1,139,067	-	1,139,067	1,283,965
-	239,700,000	-	239,700,000	252,355,000
-	9,837,075	-	9,837,075	13,764,557
44,626	44,626	3,365,233	3,409,859	3,911,360
-	2,641,858	-	2,641,858	2,069,095
<u>3,003,762</u>	<u>262,254,436</u>	<u>35,958,334</u>	<u>298,212,770</u>	<u>307,654,235</u>
<u>8,805,216</u>	<u>300,352,806</u>	<u>67,696,122</u>	<u>368,048,928</u>	<u>373,724,423</u>
14,435,489	332,781,486	13,287,164	346,068,650	322,431,565
-	17,259,775	-	17,259,775	15,461,046
-	130,573,776	-	130,573,776	133,914,544
-	1,929,625	-	1,929,625	2,496,442
<u>3,344,508</u>	<u>188,163,587</u>	<u>(39,740,451)</u>	<u>148,423,136</u>	<u>145,229,752</u>
<u>17,779,997</u>	<u>670,708,249</u>	<u>(26,453,287)</u>	<u>644,254,962</u>	<u>619,533,349</u>

CITY OF PASADENA
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Light and Power	Water	Old Pasadena Parking	Paseo Colorado Parking
Operating revenues:				
Charges for services:				
Utilities	\$ 185,950,602	54,301,044	-	-
Plaza Las Fuentes parking	-	-	-	-
Refuse collection	-	-	-	-
Old Pasadena parking	-	-	4,743,194	-
Paseo Colorado parking	-	-	-	4,701,534
Telecommunication	-	-	-	-
Del Mar Goldline Parking Garage	-	-	-	-
Computing and communication services	-	-	-	-
Building maintenance	-	-	-	-
Fleet maintenance	-	-	-	-
Employee benefits	-	-	-	-
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating revenues	<u>185,950,602</u>	<u>54,301,044</u>	<u>4,743,194</u>	<u>4,701,534</u>
Operating expenses:				
Utility production	108,072,191	25,336,577	-	-
Utility transmission and distribution	15,160,955	5,179,349	-	-
Utility commercial and general	26,094,101	6,891,357	-	-
Plaza Las Fuentes parking	-	-	-	-
Refuse collection	-	-	-	-
Old Pasadena parking	-	-	3,064,333	-
Paseo Colorado parking	-	-	-	3,469,420
Telecommunications	-	-	-	-
Del Mar Goldline Parking Garage	-	-	-	-
Computing and communication services	-	-	-	-
Building maintenance	-	-	-	-
Fleet maintenance	-	-	-	-
Depreciation	18,109,420	4,951,239	552,258	676,648
Benefits	-	-	-	-
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating expenses	<u>167,436,667</u>	<u>42,358,522</u>	<u>3,616,591</u>	<u>4,146,068</u>
Operating income (loss)	<u>18,513,935</u>	<u>11,942,522</u>	<u>1,126,603</u>	<u>555,466</u>
Nonoperating revenues (expenses):				
Taxes	-	-	-	-
Intergovernmental revenues	-	625,252	-	-
Investment earnings	6,591,846	476,099	2,057,697	24,646
Miscellaneous revenues	-	-	195,847	-
Interest expense	(5,954,559)	(4,306,356)	(820,619)	(570,994)
Gain (loss) on disposal of assets	(19,106)	2,892,289	-	-
Other nonoperating revenues (expenses)	<u>1,892,916</u>	<u>3,782,602</u>	<u>(134,938)</u>	<u>(17,786)</u>
Total nonoperating revenues (expenses)	<u>2,511,097</u>	<u>3,469,886</u>	<u>1,297,987</u>	<u>(564,134)</u>
Income (loss) before transfers and contributions	21,025,032	15,412,408	2,424,590	(8,668)
Capital contributions	1,640,174	676,971	-	-
Transfers in (note 15)	78,798	-	-	-
Transfers out (note 15)	(15,860,515)	(3,312,634)	-	-
Extraordinary gain (loss)	-	-	10,825,000	-
Net income (loss)	<u>6,883,489</u>	<u>12,776,745</u>	<u>13,249,590</u>	<u>(8,668)</u>
Net assets (deficit) at beginning of year, as restated (note 22)	<u>514,297,428</u>	<u>104,587,929</u>	<u>4,959,722</u>	<u>(3,817,983)</u>
Net assets (deficit) at end of year	<u>\$ 521,180,917</u>	<u>117,364,674</u>	<u>18,209,312</u>	<u>(3,826,651)</u>

See accompanying notes to the basic financial statements.

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities-		
		Internal Service Funds	Totals	
			2012	2011
-	240,251,646	-	240,251,646	234,130,303
2,163,983	2,163,983	-	2,163,983	2,081,499
11,291,409	11,291,409	-	11,291,409	10,918,207
-	4,743,194	-	4,743,194	5,427,789
-	4,701,534	-	4,701,534	3,893,714
670,421	670,421	-	670,421	681,148
382,118	382,118	-	382,118	349,448
-	-	10,355,102	10,355,102	9,778,565
-	-	10,515,922	10,515,922	10,273,226
-	-	9,198,594	9,198,594	9,020,837
-	-	31,771,611	31,771,611	31,319,435
-	-	12,561,539	12,561,539	13,060,062
-	-	1,140,092	1,140,092	1,113,812
-	-	431,679	431,679	424,676
<u>14,507,931</u>	<u>264,204,305</u>	<u>75,974,539</u>	<u>340,178,844</u>	<u>332,472,721</u>
-	133,408,768	-	133,408,768	128,071,160
-	20,340,304	-	20,340,304	18,937,471
-	32,985,458	-	32,985,458	27,433,892
1,836,639	1,836,639	-	1,836,639	1,929,360
16,123,859	16,123,859	-	16,123,859	12,759,635
-	3,064,333	-	3,064,333	2,602,592
-	3,469,420	-	3,469,420	3,433,367
258,692	258,692	-	258,692	379,751
266,868	266,868	-	266,868	293,671
-	-	10,436,142	10,436,142	10,138,357
-	-	10,043,942	10,043,942	9,626,226
-	-	7,732,174	7,732,174	7,532,003
1,111,041	25,400,606	2,073,802	27,474,408	27,195,857
-	-	34,926,955	34,926,955	36,193,980
-	-	14,688,390	14,688,390	15,503,734
-	-	1,398,419	1,398,419	1,300,724
-	-	374,685	374,685	409,369
<u>19,597,099</u>	<u>237,154,947</u>	<u>81,674,509</u>	<u>318,829,456</u>	<u>303,741,149</u>
<u>(5,089,168)</u>	<u>27,049,358</u>	<u>(5,699,970)</u>	<u>21,349,388</u>	<u>28,731,572</u>
3,301,199	3,301,199	-	3,301,199	4,321,563
173,610	798,862	-	798,862	620,169
250,652	9,400,940	129,477	9,530,417	7,220,954
-	195,847	-	195,847	46,415
(9,949)	(11,662,477)	(168,465)	(11,830,942)	(11,291,185)
-	2,873,183	69,885	2,943,068	(367,245)
<u>153,537</u>	<u>5,676,331</u>	<u>317,430</u>	<u>5,993,761</u>	<u>8,857,604</u>
<u>3,869,049</u>	<u>10,583,885</u>	<u>348,327</u>	<u>10,932,212</u>	<u>9,408,275</u>
<u>(1,220,119)</u>	<u>37,633,243</u>	<u>(5,351,643)</u>	<u>32,281,600</u>	<u>38,139,847</u>
-	2,317,145	-	2,317,145	2,480,892
85,000	163,798	1,679,676	1,843,474	1,324,292
(290,404)	(19,463,553)	(899,037)	(20,362,590)	(20,036,780)
-	10,825,000	(2,183,016)	8,641,984	-
<u>(1,425,523)</u>	<u>31,475,633</u>	<u>(6,754,020)</u>	<u>24,721,613</u>	<u>21,908,251</u>
<u>19,205,520</u>	<u>639,232,616</u>	<u>(19,699,267)</u>	<u>619,533,349</u>	<u>597,625,098</u>
<u>17,779,997</u>	<u>670,708,249</u>	<u>(26,453,287)</u>	<u>644,254,962</u>	<u>619,533,349</u>

CITY OF PASADENA
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2012

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>	<u>Paseo Colorado Parking</u>
Cash flows from operating activities:				
Cash received from customers	\$ 183,233,244	54,401,237	4,592,051	4,690,258
Cash payments to suppliers for goods and services	(107,512,634)	(20,973,088)	(2,727,981)	(3,408,174)
Cash payments to employees for services	(35,940,184)	(13,178,964)	(126,384)	(149,724)
Cash payments to other funds for services	(2,410,958)	(1,261,420)	(30,557)	(93,930)
Cash payments from other funds for services	248,267	89,870	-	-
Other nonoperating revenues	18,644,649	3,692,728	195,847	-
Other nonoperating expenses	-	-	(134,938)	(17,786)
Net cash provided by (used for) operating activities	<u>56,262,384</u>	<u>22,770,363</u>	<u>1,768,038</u>	<u>1,020,644</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	78,798	-	-	-
Transfers to other funds	(15,860,515)	(3,312,634)	-	-
Cash received (paid) on loans from other funds	-	-	-	(157,972)
Cash received (paid) on loans to other funds	3,800,000	(3,800,000)	(350,000)	-
Taxes received	-	-	-	-
Intergovernmental revenues	-	625,252	-	-
Net cash provided by (used for) noncapital financing activities	<u>(11,981,717)</u>	<u>(6,487,382)</u>	<u>(350,000)</u>	<u>(157,972)</u>
Cash flows from capital and related financing activities:				
Proceeds from long-term debt	-	30,507,633	-	-
Acquisition and construction of capital assets	(22,599,443)	(10,567,910)	(268,972)	(19,117)
Proceeds from sale of capital assets	3,809	3,004,386	-	-
Cash received from developers	1,640,174	676,971	-	-
Principal paid on debt	(7,945,000)	(32,950,000)	(1,666,974)	(500,000)
Interest paid on debt	(6,180,753)	(4,340,469)	(820,619)	(570,994)
Net cash used for capital and related financing activities	<u>(35,081,213)</u>	<u>(13,669,389)</u>	<u>(2,756,565)</u>	<u>(1,090,111)</u>
Cash flows from investing activities:				
Purchase of investments	(52,129,971)	-	-	-
Proceeds from sale of investments	62,245,953	10,205,038	-	-
Investment earnings	6,550,550	476,103	2,060,635	29,920
Payments received from loans made to suppliers	4,516,250	-	-	-
Net cash provided by investing activities	<u>21,182,782</u>	<u>10,681,141</u>	<u>2,060,635</u>	<u>29,920</u>
Net increase (decrease) in cash and cash equivalents	30,382,236	13,294,733	722,108	(197,519)
Cash and cash equivalents at beginning of year	<u>121,693,428</u>	<u>15,563,519</u>	<u>5,485,648</u>	<u>2,486,957</u>
Cash and cash equivalents at end of year	<u>\$ 152,075,664</u>	<u>28,858,252</u>	<u>6,207,756</u>	<u>2,289,438</u>
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Assets:				
Cash and investments	\$ 130,737,083	7,579,505	3,904,997	293,279
Stranded investments	65,514,825	-	-	-
Other restricted cash and investments	5,065,643	27,828,372	2,302,759	1,996,159
Less non-cash equivalents	(49,241,887)	(6,549,625)	-	-
Cash and cash equivalents at end of year	<u>\$ 152,075,664</u>	<u>28,858,252</u>	<u>6,207,756</u>	<u>2,289,438</u>

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental	Totals	
		Activities- Internal	2012	2011
		Service Funds		
14,460,458	261,377,248	-	261,377,248	252,149,410
(10,081,576)	(144,703,453)	(21,569,684)	(166,273,137)	(164,311,515)
(5,905,220)	(55,300,476)	(45,711,633)	(101,012,109)	(103,088,190)
(2,381,553)	(6,178,418)	(907,589)	(7,086,007)	(7,280,016)
-	338,137	75,829,776	76,167,913	75,611,047
153,537	22,686,761	317,430	23,004,191	-
-	(152,724)	-	(152,724)	10,112,747
<u>(3,754,354)</u>	<u>78,067,075</u>	<u>7,958,300</u>	<u>86,025,375</u>	<u>63,193,483</u>
85,000	163,798	1,679,676	1,843,474	1,324,292
(290,404)	(19,463,553)	(899,037)	(20,362,590)	(20,036,780)
-	(157,972)	-	(157,972)	(1,019,073)
346,212	(3,788)	-	(3,788)	394,039
3,301,199	3,301,199	-	3,301,199	4,321,563
173,610	798,862	-	798,862	620,169
<u>3,615,617</u>	<u>(15,361,454)</u>	<u>780,639</u>	<u>(14,580,815)</u>	<u>(14,395,790)</u>
-	30,507,633	-	30,507,633	65,392,640
(1,827,409)	(35,282,851)	(4,408,882)	(39,691,733)	(41,772,681)
-	3,008,195	74,160	3,082,355	71,752
-	2,317,145	-	2,317,145	2,480,892
(2,132,925)	(45,194,899)	(389,971)	(45,584,870)	(48,533,831)
(9,949)	(11,922,784)	(168,465)	(12,091,249)	(11,368,948)
<u>(3,970,283)</u>	<u>(56,567,561)</u>	<u>(4,893,158)</u>	<u>(61,460,719)</u>	<u>(33,730,176)</u>
-	(52,129,971)	-	(52,129,971)	(91,622,913)
-	72,450,991	-	72,450,991	68,062,235
166,251	9,283,459	161,699	9,445,158	6,514,324
-	4,516,250	-	4,516,250	4,289,583
<u>166,251</u>	<u>34,120,729</u>	<u>161,699</u>	<u>34,282,428</u>	<u>(12,756,771)</u>
(3,942,769)	40,258,789	4,007,480	44,266,269	2,310,746
<u>9,578,739</u>	<u>154,808,291</u>	<u>14,403,452</u>	<u>169,211,743</u>	<u>166,900,997</u>
<u>5,635,970</u>	<u>195,067,080</u>	<u>18,410,932</u>	<u>213,478,012</u>	<u>169,211,743</u>
2,935,441	145,450,305	18,410,932	163,861,237	138,096,686
-	65,514,825	-	65,514,825	63,651,067
2,700,529	39,893,462	-	39,893,462	43,576,522
-	(55,791,512)	-	(55,791,512)	(76,112,532)
<u>5,635,970</u>	<u>195,067,080</u>	<u>18,410,932</u>	<u>213,478,012</u>	<u>169,211,743</u>

(continued)

CITY OF PASADENA
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2012

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>	<u>Paseo Colorado Parking</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 18,513,935	11,942,522	1,126,603	555,466
Adjustments to reconcile operating income (loss) to net				
Depreciation	18,109,420	4,951,239	552,258	676,648
Amortization of prepaid long term assets	1,395,776	-	-	-
Amortization of premium and discount	-	-	(31,906)	27,782
Other non-operating revenues (expenses)	1,892,916	3,782,598	60,909	(17,786)
(Increase) decrease in accounts receivable	17,538,199	119,734	(119,237)	(11,276)
Increase (decrease) in allowance for uncollectible accounts	(2,582,023)	2,580	-	-
(Increase) decrease in due from other funds	-	-	-	-
(Increase) decrease in inventories	(592,036)	1,702,582	-	-
(Increase) decrease in prepaids and other assets	36,952	17,424	11,247	(56,180)
(Increase) decrease in prepaid long term assets	-	(90,530)	222,639	10,376
Increase (decrease) in accounts payable and accrued liabilities	2,564,711	352,024	(57,200)	(155,590)
Increase (decrease) in due to other funds	-	-	-	-
Increase (decrease) in due to other governments	-	9,556	-	-
Increase (decrease) in insurance claims payable	-	-	-	-
Increase (decrease) in deferred charges	(673,534)	(22,121)	-	-
Increase (decrease) in OPEB liability	-	-	-	-
Increase (decrease) in compensated absences	-	-	-	-
Increase (decrease) in deposits payable	58,068	2,755	2,725	(8,796)
	<u>37,748,449</u>	<u>10,827,841</u>	<u>641,435</u>	<u>465,178</u>
Net cash provided by (used for) operating activities	<u>\$ 56,262,384</u>	<u>22,770,363</u>	<u>1,768,038</u>	<u>1,020,644</u>
Non-cash investing, capital and financing related activity				
Non-cash changes in fair value of investments	<u>\$ 101,161</u>	<u>(22,469)</u>	<u>(11,437)</u>	<u>(31)</u>

See accompanying notes to the basic financial statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds	Totals	
			2012	2011
<u>(5,089,168)</u>	<u>27,049,358</u>	<u>(5,699,970)</u>	<u>21,349,388</u>	<u>28,731,572</u>
1,111,041	25,400,606	2,073,802	27,474,408	27,195,857
-	1,395,776	-	1,395,776	1,257,195
-	(4,124)	-	(4,124)	34,638
153,537	5,872,174	317,430	6,189,604	8,904,019
(2,253)	17,525,167	34,480	17,559,647	2,587,223
(45,220)	(2,624,663)	-	(2,624,663)	(4,957,022)
-	-	96,336	96,336	635,963
-	1,110,546	(5,362)	1,105,184	(936,200)
-	9,443	(178,435)	(168,992)	69,218
-	142,485	-	142,485	119,003
(102,600)	2,601,345	4,105,539	6,706,884	(4,576,312)
-	-	673,226	673,226	-
-	9,556	-	9,556	-
-	-	3,776,334	3,776,334	3,017,215
-	(695,655)	-	(695,655)	1,260,445
-	-	2,536,470	2,536,470	-
-	-	228,450	228,450	(51,230)
<u>220,309</u>	<u>275,061</u>	<u>-</u>	<u>275,061</u>	<u>(98,101)</u>
<u>1,334,814</u>	<u>51,017,717</u>	<u>13,658,270</u>	<u>64,675,987</u>	<u>34,461,911</u>
<u>(3,754,354)</u>	<u>78,067,075</u>	<u>7,958,300</u>	<u>86,025,375</u>	<u>63,193,483</u>
<u>(16,816)</u>	<u>50,408</u>	<u>1,045,946</u>	<u>1,096,354</u>	<u>748,993</u>

CITY OF PASADENA
Statement of Net Assets
Fiduciary Funds
June 30, 2012

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>	<u>Private Purpose Trust Funds</u>
Assets			
Cash and cash equivalents (note 2)	\$ 206,262,123	3,046,798	19,273,707
Receivables:			
Accounts receivable	-	964,370	-
Interest	256,444	-	-
Notes receivable	-	-	7,331,498
Advances to other funds	-	-	2,959,136
Allowance for uncollectible long-term receivables	-	-	(7,331,498)
Total receivables	<u>256,444</u>	<u>964,370</u>	<u>2,959,136</u>
Other assets	-	1,004,774	46,295
Investments, at fair value (note 2):			
Government and agencies	31,855,588	-	-
Corporate obligations	19,065,158	-	-
Real estate investment trust (REIT)	11,185,142	-	-
Corporate stocks	<u>62,737,611</u>	<u>-</u>	<u>-</u>
Total investments	<u>124,843,499</u>	<u>-</u>	<u>-</u>
Total assets	<u>331,362,066</u>	<u>5,015,942</u>	<u>22,279,138</u>
Liabilities			
Accounts payable and accrued liabilities	25,498	950,296	208,783
Due to other governments	-	2,917,061	-
Due to bondholders	-	1,148,585	-
Advances from other funds	-	-	60,271,956
Notes payable	-	-	2,420,722
Bonds payable	-	-	4,194,000
Unamortized premium (discount)	<u>-</u>	<u>-</u>	<u>(47,751)</u>
Total liabilities	<u>25,498</u>	<u>5,015,942</u>	<u>67,047,710</u>
Net assets held in trust	<u>\$ 331,336,568</u>	<u>-</u>	<u>(44,768,572)</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, 2012

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>
Additions:		
Contributions:		
Employer	\$ 46,600,000	-
Plan members	13,250,572	-
Property taxes	-	14,064,577
Total contributions	<u>59,850,572</u>	<u>14,064,577</u>
Net investment income:		
Investment earnings	2,710,553	21,962
Dividends	1,066,961	-
Gross investment income	<u>3,777,514</u>	<u>21,962</u>
Less investment expenses	<u>(242,728)</u>	<u>-</u>
Net investment income	<u>3,534,786</u>	<u>21,962</u>
Other revenues	<u>-</u>	<u>395</u>
Total additions	<u>63,385,358</u>	<u>14,086,934</u>
Deductions:		
Benefits paid to participants	25,159,618	-
Fiscal agency expenses	-	3,919
Interest expense	-	479,464
Statutory pass-through expenses	-	198,356
Lease expense	-	14,672
Other Operating Expense	-	26,663
Administrative expenses:		
Fire and Police Retirement System Pension Trust	286,778	-
County administrative expenses	-	50,401
Successor agency administrative cost allowance	<u>-</u>	<u>636,110</u>
Total deductions	<u>25,446,396</u>	<u>1,409,585</u>
Transfers:		
Transfers in	-	846,514
Transfers out	<u>-</u>	<u>(831,639)</u>
Change in net assets before extraordinary items	37,938,962	12,692,224
Extraordinary items:		
Assets of Pasadena Community Development Agency	-	11,059,916
Liabilities of Pasadena Community Development Agency	<u>-</u>	<u>(68,520,712)</u>
Total extraordinary items	<u>-</u>	<u>(57,460,796)</u>
Change in net assets	37,938,962	(44,768,572)
Net assets held in trust - beginning	<u>293,397,606</u>	<u>-</u>
Net assets held in trust - ending	<u>\$ 331,336,568</u>	<u>(44,768,572)</u>

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Discretely Presented Component Units
Combining Statement of Net Assets
June 30, 2012

	<u>Rose Bowl Operating Company</u>	<u>Pasadena Center Operating Company</u>	<u>Pasadena Community Access Corp.</u>	<u>Totals</u>	
				<u>2012</u>	<u>2011</u>
Assets					
Current assets:					
Cash and investments (note 2)	\$ 10,363,844	1,343,718	298,025	12,005,587	13,401,247
Cash and investments restricted (note 2)	76,966,529	-	-	76,966,529	132,979,245
Accounts receivable, net	1,930,130	1,326,159	121,797	3,378,086	3,428,717
Prepays and other assets	29,104	145,420	3,058	177,582	214,103
Total current assets	<u>89,289,607</u>	<u>2,815,297</u>	<u>422,880</u>	<u>92,527,784</u>	<u>150,023,312</u>
Noncurrent assets:					
Restricted assets - cash and investments (note 2)	3,062,412	15,477,683	-	18,540,095	21,286,533
Unamortized bond issuance costs	2,365,110	518,932	-	2,884,042	2,921,241
Deferred outflow (note 10)	5,791,691	74,896,566	-	80,688,257	27,682,543
Capital assets (note 7):					
Land	-	2,423,473	-	2,423,473	2,423,473
Construction in progress	89,178,357	30,859	-	89,209,216	30,413,127
Other capital assets, net	33,680,398	154,738,520	6,154	188,425,072	199,434,444
Total noncurrent assets	<u>134,077,968</u>	<u>248,086,033</u>	<u>6,154</u>	<u>382,170,155</u>	<u>284,161,361</u>
Total assets	<u>223,367,575</u>	<u>250,901,330</u>	<u>429,034</u>	<u>474,697,939</u>	<u>434,184,673</u>
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	13,791,167	803,600	33,754	14,628,521	9,725,862
Deposits	31,200	672,200	-	703,400	779,158
Interest payable	3,283,062	554,165	-	3,837,227	3,893,320
Deferred revenue (note 8)	1,087,572	666,622	16,934	1,771,128	2,257,797
Advances from primary government - current (note 6)	-	215,213	-	215,213	74,221
Current portion of compensated absences	48,841	-	-	48,841	51,988
Current portion of long-term debt (note 9)	1,955,000	1,579,898	-	3,534,898	3,176,358
Total current liabilities	<u>20,196,842</u>	<u>4,491,698</u>	<u>50,688</u>	<u>24,739,228</u>	<u>19,958,704</u>
Noncurrent liabilities:					
Compensated absences	120,215	-	-	120,215	127,973
Derivative instrument liability (note 10)	3,172,388	71,029,823	-	74,202,211	21,196,497
Advances from primary government - long-term (note 6)	-	1,841,418	-	1,841,418	690,519
Long-term debt (note 9)	186,058,568	172,246,152	-	358,304,720	359,899,960
Unamortized premium (discount)	(79,503)	(348,760)	-	(428,263)	(451,032)
Total noncurrent liabilities	<u>189,271,668</u>	<u>244,768,633</u>	<u>-</u>	<u>434,040,301</u>	<u>381,463,917</u>
Total liabilities	<u>209,468,510</u>	<u>249,260,331</u>	<u>50,688</u>	<u>458,779,529</u>	<u>401,422,621</u>
Net Assets					
Invested in capital assets, net of related debt	17,203,954	6,262,722	6,154	23,472,830	32,418,867
Restricted	80,028,941	14,464,425	-	94,493,366	150,181,396
Unrestricted	(83,333,830)	(19,086,148)	372,192	(102,047,786)	(149,838,211)
Total net assets	<u>\$ 13,899,065</u>	<u>1,640,999</u>	<u>378,346</u>	<u>15,918,410</u>	<u>32,762,052</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, 2012

	<u>Rose Bowl Operating Company</u>	<u>Pasadena Center Operating Company</u>	<u>Pasadena Community Access Corp.</u>	<u>Totals</u>	
				<u>2012</u>	<u>2011</u>
Operating revenues:					
Charges for services:					
Golf course	\$ 2,041,038	-	-	2,041,038	10,534,676
Rose Bowl	9,507,435	-	-	9,507,435	2,164,662
Pasadena Center Operating Company	-	6,679,918	-	6,679,918	4,976,545
Pasadena Community Access Corporation	-	-	813,035	813,035	782,613
Total operating revenues	<u>11,548,473</u>	<u>6,679,918</u>	<u>813,035</u>	<u>19,041,426</u>	<u>18,458,496</u>
Operating expenses:					
Golf course	504,446	-	-	504,446	8,677,890
Rose Bowl	17,031,197	-	-	17,031,197	713,213
Pasadena Center Operating Company	-	7,667,108	-	7,667,108	7,149,532
Pasadena Community Access Corporation	-	-	774,098	774,098	811,354
Depreciation	<u>2,778,357</u>	<u>4,387,913</u>	<u>6,511</u>	<u>7,172,781</u>	<u>7,477,007</u>
Total operating expenses	<u>20,314,000</u>	<u>12,055,021</u>	<u>780,609</u>	<u>33,149,630</u>	<u>24,828,996</u>
Operating income	<u>(8,765,527)</u>	<u>(5,375,103)</u>	<u>32,426</u>	<u>(14,108,204)</u>	<u>(6,370,500)</u>
Nonoperating revenues (expenses):					
Transient occupancy taxes, net	-	5,697,466	-	5,697,466	5,165,432
Tourism business improvement district tax	-	2,392,014	-	2,392,014	2,153,155
Investment earnings	2,275,371	811,917	1,765	3,089,053	2,314,464
Interest expense	(11,739,301)	(7,619,694)	-	(19,358,995)	(16,609,557)
Other nonoperating revenues	<u>4,775,672</u>	<u>151,892</u>	<u>-</u>	<u>4,927,564</u>	<u>926,255</u>
Total nonoperating revenues	<u>(4,688,258)</u>	<u>1,433,595</u>	<u>1,765</u>	<u>(3,252,898)</u>	<u>(6,050,251)</u>
Income (loss) before operating transfers	<u>(13,453,785)</u>	<u>(3,941,508)</u>	<u>34,191</u>	<u>(17,361,102)</u>	<u>(12,420,751)</u>
Contribution to City	-	(443,870)	-	(443,870)	(441,651)
Capital contributions	<u>861,337</u>	<u>99,993</u>	<u>-</u>	<u>961,330</u>	<u>2,473,395</u>
Change in net assets	<u>(12,592,448)</u>	<u>(4,285,385)</u>	<u>34,191</u>	<u>(16,843,642)</u>	<u>(10,389,007)</u>
Net assets at beginning of year	<u>26,491,513</u>	<u>5,926,384</u>	<u>344,155</u>	<u>32,762,052</u>	<u>43,151,059</u>
Net assets at end of year	<u>\$ 13,899,065</u>	<u>1,640,999</u>	<u>378,346</u>	<u>15,918,410</u>	<u>32,762,052</u>

See accompanying notes to the basic financial statements.

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YEAR ENDED

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

JUNE 30
2012

Notes to the Basic
Financial Statements

NOTES TO THE
BASIC FINANCIAL SECTION



*Pasadena Museum
of California Art, PMCA*

CITY OF PASADENA
Notes to the Basic Financial Statements
Year Ended June 30, 2012

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CITY OF PASADENA

Notes to the Basic Financial Statements

Year Ended June 30, 2012

(1) Summary of Significant Accounting Policies

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

(a) Reporting Entity

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

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

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

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

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

(a) Reporting Entity, (Continued)

Blended Component Units

Pasadena Parking Authority (The Authority)

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

Pasadena Civic Improvement Corporation (PCIC)

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

Pasadena Housing Authority (Housing Authority)

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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(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. PCDC ceased operations as an entity on January 31, 2012. Please see Note 23 for additional information. The PPFA's final financial report can be obtained from Department of Finance at the City of Pasadena, 100 North Garfield Avenue, Pasadena, California, 91109.

Pasadena Fire and Police Retirement System (FPRS)

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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

(a) Reporting Entity, (Continued)

Blended Component Units, (Continued)

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

FPRS's Annual Report and Audited Financial Statements can be obtained by contacting the Pasadena Fire and Police Retirement System, 100 North Garfield Avenue, N206, Pasadena, CA 91109.

Pasadena Community Development Commission (PCDC)

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

As of January 31, 2012, PCDC no longer operates as an entity in accordance with the passage of Assembly Bill 1X 26 and court ruling dissolving all redevelopment agencies in California. A successor agency, not legally separate from the City of Pasadena, has been established effective February 1, 2012 to handle the liquidation of assets and payment of former allowable and enforceable debts (please see Note 23 for additional information). PCDC financial statement for the seven months ending January 31, 2012 can be obtained from the Department of Finance at the City of Pasadena, 100 North Garfield Avenue, Pasadena, California, 91109.

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

(a) Reporting Entity, (Continued)

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, has been met. RBOC's budget is reviewed and approved by the City Council. RBOC is presented as an Enterprise Fund Type. Separate component unit financial statements of RBOC are issued and available upon request from the RBOC Administration Office at 1001 Rose Bowl Drive, Pasadena, California 91103. RBOC was audited in accordance with Generally Accepted Governmental Auditing Standards. Additional information is available at www.rosebowlstadium.com.

Pasadena Center Operating Company (PCOC)

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

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

(a) Reporting Entity, (Continued)

Discretely Presented Component Units (Continued)

Pasadena Community Access Corporation Board (PCAC)

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

Jointly Governed Organizations

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

Bob Hope Airport

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

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

(a) Reporting Entity, (Continued)

Jointly Governed Organizations (Continued)

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.

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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

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

Government-wide Financial Statements

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

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

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

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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

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

Government-wide Financial Statements, (Continued)

Fund Financial Statements

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

Fund financial statements for the City'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 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*

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

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

Governmental Funds, (Continued)

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.

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

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

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

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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

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

Proprietary Funds

The City's Enterprise and Internal Service Funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net 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 City's Internal Service Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as 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, Agency Funds, and Private-Purpose Trust Funds. Agency Funds are custodial in nature. Assets equal liabilities. Agency Funds use the accrual basis of accounting. Pension Trust Funds are used to account for resources that are required to be held in trust for the members and beneficiaries of benefit and contribution plans. Private-Purpose Trust Funds are to account for receipt of incremental property tax and payment of enforceable obligations (debts) of the former redevelopment agency.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

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

Permanent Funds

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

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

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

General Debt Service Fund – To account for the payment of interest and principal of the 1999 pension bonds, the 2004 pensions bonds and City-wide obligations.

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. PCDC ceased operations as an entity on January 31, 2012. Please see Note 23 for additional information.

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.

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.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

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

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, workers' compensation and general liability, equipment leasing, printing and mail services to other departments or agencies of the City.

Pension Trust Funds – Used to account for transactions of the 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.

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

(d) Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the Proprietary Funds' share in the City's cash and investment pool. Cash equivalents have an original maturity date of three months or less from the date of purchase.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

(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.

(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, 2012.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

(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 including the Stranded Investment Reserve (SIR) Utilization Plan which is discussed under Note 12 – Restricted Net Assets, 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, 2012

(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 former Pasadena Community Development Commission's project area.

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

(l) Capital Assets

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

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, 2012

(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	2 to 10 years	Equipment	2 to 10 years
Infrastructure	8 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 16, excess liability insurance covers claims greater than the self-insurance thresholds.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(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 Memorandum of Understanding) 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.

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 are accrued at fiscal year-end and included under "Compensated Absences" in the Benefits Internal Service Fund as a current liability. See Note 9. The total actual payments in FY2012 and FY2011 were 92% and 90% of prior year accruals, respectively.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

(o) Net Pension Obligation

For each pension 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*.

(p) Post-employment Benefits Other Than Pension Obligation

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

(q) 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.

(r) Fund Balance

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

- Nonspendable fund balance is the portion of fund balance that cannot be spent due to form. Examples include inventories, prepaid amounts, long-

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

(r) Fund Balance, (Continued)

term loans, notes receivable, and property held for resale, unless the proceeds are restricted, committed or assigned. Also, amounts that must be maintained intact legally or contractually, such as the principal of a permanent fund are reported within the nonspendable category.

- Restricted fund balance is the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors.
- Committed fund balance is the portion of fund balance that is subject to self-imposed constraints due to formal action of the City Council, as they have the highest level of decision-making authority.
- Assigned fund balance is the portion of fund balance that is constrained by the City's intent to utilize fund balance for a specific purpose. The authority to assign fund balance has been delegated by the City Council to the finance director.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications. Unassigned fund balances also include amounts that are in Special Revenue, Capital Projects, Debt Service and Permanent Funds in excess of assigned amounts.

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

(s) 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, 2012

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

(t) 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 45 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.

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

(u) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures. The City has made certain estimates and assumptions relating to the revenues due and expenditures incurred through fiscal year-end, collectability of its receivables, the valuation of property held for resale, the useful lives of the capital assets, and the ultimate outcome of claims and judgments. Actual results may differ from those estimates and assumptions.

(v) Future Governmental Accounting Standards Board (GASB) Statements

GASB Statements Nos. 60-68 listed below will be implemented in future financial statements (note all effective dates reflect that the provisions of these statements are effective for financial statements periods beginning after the date stated):

(Balance of page intentionally left blank)

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Statement No.	Title	Effective for Fiscal Years Beginning on or After
60	<i>Accounting and Financial Reporting for Service Concession Arrangements</i>	December 15, 2011
61	<i>The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34</i>	June 15, 2012
62	<i>Codification of Accounting and Financial Reporting Guidance</i>	December 15, 2011
63	<i>Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position</i>	December 15, 2011
64	<i>Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53</i>	June 15, 2011
65	<i>Items Previously Reported as Assets and Liabilities</i>	December 15, 2012
66	<i>Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62</i>	December 15, 2012
67	<i>Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25</i>	June 15, 2013
68	<i>Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27</i>	June 15, 2014

Management is in the process of evaluating the impact of the statements to be implemented for the fiscal year ended June 30, 2013 and beyond. For the fiscal year ended June 30, 2013, management has preliminarily evaluated that Statement 60 may have an impact for the City's discretely presented component units. Statement 62 will likely have minimal impact as it is a codification of existing practices. However, Statement 63 will change the format of nearly every financial statement. Management is also evaluating whether or not to early implement Statement 65 as many of the aspects of Statement 65 build upon the implementation of Statement 63.

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

(2) Cash and Investments

Primary Government (excluding FPRS Cash and Investments)

Cash and investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$332,499,486
Restricted cash and investments	105,408,287
Fiduciary funds:	
Cash and cash equivalents	<u>214,520,993</u>
Total cash and investments	<u>\$652,428,766</u>

Cash and investments as of June 30, 2012 consist of the following:

Cash on hand	\$ 91,814
Deposits with financial institutions	12,942,253
Investments	<u>639,394,699</u>
Total cash and investments	<u>\$652,428,766</u>

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(2) Cash and Investments, (Continued)

Primary Government, (Continued)

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

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

<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.

+ With the exception of the Power Reserve and Bond Reserve Funds with consent of the bond insurers, these types of investments can mature for more than 5 years.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(2) Cash and Investments, (Continued)

Primary Government, (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
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 Obligation Bonds	None

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(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 City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

<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 to 60 Months</u>	<u>More Than 60 Months</u>
Corporate Bonds	\$ 86,098,650	19,380,710	14,287,977	52,429,963	-
Federal Agency Securities	139,232,526	1,380,220	9,221,044	112,459,288	16,171,974
Municipal Bonds	57,971,307	12,817,387	4,915,187	39,430,912	807,821
Money Market Funds	85,678,322	85,678,322	-	-	-
Mortgage-backed Securities	83	-	83	-	-
State Investment Pool	50,593,289	50,593,289	-	-	-
Negotiable CDs	1,702,416	979,208	-	723,208	-
Held by Bond Trustee:					
Federal Agency Securities	13,236,151	-	-	-	13,236,151
Money Market Funds	1,992,620	1,992,620	-	-	-
Investment Contracts	10,688,847	-	-	-	10,688,847
Deferred Compensation Plan:					
Mutual Funds	<u>192,200,488</u>	<u>192,200,488</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$639,394,699</u>	<u>365,022,244</u>	<u>28,424,291</u>	<u>205,043,371</u>	<u>40,904,793</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(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>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	\$ 86,098,650	A	12,551,851	28,129,522	45,417,277	-
Federal Agency Securities	139,232,526	N/A	139,232,526	-	-	-
Municipal Bonds	57,971,307	N/A	-	11,380,521	45,900,969	689,817
Money Market Funds	85,678,322	N/A	-	-	-	85,678,322
Mortgage-backed Securities	83	AA	83	-	-	-
State Investment Pool	50,593,289	N/A	-	-	-	50,593,289
Negotiable CDs	1,702,416		227,208	-	-	1,475,208
Held by Bond Trustee:						
Federal Agency Securities	13,236,151	N/A	13,236,151	-	-	-
Money Market Funds	1,992,620	A	1,992,620	-	-	-
Investment Contracts	10,688,847	N/A	-	-	-	10,688,847
Deferred Compensation Plan:						
Mutual Funds	<u>192,200,488</u>	N/A	<u>-</u>	<u>192,200,488</u>	<u>-</u>	<u>-</u>
Total	<u>\$639,394,699</u>		<u>167,240,439</u>	<u>231,710,531</u>	<u>91,318,246</u>	<u>149,125,483</u>

N/A Not applicable

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(2) Cash and Investments, (Continued)

Primary Government, (Continued)

Concentration of Credit Risk

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
East West Bank	Money Market Funds	\$57,626,119
Local Agency Investment Fund	State Investment Pool	51,829,121
Federal National Mortgage Assn	Federal Agency Securities	50,122,885
Federal Farm Credit Bank	Federal Agency Securities	39,587,357
Federal Home Loan Bank	Federal Agency Securities	37,832,195
Bank of the West	Money Market Funds	24,077,930

Custodial Credit Risk

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

As of June 30, 2012, \$82,609 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in uncollateralized accounts.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(2) Cash and Investments, (Continued)

Primary Government, (Continued)

Concentration of Credit Risk, (Continued)

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

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CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

(3) Accounts Receivable

As of June 30, 2012, the accounts receivable are categorized as follows:

	<u>General</u>	<u>General City Debt Service</u>	<u>Project Management Capital Project</u>	<u>Non-Major Governmental Funds</u>	<u>Internal Service</u>
Governmental activities:					
Accounts receivable	\$ 2,429,870	-	3,385,261	820,827	112,824
Accrued revenue receivable	11,703,869	-	359,307	7,743,201	43,877
Interest receivable	189,216	91,512	-	276,060	34,120
Paramedics receivable	5,632,248	-	-	-	-
Utility receivable	<u>1,444,357</u>	<u>-</u>	<u>-</u>	<u>573,828</u>	<u>-</u>
	21,399,560	91,512	3,744,568	9,413,916	190,821
Less: allowance for uncollectible amounts	<u>(2,949,483)</u>	<u>-</u>	<u>-</u>	<u>(28,780)</u>	<u>-</u>
Total	<u>\$18,450,077</u>	<u>91,512</u>	<u>3,744,568</u>	<u>9,385,136</u>	<u>190,821</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	\$ 17,603	4,337	159,929	-	78,218
Accrued revenue receivable	11,193,332	4,196,828	396,580	258,292	1,352,211
Interest receivable	873,075	44,897	11,910	5,059	26,993
Utility receivable	<u>11,185,531</u>	<u>3,645,470</u>	<u>-</u>	<u>-</u>	<u>877,683</u>
	23,269,541	7,891,532	568,419	263,351	2,335,105
Less: allowance for uncollectible amounts	<u>(621,817)</u>	<u>(176,420)</u>	<u>-</u>	<u>-</u>	<u>(45,779)</u>
Total	<u>\$22,647,724</u>	<u>7,715,112</u>	<u>568,419</u>	<u>263,351</u>	<u>2,289,326</u>

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(4) Notes Receivable – Primary Government

The notes receivable in the Governmental Funds amounted to \$51,254,480 at June 30, 2012. \$16,947,185 consisted of developer loans for the Community Development Block Grant (CDBG) and HUD Section 108 loans for the Lake / Washington Project Area and Fair Oaks Project Area. \$34,307,295 consisted of primarily Housing and Community Development loans, which arose from the sale of land to project developers and other agencies, and the provision of loan assistance under the City’s affordable housing programs, subject to approved redevelopment plans. These notes have various terms, including maturities ranging from 5 to 45 years and interest rates ranging from 1.5% to 11%. Due to the uncertainty of their collectability at June 30, 2012, the City has recorded an allowance for uncollectible long-term receivables of \$25,718,765.

In January 2009, Light and Power utilized \$80.0 million of Reserves for Stranded Investment and in return received Subordinated Notes totaled \$70.0 million from Intermountain Power Agency (IPA) to defease some of IPA’s outstanding debt service requirement for Intermountain Power Project (IPP) bonds. These notes have various maturity dates, and the proceeds, when mature, will be used to stabilize future energy costs. The balance of the notes as of June 30, 2012 is \$57,487,917.

(5) Due From and To Other Funds

Current interfund receivable and payable balances at June 30, 2012 are as follows:

Primary Government

Due From Other Funds	Due To Other Funds	Amount
General Fund	Non-Major Governmental Funds	\$ 3,756,684
	Non-Major Enterprise Funds	188,240
	Internal Service Funds	1,564,416
	Subtotal	5,509,340
Internal Service Funds	Internal Service Funds	1,057,816
	Total	\$6,567,156

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Fiduciary Funds

Due From Other Funds	Due To Other Funds	Amount
Successor Agency-Debt Service Funds	Successor Agency-Debt Service Funds	\$ 428,132

The above balances are due to negative cash balances at the end of the fiscal year.

(6) Advances To and From Other Funds

Primary Government

Long-term interfund receivable and payable balances at June 30, 2012 are as follows:

Advances from other funds	Advances to other funds	Amount
Paseo Colorado Parking	Non-Major Enterprise Funds	\$ 4,546,129
Old Pasadena Parking	General Fund	1,386,545
	Total	\$ 5,932,674

**Outstanding at
June 30, 2012**

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. Amounts lent to the parking fund will be paid back with interest.

\$4,546,129

General Fund

The General Fund has an agreement with Old Pasadena Parking providing for advance of funds to finance parking activities. The annual reimbursement to the General Fund is \$350,000.

1,386,545

Total Primary Government advances

\$5,932,674

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

Discretely Presented Component Units

Long-term interfund advance balances between the City and discretely presented component units as of June 30, 2012 are as follows:

<u>Advances To</u>	<u>Advances From the City</u>	<u>Amount</u>
<u>Component Units</u>		
General Fund	Pasadena Center Operating Company	<u>\$2,056,631</u>
		<u>Outstanding at</u>
		<u>June 30, 2012</u>
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.		\$690,519
On September 11 and October 25, 2011, PCOC borrowed a total of \$1,500,000 from the City to fund a new ice rink. The loan carries an interest rate of 2.5%. PCOC anticipates that the loan repayment will be from ice skating net income by the 5 th year of operation of the new rink over a 10-year period.		<u>1,366,112</u>
Total advances between City and discretely presented component units		<u>\$2,056,631</u>

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

Fiduciary Funds

Long-term interfund advance balances between the primary government and fiduciary funds as of June 30, 2012 are as follows:

<u>Advances From Other Funds</u>	<u>Advances To Other Funds</u>	<u>Amount</u>
Non-Major Enterprise Funds	Successor Agency-Debt Service Funds	\$ 2,959,136
Successor Agency-Debt Service Funds	General Fund	47,250,327
	Non-Major Government Funds	2,196,629
	Old Pasadena Parking	10,825,000
	Subtotal	<u>60,271,956</u>
	Total	<u><u>\$63,231,092</u></u>

On December 29, 2011, the California Supreme Court ("Court") upheld as constitutional AB 1X 26, the legislation that eliminated redevelopment agencies throughout the State. As a result of the decision, former redevelopment agencies had an option to form a successor agency. The successor agency is charged with winding down the affairs of the former redevelopment agency.

The Pasadena City Council, by adoption of resolution 9173, elected to become the Successor Agency to the Pasadena Community Development Commission. The successor agencies have various legal requirements imposed on them by AB 1X 26, and their actions are subject to the review of oversight boards, which are also created by the new law.

Listed below are reimbursement agreements between the former PCDC and the City, as approved by the California Department of Finance.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Fiduciary Funds, (Continued)

**Outstanding at
June 30, 2012**

General Fund

The City and the former PCDC entered into a 1986 Reimbursement Agreement that, among other things, obligated the former PCDC to use tax increment from the Downtown Redevelopment Project Area to reimburse the City for the cost of various public improvements. The repayments from the former PCDC were for the purpose of paying bonds issued by the City to meet its funding requirements for the Fire and Police Retirement Fund. The effectiveness of the Reimbursement Agreement, including the 1987 Amendment, and all actions taken pursuant to it, including the pension bonds, was validated by Senate Bill 481 and a 1999 Los Angeles County Superior Court judgment.

\$47,250,327

1996 Multi-Purpose Capital Project Certificates of Participation

In 1996 the City issued Certificates of Participation (COPs) to fund the acquisition, construction and installation of certain public facilities and capital improvements. The proceeds of the COPs were used for various redevelopment projects and purposes of the former PCDC including development of the Fair Grove Shopping Center, repayment of an Educational Revenue Augmentation Fund (ERAF) loan from the Housing Trust Fund, rehabilitation of the North Lake Plaza Shopping Center and paying down the former PCDC's Villa-Parke debt to create a pool of economic development funds. An essential element of this financing mechanism was the former PCDC's agreement to utilize tax increment from the redevelopment project areas to repay the City's advance of such proceeds and thereby provide a source of funds to make the payments on the COPs. In 2011 the former PCDC issued a promissory note to the City to further evidence its obligation to make such payments.

2,196,629

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Fiduciary Funds, (Continued)

Successor Agency PCDC

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

2,959,136

Old Pasadena Parking

In 1986 the City issued Refunding Certificates of Participation to finance the acquisition and construction of parking facilities in the Old Pasadena Redevelopment Project Area. Concurrently, the City and the former PCDC entered into a Reimbursement and Repayment

Agreement pursuant to which the former PCDC obligated itself to make periodic payments to the City from former tax increment generated by the Project Area to repay the City for its cost of developing the facilities. The former PCDC's repayment obligations enabled the City to undertake its obligations under the Refunding COPs and were a material inducement to the City to issue the COPs. In 2011 the former PCDC issued a promissory note to the City to further evidence its obligation to make such payments.

10,825,000

Total advances between primary government and fiduciary funds

\$63,231,092

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(7) Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2012 is as follows:

Governmental activities	<u>Balance at June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2012</u>
Depreciable assets:				
Buildings and improvements	\$ 290,801,387	2,200,816	(14,236,131)	278,766,072
Machinery and equipment	52,067,148	8,790,466	(3,245,001)	57,612,613
Infrastructure	<u>308,795,220</u>	<u>9,912,397</u>	<u>(1,560,267)</u>	<u>317,147,350</u>
Total cost of depreciable assets	<u>651,663,755</u>	<u>20,903,679</u>	<u>(19,041,399)</u>	<u>653,526,035</u>
Less accumulated depreciation:				
Buildings and improvements	(101,305,555)	(6,624,195)	6,572,963	(101,356,787)
Machinery and equipment	(31,180,645)	(3,491,526)	2,947,375	(31,724,796)
Infrastructure	<u>(108,933,457)</u>	<u>(6,083,455)</u>	<u>1,093,018</u>	<u>(113,923,894)</u>
Total accumulated depreciation	<u>(241,419,657)</u>	<u>(16,199,176)</u>	<u>10,613,356</u>	<u>(247,005,477)</u>
Net depreciable assets	410,244,098	4,704,503	(8,428,043)	406,520,558
Capital assets not depreciated:				
Land	56,442,474	1,834,220	(3,182)	58,273,512
Construction in progress	<u>22,250,406</u>	<u>11,441,800</u>	<u>(15,233,061)</u>	<u>18,459,145</u>
Capital assets, net	<u>\$ 488,936,978</u>	<u>17,980,523</u>	<u>(23,664,286)</u>	<u>483,253,215</u>

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

General government	\$5,215,641
Public safety	1,300,670
Transportation	6,880,453
Health	366,754
Culture and leisure	389,902
Community development	<u>2,045,756</u>
	<u>\$16,199,176</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(7) Capital Assets, (Continued)

Primary Government, (Continued)

Business-type activities:	<u>Balance at June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2012</u>
Depreciable assets:				
Buildings and improvements	\$ 115,786,044	2,312,843	(1,038)	118,097,849
Utility lines, machinery and equipment	<u>716,573,401</u>	<u>30,446,745</u>	<u>(2,199,094)</u>	<u>744,821,052</u>
Total cost of depreciable assets	<u>832,359,445</u>	<u>32,759,588</u>	<u>(2,200,132)</u>	<u>862,918,901</u>
Less accumulated depreciation:				
Buildings and improvements	(28,634,004)	(2,586,307)	124	(31,220,187)
Utility lines, machinery and equipment	<u>(353,181,417)</u>	<u>(22,814,299)</u>	<u>2,072,179</u>	<u>(373,923,537)</u>
Total accumulated depreciation	<u>(381,815,421)</u>	<u>(25,400,606)</u>	<u>2,072,303</u>	<u>(405,143,724)</u>
Net depreciable assets	450,544,024	7,358,982	(127,829)	457,775,177
Capital assets not depreciated:				
Land	6,243,715	74,898	(3,325)	6,315,288
Construction in progress	<u>95,687,260</u>	<u>33,083,495</u>	<u>(30,638,988)</u>	<u>98,131,767</u>
Capital assets, net	<u>\$ 552,474,999</u>	<u>40,517,375</u>	<u>(30,770,142)</u>	<u>562,222,232</u>

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

Electric	\$18,109,420
Water	4,951,239
Refuse	655,646
Parking	1,675,779
Telecommunication	<u>8,522</u>
	<u>\$25,400,606</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(8) Deferred Revenue

Deferred revenue consists of the following at June 30, 2012:

	General <u>Fund</u>	Project Management Capital <u>Project</u>	Non-Major <u>Governmental</u>	Total <u>Governmental</u>	Light <u>and Power</u>
Revenues not "available"	\$ 47,042,167	-	3,205,060	50,247,227	-
(a) Rental income	337,167	-	-	337,167	-
(b) Miscellaneous revenue collected	21,565	170,000	727,280	918,845	379,498
(c) Interest Rate Swap	<u>1,259,095</u>	<u>-</u>	<u>-</u>	<u>1,259,095</u>	<u>-</u>
	<u>\$48,659,994</u>	<u>170,000</u>	<u>3,932,340</u>	<u>52,762,334</u>	<u>379,498</u>

Primary Government

- (a) In accordance with GASB Statement No. 33 revenue recognition requirements, the following revenues have been deferred because they were not available at year end: \$974,959 of Health grants, \$23,517 of Transportation grants, \$538,962 of Fire grants, \$1,667,622 of Housing grants, \$56,030 in miscellaneous false alarms and RBOC invoices, and \$46,986,137 of the Successor Agency (formerly PCDC) obligation due to the City in accordance with SB481.
- (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 \$337,167.
- (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 \$1,259,095.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(9) Long-Term Debt and Other Liabilities

Primary Government

Changes in long-term debt and other liabilities for the year ended June 30, 2012 are as follows:

Governmental Activities:	<u>Balance at</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2012</u>	<u>Due Within</u> <u>One Year</u>
Notes payable	\$3,420,722	-	(2,735,722)	685,000	335,000
Pension bonds:					
1999 Taxable Pension Funding Bonds	73,180,000	-	(5,985,000)	67,195,000	6,775,000
2004 Taxable Pension Funding Bonds	30,755,000	-	(2,350,000)	28,405,000	2,340,932
2012 Taxable Pension Obligation Bonds	-	47,440,000	-	47,440,000	-
Total Pension Bonds	<u>103,935,000</u>	<u>47,440,000</u>	<u>(8,335,000)</u>	<u>143,040,000</u>	<u>9,115,932</u>
Tax allocation bonds:					
2000 Tax Allocation Refunding Revenue Bonds (Orange Grove Redevelopment Project)	795,000	-	(795,000)	-	-
2000 Tax Allocation Refunding Revenue Bonds (Villa-Parke Redevelopment Project)	514,000	-	(514,000)	-	-
2006 Tax Allocation Revenue Bonds (Housing Set-Aside Revenues - Townhouse Project Refunding)	1,045,000	-	(1,045,000)	-	-
2006 Tax Allocation Refunding Bonds (Fair Oaks Redevelopment Project & Public Improvement Program Refunding)	1,960,000	-	(1,960,000)	-	-
2006 Tax Allocation Refunding Bonds (Villa-Parke Redevelopment Project Refunding)	280,000	-	(280,000)	-	-
2006 Tax Allocation Refunding Bonds (Lake/Washington Redevelopment Project & Public Improvement Program)	555,000	-	(555,000)	-	-
Total tax allocation bonds	<u>5,149,000</u>	<u>-</u>	<u>(5,149,000)</u>	<u>-</u>	<u>-</u>

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CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

Primary Government, (Continued)

Governmental Activities (Continued):	<u>Balance at</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2012</u>	<u>Due Within</u> <u>One Year</u>
Certificates of participation:					
1993 Certificates of Participation (Refunding and Capital Projects)	15,700,000	-	(4,960,000)	10,740,000	5,225,000
2008 COP Series B Refunding 2004 A&B	21,591,183	-	(2,380,740)	19,210,443	2,477,518
2008 COP Series C Refunding 2003 COP	<u>66,360,000</u>	-	<u>(1,390,000)</u>	<u>64,970,000</u>	<u>1,445,000</u>
Total certificates of participation	<u>103,651,183</u>	-	<u>(8,730,740)</u>	<u>94,920,443</u>	<u>9,147,518</u>
Revenue Bonds:					
2006 Revenue Bonds	8,405,000	-	(525,000)	7,880,000	545,000
Total Revenue Bonds	<u>8,405,000</u>	-	<u>(525,000)</u>	<u>7,880,000</u>	<u>545,000</u>
Capitalized lease obligations	<u>8,196,271</u>	<u>7,604,638</u>	<u>(6,306,299)</u>	<u>9,494,610</u>	<u>1,227,092</u>
Derivative Instrument Deferred Borrowing	=	<u>744,104</u>	<u>(113,461)</u>	<u>630,643</u>	<u>90,731</u>
Unamortized issuance premium (discount)	<u>(975,737)</u>	<u>(721,932)</u>	<u>318,881</u>	<u>(1,378,788)</u>	<u>(379,441)</u>
Other:					
Arbitrage rebate liability	<u>31,380</u>	-	<u>(31,380)</u>	-	-
Compensated absences	<u>9,991,594</u>	<u>9,457,562</u>	<u>(9,229,112)</u>	<u>10,220,044</u>	<u>10,220,044</u>
Other Post Employment Benefits Liability (OPEB)	<u>9,607,745</u>	<u>3,001,514</u>	<u>(465,044)</u>	<u>12,144,215</u>	-
Insurance claims payable	<u>27,683,491</u>	<u>10,696,461</u>	<u>(6,920,127)</u>	<u>31,459,825</u>	<u>11,010,939</u>
Net pension obligation	<u>46,457,000</u>	<u>8,700,000</u>	<u>(46,600,000)</u>	<u>8,557,000</u>	-
Total governmental activity long-term liabilities	<u>\$325,552,649</u>	<u>86,922,347</u>	<u>(94,822,004)</u>	<u>317,652,992</u>	<u>41,312,815</u>

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Primary Government, (Continued)

Business-Type Activities:	Balance at <u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2012</u>	Due Within <u>One Year</u>
Notes payable	\$ 1,421,679	-	(137,714)	1,283,965	144,898
Revenue bonds:					
1998 Electric Revenue/Refunding Bonds	5,000	-	-	5,000	-
2002 Electric Revenue Bonds	12,605,000	-	(3,450,000)	9,155,000	3,620,000
2003 Electric Revenue Bonds	6,485,000	-	(475,000)	6,010,000	495,000
2003 Water Revenue Bonds	34,970,000	-	(32,490,000)	2,480,000	2,010,000
2007 Water Revenue Bonds	19,875,000	-	(460,000)	19,415,000	480,000
2008 Power Revenue Bonds	55,190,000	-	(1,215,000)	53,975,000	1,260,000
2008 Paseo Colorado Taxable Revenue Bonds	27,500,000	-	(500,000)	27,000,000	500,000
2009 Electric Revenue Refunding Bonds	40,655,000	-	(2,625,000)	38,030,000	3,290,000
2010 Electric Revenue Refunding Bonds	35,905,000	-	(180,000)	35,725,000	185,000
2010A Water Revenue Bonds (Taxable Build America)	25,425,000	-	-	25,425,000	-
2010B Water Revenue Bonds (Tax- Exempt)	4,575,000	-	-	4,575,000	-
2011A Water Revenue Bonds (Refunding Bonds)	-	29,770,000	-	29,770,000	25,000
Total revenue bonds	<u>263,190,000</u>	<u>29,770,000</u>	<u>(41,395,000)</u>	<u>251,565,000</u>	<u>11,865,000</u>
Certificates of participation:					
1987 Certificates of Participation (Los Robles Avenue Parking Facility)	4,400,000	-	(2,100,000)	2,300,000	2,300,000
1993 Refunding Certificates of Participation (Old Pasadena Parking)	12,275,000	-	(1,450,000)	10,825,000	1,545,000
2008 COP Series B Refunding 2004A&B	718,817	-	(79,260)	639,557	82,482
Total certificates of participation	<u>17,393,817</u>	<u>-</u>	<u>(3,629,260)</u>	<u>13,764,557</u>	<u>3,927,482</u>
Capitalized lease obligations	111,754	-	(32,926)	78,828	34,202
Unamortized issuance premium (discount)	2,069,094	802,628	(229,864)	2,641,858	-
Total business-type activity long-term liabilities	<u>\$284,186,344</u>	<u>30,572,628</u>	<u>(45,424,764)</u>	<u>269,334,208</u>	<u>15,971,582</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Primary Government, (Continued)

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the totals for governmental activities. At year-end, \$3,947,507 of internal service funds capitalized lease obligations are included in the governmental activities schedule.

Discretely Presented Component Units

Changes in discretely presented component unit's long-term debt and other liabilities for the year ended June 30, 2012 are as follows:

Discretely Presented Component Units	<u>Balance at June 30, 2011</u>	<u>Additions Including Accretion</u>	<u>Reductions</u>	<u>Balance at June 30, 2012</u>	<u>Due Within One Year</u>
Certificates of participation:					
2006 Certificates of Participation (Conference Center Project)	\$ 31,762,946	1,449,590	(1,095,000)	32,117,536	1,365,000
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>166,482,946</u>	<u>1,449,590</u>	<u>(1,095,000)</u>	<u>166,837,536</u>	<u>1,365,000</u>
Revenue Bonds:					
2006 Revenue Bonds	<u>29,995,000</u>	<u>-</u>	<u>(1,875,000)</u>	<u>28,120,000</u>	<u>1,955,000</u>
2010A Revenue Bonds-Tax Exempt	37,214,857	885,571	-	38,100,428	-
2010B Revenue Bonds-Taxable Build America Bonds	106,660,000	-	-	106,660,000	-
2010C Revenue Bonds-Taxable	5,005,000	-	-	5,005,000	-
2010D Revenue Bonds-Taxable Recovery Zone Economic	<u>7,400,000</u>	<u>-</u>	<u>-</u>	<u>7,400,000</u>	<u>-</u>
Total 2010 Revenue Bonds (Rose Bowl Renovation)	<u>156,279,857</u>	<u>885,571</u>	<u>-</u>	<u>157,165,428</u>	<u>-</u>
Total Revenue Bonds	<u>186,274,857</u>	<u>885,571</u>	<u>(1,875,000)</u>	<u>185,285,428</u>	<u>1,955,000</u>
Total discretely presented component units long-term liabilities	<u>352,757,803</u>	<u>2,335,161</u>	<u>(2,970,000)</u>	<u>352,122,964</u>	<u>3,320,000</u>
Unamortized issuance premium (discount)	49,905	-	(351)	49,554	-
Deferred Refunding Charges (PCOC)	<u>(9,611,794)</u>	<u>421,237</u>	<u>-</u>	<u>(9,190,557)</u>	<u>-</u>
Derivative Instrument Deferred Borrowing	<u>16,469,415</u>	<u>735,642</u>	<u>(1,544,675)</u>	<u>15,660,382</u>	<u>-</u>
Arbitrage rebate liability	<u>-</u>	<u>15,413</u>	<u>-</u>	<u>15,413</u>	<u>-</u>
Energy Conservation Loan	<u>2,959,957</u>	<u>-</u>	<u>(206,358)</u>	<u>2,753,599</u>	<u>214,898</u>
Compensated absences	<u>179,961</u>	<u>109,439</u>	<u>(120,344)</u>	<u>169,056</u>	<u>48,841</u>
Total discretely presented component units long-term liabilities	<u>\$362,805,247</u>	<u>3,616,892</u>	<u>(4,841,728)</u>	<u>361,580,411</u>	<u>3,583,739</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Fiduciary Funds – Private Purpose Trust Fund

	<u>Balance at</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u>	<u>Due Within</u>
Successor Agency to Pasadena Community Development Commission (PCDC):	June 30, 2011			June 30, 2012	One Year
Tax allocation bonds:					
2000 Tax Allocation Refunding Revenue Bonds (Orange Grove Redevelopment Project)	\$ -	795,000	(249,000)	546,000	264,000
2000 Tax Allocation Refunding Revenue Bonds (Villa-Parke Redevelopment Project)	-	514,000	(161,000)	353,000	171,000
2006 Tax Allocation Refunding Bonds (Fair Oaks Redevelopment Project & Public Improvement Program Refunding)	-	1,820,000	-	1,820,000	145,000
2006 Tax Allocation Refunding Bonds (Villa-Parke Redevelopment Project Refunding)	-	280,000	(90,000)	190,000	90,000
2006 Tax Allocation Refunding Bonds (Lake/Washington Redevelopment Project & Public Improvement Program	-	<u>485,000</u>	-	<u>485,000</u>	<u>75,000</u>
Total tax allocation bonds	<u>-</u>	<u>3,894,000</u>	<u>(500,000)</u>	<u>3,394,000</u>	<u>745,000</u>
Advances Payable - City	-	60,607,044	(335,088)	60,271,956	-
Total Successor Agency to PCDC long-term liabilities	<u>\$ -</u>	<u>64,501,044</u>	<u>(835,088)</u>	<u>63,665,956</u>	<u>745,000</u>
Housing Successor					
2006 Tax Allocation Revenue Bonds (Housing Set-Aside Revenues - Townhouse Project Refunding)	\$ -	800,000	-	800,000	255,000
Notes Payable	<u>-</u>	<u>2,420,722</u>	<u>-</u>	<u>2,420,722</u>	<u>2,420,722</u>
Total Housing Successor long-term liabilities	<u>\$ -</u>	<u>3,220,722</u>	<u>-</u>	<u>3,220,722</u>	<u>2,675,722</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

	<u>Issue Date</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Coupon Interest Rate</u>	<u>Final Principal Payment Date</u>	<u>Outstanding at June 30, 2012</u>
<u>Detail of Long-Term Debts</u>						
Governmental Activities:						
Notes payable						
Notes Payable-HUD Section 108	8/7/2003	a	\$ 2,735,000	1.21% to 4.83%	8/1/2013	\$ <u>685,000</u>
Pension bonds:						
1999 Taxable Pension Funding Bonds	8/5/1999	b	\$101,940,000	6.26% to 7.28%	5/15/2022	67,195,000
2004 Taxable Pension Funding Bonds	8/1/2004	b	40,750,000	2.0% to 4.687%	5/15/2015	28,405,000
2012 Taxable Pension Obligation Bonds	3/15/2012	b	47,440,000	1.757%	5/15/2015	47,440,000
Total Pension Bonds						<u>143,040,000</u>
Certificates of Participation:						
1993 COP (Refunding and Capital Projects)	1/1/1994	c	\$ 79,835,000	5.350%	2/1/2014	10,740,000
2008 COP Series B Refunding 2004A&B	5/15/2008	d	26,759,131	3.0% to 5.25%	2/1/2019	19,210,443
2008 COP Series C Refunding 2003 COP	7/16/2008	e	71,450,000	4.0% to 5.0%	2/1/2038	64,970,000
Total Certificates of Participation						<u>94,920,443</u>
Revenue Bonds:						
2006 Revenue Bonds	2/1/2006	f	\$ 10,355,000	variable	12/1/2023	<u>7,880,000</u>
Capitalized Lease Obligations						
2001 Property Lease 965 N Fair Oaks	12/27/2000	g	\$ 4,000,000	variable	12/27/2020	1,826,745
2006 Equipment Lease	7/2006	h	180,172	3.496%	8/10/2014	63,227
2011 Equipment Lease-ARTS Buses	12/23/2011	h	2,072,805	3.560%	1/15/2022	2,072,805
2012 Equipment Lease-Helicopter	6/18/2012	h	1,584,326	1.873%	11/20/2018	1,584,326
2012 Equipment Lease -911 System	6/18/2012	h	3,947,507	1.814%	11/20/2018	3,947,507
Total Capitalized Lease Obligations						<u>9,494,610</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

	<u>Issue Date</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Coupon Interest Rate</u>	<u>Final Principal Payment Date</u>	<u>Outstanding at June 30, 2012</u>
<u>Detail of Long-Term Debts, (continued)</u>						
Business-Type Activities:						
Notes payable						
Notes Payable-Marriott Parking Garage	8/18/1999	i	\$ 2,600,000	4.95%	12/19/2019	<u>1,283,965</u>
Revenue bonds:						
1998 Electric Revenue/Refunding Bonds	8/24/1998	j	\$ 70,635,000	3.464% to 4.075%	8/1/2024	5,000
2002 Electric Revenue Bonds	7/15/2002	k	82,320,000	3.0% to 4.75%	6/1/2022	9,155,000
2003 Electric Revenue Bonds	8/11/2003	l	9,905,000	1.0% to 4.92%	6/1/2022	6,010,000
2003 Water Revenue Bonds	8/4/2003	m	47,425,000	1.01% to 5.08%	6/1/2033	2,480,000
2007 Water Revenue Bonds	4/23/2007	n	21,550,000	3.5% to 4.44%	6/1/2036	19,415,000
2008 Power Revenue Bonds	1/28/2008	o	58,555,000	4.0% to 5.0%	6/1/2037	53,975,000
2008 Paseo Colorado Taxable Revenue Bonds	9/17/2008	p	28,800,000	variable	6/1/2038	27,000,000
2009 Electric Revenue/Refunding Bonds	11/24/2009	q	40,655,000	4.0% to 5.0%	8/1/2024	38,030,000
2010 Electric Revenue/Refunding Bonds	8/3/2010	r	36,320,000	2.0% to 4.0%	6/1/2021	35,725,000
2010A Water Revenue Bonds (Taxable Build America)	12/23/2010	n	25,425,000	6.0% to 7.3%	6/1/2040	25,425,000
2010B Water Revenue Bonds (Tax-Exempt)	12/23/2010	n	4,575,000	3.0% to 5.0%	6/1/2020	4,575,000
2011A Water Revenue/Refunding Bonds	12/20/2011	s	29,770,000	3.0% to 5.0%	6/1/1933	<u>29,770,000</u>
Total Revenue Bonds						<u>251,565,000</u>
Certificates of Participation:						
1987 COP (Los Robles)	12/02/1987	t	\$ 20,300,000	variable	11/1/2012	2,300,000
1993 Refunding COP (Old Pasadena)	7/01/1993	u	28,050,000	2.75% to 5.25%	1/1/2018	10,825,000
2008 COP Series B Refunding 2004A&B	5/15/2008	d	890,869	3.0% to 5.25%	2/1/2019	<u>639,557</u>
Total Certificates of Participation						<u>13,764,557</u>
Capital Lease Obligations						
2006 Equipment Lease	7/2006	h	\$ 224,630	3.496%	8/10/2014	<u>78,828</u>

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

<u>Detail of Long-Term Debts, (continued)</u>	<u>Issue Date</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Coupon Interest Rate</u>	<u>Final Principal Payment Date</u>	<u>Outstanding at June 30, 2012</u>
<u>Discretely Presented Component Units</u>						
Certificates of Participation						
2006 COP (Conference Center Project)	8/23/2006	CC1	\$ 27,139,972	3.85% to 4.81%	2/1/2023	32,117,536
2008 Refunding COP, Series 2008A (Conference Center Project)	4/15/2008	CC2	134,720,000	variable	2/1/2035	<u>134,720,000</u>
Total Certificates of Participation						<u>166,837,536</u>
Revenue Bonds						
2006 Revenue Bonds	2/1/2006	RB1	\$ 36,945,000	variable	12/1/2023	28,120,000
2010A Revenue Bonds-Tax Exempt Capital	11/18/2010	RB2	25,220,000	4.0% to 5.0%	3/1/2027	25,220,000
2010A Revenue Bonds-Tax Exempt Capital Appreciation	11/18/2010	RB2	11,558,265	6.43% to 6.52%	3/1/2033	12,880,428
2010B Revenue Bonds-Taxable Build America Bonds	11/18/2010	RB2	106,660,000	6.998% to 7.148%	3/1/2043	106,660,000
2010C Revenue Bonds-Taxable	11/18/2010	RB2	5,005,000	2.935% to 4.924%	3/1/2020	5,005,000
2010D Revenue Bonds-Taxable Recovery Zone Economic	11/18/2010	RB2	7,400,000	7.148%	3/1/2043	<u>7,400,000</u>
Total Revenue Bonds						<u>185,285,428</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

	<u>Issue Date</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Coupon Interest Rate</u>	<u>Final Principal Payment Date</u>	<u>Outstanding at June 30, 2012</u>
<u>Fiduciary Funds</u>						
Successor Agency to Pasadena Community Development Commission (PCDC):						
Tax Allocation bonds:						
2000 Tax Allocation Refunding (Orange Grove)	6/1/2000	T1	\$2,801,000	4.35% to 5.50%	6/1/2014	546,000
2000 Tax Allocation Refunding(Villa Parke)	6/1/2000	T2	1,814,000	4.35% to 5.50%	6/1/2014	353,000
2006 Tax Allocation Refunding Bond (Fair Oaks)	5/17/2006	T3	2,470,000	3.8% to 4.9%	7/1/2021	1,820,000
2006 Tax Allocation Refunding Bond (Villa Parke)	5/17/2006	T4	710,000	3.8% to 4.5%	6/1/2014	190,000
2006 Tax Allocation Refunding Bond (Lake/Washington)	5/17/2006	T5	805,000	3.8% to 4.7%	7/1/2017	<u>485,000</u>
Total tax allocation bonds						3,394,000
Advances Payable – City	various			- 1.25% to 10.00%	various	<u>60,271,956</u>
Total Successor Agency to PCDC long-term liabilities			\$8,600,000			<u>63,665,956</u>
<u>Housing Successor Debt Service</u>						
2006 Tax Allocation Revenue Bonds (Housing Set-Aside)	5/17/2006	T6	\$1,935,000	3.8% to 4.3%	8/1/2014	800,000
Notes Payable	5/19/2006		2,500,000	3.000%	various	<u>2,420,722</u>
Total Housing Successor long-term liabilities						<u>3,220,722</u>

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

Purpose of Debt:

- a Fair Oaks Shopping Center
- b Fire and Police Retirement
- c Refund 1989 Certificates of Participation, 1990 Certificates of Participation
- d Refund 2004A&B Certificates of Participation
- e Refund 2003 Certificates of Participation City Hall and Park Improvements
- f City Facilities
- g Land Acquisition
- h Equipment Purchases
- i Marriott Parking Improvements
- j Refund 1990-1994 Revenue Bonds
- k Re-powering-San Rafael transmission
- l Re-powering 2003
- m Refund 1993,1994 Water Bonds
- n Water System Capital Improvements
- o Modernization power warehouse
- p Refund 2000 Paseo Bonds
- q Refund partial 1998 Electric Bonds
- r Refund partial 2002 Electric Bonds
- s Refund partial 2003 Water Bonds
- t Los Robles Parking Improvements
- u Refund 1986 Certificates of Participation

CC1 Conference Center Improvements

CC2 Refund 2006B Certificates of Participation

RB1 Rose Bowl Stadium Improvements

RB2 Rose Bowl Stadium Renovation

T1 Orange Grove Redevelopment Project

T2 Villa Parke Redevelopment Project

T3 Fair Oaks Redevelopment Project & Public Improvement Program

T4 Villa Parke Redevelopment Project Refunding

T5 Lake Washington Redevelopment Project & Public Improvement Program

T6 Housing Set-Aside Revenues Townhouse Project Refunding

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

The annual requirements to amortize as of June 30, 2012, are as follows:

Governmental Activities:

Year Ending June 30	Notes Payable		Pension Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$335,000	24,710	9,115,932	5,909,988	9,147,518	4,471,511
2014	350,000	8,453	9,984,041	5,403,659	9,182,989	4,035,072
2015	-	-	72,735,027	4,835,012	4,240,913	3,582,485
2016	-	-	5,860,000	3,753,326	4,422,047	3,399,469
2017	-	-	6,285,000	3,323,788	4,613,342	3,206,287
2018-2022	-	-	39,060,000	8,994,276	15,948,634	13,234,880
2023-2027	-	-	-	-	12,240,000	10,333,765
2028-2032	-	-	-	-	15,455,000	7,114,000
2033-2037	-	-	-	-	15,360,000	3,462,775
2038	-	-	-	-	<u>4,310,000</u>	<u>204,925</u>
Total Payment	<u>\$685,000</u>	<u>33,163</u>	<u>143,040,000</u>	<u>32,220,049</u>	<u>94,920,443</u>	<u>53,045,169</u>

Year Ending June 30	Revenue Bonds		Capitalized Lease	
	Principal	Interest	Principal	Interest
2013	\$ 545,000	71,328	1,227,092	168,506
2014	570,000	66,395	1,256,752	149,626
2015	590,000	61,235	1,268,569	127,039
2016	615,000	55,895	1,295,189	104,764
2017	615,000	50,328	1,330,613	82,030
2018-2022	3,390,000	164,380	3,116,395	138,042
2023-2027	<u>1,555,000</u>	<u>21,228</u>	-	-
Total Payment	<u>\$7,880,000</u>	<u>490,789</u>	<u>9,494,610</u>	<u>770,007</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Business-Type Activities

Year Ending June 30	Notes Payable		Certificates of Participation		Revenue Bonds		Capitalized Lease	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 144,898	62,643	3,927,482	705,433	11,865,000	10,338,600	34,202	2,530
2014	152,262	55,280	1,712,011	604,345	12,555,000	9,853,025	35,530	1,202
2015	159,999	47,542	1,824,087	498,605	12,945,000	9,382,451	9,096	87
2016	168,028	39,514	1,942,953	386,158	13,480,000	8,852,909	-	-
2017	176,669	30,873	2,066,658	266,815	14,170,000	8,325,298	-	-
2018-2022	482,109	36,902	2,291,366	144,057	70,270,000	33,440,278	-	-
2023-2027	-	-	-	-	36,620,000	21,825,819	-	-
2028-2032	-	-	-	-	35,290,000	14,917,354	-	-
2033-2037	-	-	-	-	37,090,000	7,027,014	-	-
2038-2040	-	-	-	-	<u>7,280,000</u>	<u>834,265</u>	-	-
Total								
Payment	<u>\$1,283,965</u>	<u>272,754</u>	<u>13,764,557</u>	<u>2,605,413</u>	<u>251,565,000</u>	<u>124,797,013</u>	<u>78,828</u>	<u>3,819</u>

Fiduciary Funds

Year Ending June 30	Notes Payable		Tax Allocation Bonds	
	Principal	Interest	Principal	Interest
2013	\$2,420,722	53,879	1,000,000	197,443
2014	-	-	1,064,000	144,564
2015	-	-	510,000	88,020
2016	-	-	250,000	71,070
2017	-	-	265,000	59,159
2018-2022	-	-	<u>1,105,000</u>	<u>129,615</u>
Total Payment	<u>\$2,420,722</u>	<u>53,879</u>	<u>4,194,000</u>	<u>689,871</u>

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

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

New Debts Issued FY2012

2011 Water Revenue/Refunding Bonds

On December 20, 2011, the City issued \$29,770,000 of 2011A Series Water Revenue/Refunding Bonds, to refund a portion of the outstanding 2003 Water Revenue Bonds and pay the issuance costs of the 2011 Water Revenue/Refunding Bonds. The refunding has generated a net present value savings of \$3.5 million or 11.36% savings of the refunded Bonds. Interest is payable semi-annually on June 1 and December 1 commencing June 1, 2012 at coupon rates varying from 3.0% to 5.0% per annum. Principal is payable in annual installments ranging from \$25,000 to \$2,490,000 commencing June 1, 2013 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.

2011 Equipment Lease-ARTS Buses

On December 23, 2011, the City entered into a Master Lease Purchase Agreement in the amount of \$2,072,805 with JP Morgan Chase Bank for the acquisition of Area Rapid Transit (ARTS) Buses, which is then leased to the City of Pasadena. Lease payments will be budgeted in the Department of Transportation. Principal and interest of \$124,356 are due semi-annually. The rate of interest is 3.56%. Principal installments range from \$82,950 to \$122,181 commencing July 15, 2012 and ending January 15, 2022.

2012 Taxable Pension Obligation Bonds

On March 15, 2012, the City issued \$47,440,000 in Taxable Pension Obligation Bonds, Series 2012. The proceeds of the pension bonds were used to fund the obligation of the City to the FPRS. The 2012 Bonds were issued pursuant to a Trust Agreement, dated as of March 1, 2012 between the City and the Trustee to refund 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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

New Debts Issued FY2012, (Continued)

make payments to FPRS arising as a result of retirement benefits accruing to members of FPRS. The rate of interest is 1.757% payable on May 15 and November 15 of each year, commencing May 15, 2012. The Bonds are subject to mandatory tender on May 15, 2015, no principal payment is required before this date.

2012 Equipment Lease-Helicopter

On June 18, 2012, the City entered into a Master Lease Purchase Agreement in the amount of \$1,584,326 with JP Morgan Chase Bank for the refinancing of aircraft equipment (previously financed by 2009 Equipment Lease with SunTrust), which is then leased to the City of Pasadena. Lease payments will be budgeted in the police department. Principal and interest of \$129,822 are due semi-annually. The rate of interest is 1.873%. Principal installments range from \$116,083 to \$128,617 commencing November 20, 2012 and ending November 20, 2018.

2012 Equipment Lease-911 System

On June 18, 2012, the City entered into a Master Lease Purchase Agreement in the amount of \$3,947,507 with JP Morgan Chase Bank for the refinancing of 911 System equipment (previously financed by 2009 Equipment Lease with SunTrust), which is then leased to the City of Pasadena. Lease payments will be budgeted in the Department of Information Technology. Principal and interest of \$322,829 are due semi-annually. The rate of interest is 1.814%. Principal installments range from \$289,679 to \$319,928 commencing November 20, 2012 and ending November 20, 2018.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(10) Derivative Instruments

Primary Government

Governmental activities

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 cost by accessing interest rate markets otherwise unattractive with traditional fixed rate debt structures. The greater liquidity and flexibility of the swap market has offered the City significant cost savings opportunities in both swaps the City has engaged in.

Rose Bowl Refinancing and Improvement Project - SWAP No.1

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

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2012, classified by type, and the change in fair value of such derivative instruments for the year then ended are as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2012</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Cash flow hedge:					
Pay-fixed interest rate swaps	Deferred outflow	\$(801,884)	Debt	\$(1,623,097)	\$7,880,400

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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(10) Derivative Instruments, (Continued)

Primary Government, (Continued)

Governmental activities, (Continued)

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the City's hedging derivative instrument outstanding at June 30, 2012, along with the credit rating of the associated counterparty.

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2006 Bonds	\$7,880,400	2/23/2006	12/01/2023	Pay 3.285%; receives 65% LIBOR index	A+/AA-

Credit risk: The City is exposed to credit risk on hedging derivative instruments. The aggregate fair value of hedging derivative instruments in asset positions at June 30, 2012, was (\$1,623,097). This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

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

Basis risk: The City is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the City pays on its hedged variable-rate debt, which is remarketed every 30 days. As of June 30, 2012, the weighted-average interest rate on the City's hedged variable-rate debt is 0.91% while 65 percent of LIBOR is 0.78%.

Termination risk: The City or its counterparty may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The derivative contract uses the International Swap Dealers Association Master Agreement which includes standard termination events such as failure to pay and bankruptcy. In addition, the City may optionally terminate the agreement on any date.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(10) Derivative Instruments, (Continued)

Primary Government, (Continued)

Governmental activities, (Continued)

If at the time of termination, a hedging derivative instrument is in a liability position, the City would be liable to the counterparty for a payment equal to the liability.

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

Collateral requirements: There are no collateral requirements.

On May 3, 2011, the City entered into a new agreement to take advantage of a more advantageous interest rate adjustment mode than the 2006 previously had. As a result, the former derivative instrument terminated and the new instrument has off-market terms. As a result, an up-front payment was received. The up-front payment is reported as a borrowing. The borrowing is amortized over the life of the swap and amortizes using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year. The original balance of the borrowing was \$734,044. As of the year ending June 30, 2012, the balance was \$630,643.

The annual amortization and balance of the borrowing as of June 30, 2012 are as follows:

<u>June 30</u>	<u>Beginning Balance</u>	<u>Accrued Interest</u>	<u>Payment</u>	<u>Ending Balance</u>
2013	\$630,643	15,258	(105,989)	539,912
2014	539,912	12,969	(98,212)	454,669
2015	454,669	10,828	(90,129)	375,368
2016	375,368	8,845	(81,741)	302,472
2017	302,472	7,035	(73,201)	236,306
2018	236,306	5,401	(64,509)	177,198
2019	177,198	3,956	(55,511)	125,643
2020	125,643	2,713	(46,209)	82,147
2021	82,147	1,686	(36,601)	47,232
2022	47,232	887	(26,688)	21,431
2023	21,431	333	(16,318)	5,446
2024	5,446	44	(5,490)	-

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(10) Derivative Instruments, (Continued)

Primary Government, (Continued)

Governmental activities, (Continued)

Hedging derivative instruments and hedged debt. As of June 30, 2012, aggregate debt service payments for the City hedged debt and net receipts/payments on associated derivative instruments are as follows. The amount assumes current interest rates on variable bonds and the current reference rates of hedging derivative instruments will remain the same for the their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Business-type activities

On July 1, 2009, the Pasadena Water Power Department (PWP) adopted Governmental Accounting Standards Board (GASB) Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53). As a result, the PWP recorded congestion revenue rights (CRRs) associated with power transmission within the California Independent System Operator (CAISO) as derivative instruments on the statement of net assets in FY 2010. The accounting treatment of the derivative instruments was changed in FY 2011 according to a supplement to 2010-2011 Comprehensive Implementation Guide issued by GASB in December 2010. The CRRs are considered normal purchase or normal sales and are not required to be recorded and deferred the fair value of the CRRs. The transactions recorded in FY 2010 were reversed in FY 2011.

Discretely Presented Component Units

Rose Bowl Operating Company (RBOC)

Derivative Instrument Liability

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2012 and the changes in fair value of the derivative instrument for the year then ended are as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2012</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Cash flow hedge:					
Pay-fixed interest	Deferred				
rate swaps	outflow	\$(2,861,359)	Debt	\$(5,791,691)	\$28,119,600

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Rose Bowl Operating Company (RBOC), (Continued)

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

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the Company's hedging derivative instrument outstanding at June 30, 2012, along with the credit rating of the associated counterparty.

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2006 Bonds	\$28,119,600	2/23/2006	12/01/2023	Pay 3.285%; receives 65% LIBOR index	A+/AA-

Credit risk: The Company is exposed to credit risk on hedging derivative instruments. The aggregate fair value of hedging derivative instruments in asset positions at June 30, 2012, was (\$5,791,691). This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

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

Basis risk: The Company is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payments received by the Company on these hedging derivative instruments are based on a rate or index other than interest rates the Company pays on its hedged variable-rate debt, which is remarketed every 30 days. As of June 30, 2012, the weighted-average interest rate on the Company's hedged variable-rate debt is .91%, while 65 percent of LIBOR is .078%.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Rose Bowl Operating Company (RBOC), (Continued)

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

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

Collateral requirements: There are no collateral requirements.

On May 3, 2011, the City entered into a new agreement to take advantage of a more advantageous interest rate adjustment mode than the 2006 previously had. As a result, the former derivative instrument terminated and the new instrument has off-market terms. As a result, an up-front payment was received. The up-front payment is reported as a borrowing. The borrowing is amortized over the life of the swap and amortizes using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year. The original balance of the borrowing was \$2,619,308. As of the year ending June 30, 2012, the balance was \$2,250,318.

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Rose Bowl Operating Company (RBOC), (Continued)

The annual amortization and balance of the borrowing as of June 30, 2012 are as follows:

<u>June 30</u>	Beginning <u>Balance</u>	Accrued <u>Interest</u>	<u>Payment</u>	Ending <u>Balance</u>
2013	\$2,250,318	54,447	(378,200)	1,926,565
2014	1,926,565	46,278	(350,447)	1,622,369
2015	1,622,396	38,636	(321,606)	1,339,426
2016	1,339,426	31,564	(291,677)	1,079,313
2017	1,079,313	25,101	(261,203)	843,211
2018	843,211	19,272	(230,185)	632,298
2019	632,298	14,117	(198,079)	448,336
2020	448,336	9,683	(164,884)	293,135
2021	293,135	6,016	(130,601)	168,550
2022	168,550	3,166	(95,230)	76,486
2023	76,486	1,185	(58,226)	19,445
2024	19,446	144	(19,590)	-

Hedging derivative instruments and hedged debt. As of June 30, 2012, aggregate debt service payments for the City hedged debt and net receipts/payments on associated derivative instruments are as follows. The amount assumes current interest rates on variable bonds and the current reference rates of hedging derivative instruments will remain the same for the their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Pasadena Center Operating Company (PCOC)

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

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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Pasadena Center Operating Company (PCOC), (Continued)

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 cost of execution of the 2008A Certificates of Participation backed by a letter of credit from Bank of America. The final maturity on the 2008A COP's was extended by one year to 2035 in order to reduce the reserve requirement and consequently, reduce the size of the issue by approximately \$800,000. The refunded certificates are considered to be defeased and the liability has been removed from the component unit's column of the statement of net assets. Interest on 2008A certificates was issued at a variable rate with the reassignment of the synthetic fixed rate swap of 3.536%.

Derivative Instrument Liability

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2012, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2012</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Cash flow hedge:					
Pay-fixed interest rate swaps	Deferred outflow	\$50,144,355	Debt	\$71,029,823	\$133,000,000

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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Pasadena Center Operating Company (PCOC), (Continued)

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the Company's hedging derivative instruments outstanding at June 30, 2012, along with the credit rating of the associated counterparty:

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 COP's	\$133,000,000	9/18/2006	2/01/2034	Pay 3.536%; receives 64% LIBOR index	BBB/A-

Credit risk: The Company is exposed to credit risk on hedging derivative instruments. The aggregate fair value of hedging derivative instruments in asset positions at June 30, 2012, was \$74,896,566. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

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

Basis risk. The Company is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payments received by the Company on these hedging derivative instruments are based on a rate or index other than interest rates the Company pays on its hedged variable-rate debt, which is remarketed every 30 days. As of June 30, 2012, the weighted-average interest rate on the Company's hedged variable-rate debt is .2707%, while 64 percent of LIBOR is .4669%.

Termination risk. The Company or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, a hedging derivative instrument is in a liability position, the Company would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Pasadena Center Operating Company (PCOC), (Continued)

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

During the fiscal year ending June 30, 2012, the Company entered into a new agreement to take advantage of a more advantageous interest rate adjustment mode than the 2008 Series Bonds previously had. As a result, the former derivative instrument terminated and the new instrument has off-market terms. As a result, an up-front payment was received. The up-front payment is reported as a borrowing. The borrowing is amortized over the life of the swap and amortizes using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year. The original balance of the borrowing was \$13,877,329. As of the year ended June 30, 2012, the balance was \$13,410,059.

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(10) Derivative Instruments, (Continued)

Discretely Presented Component Units, (Continued)

Pasadena Center Operating Company (PCOC), (Continued)

The annual amortization and balance of the borrowing as of June 30, 2012 are as follows:

<u>June 30</u>	<u>Beginning Balance</u>	<u>Accrued Interest</u>	<u>Payment</u>	<u>Ending Balance</u>
2013	\$13,410,059	649,017	(1,139,810)	12,919,266
2014	12,919,266	624,309	(1,139,810)	12,403,765
2015	12,403,765	598,358	(1,139,810)	11,862,313
2016	11,862,313	571,101	(1,139,810)	11,293,604
2017	11,293,604	542,471	(1,139,810)	10,696,265
2018	10,696,265	512,400	(1,139,810)	10,068,855
2019	10,068,855	480,815	(1,139,810)	9,409,860
2020	9,409,860	447,641	(1,139,810)	8,717,691
2021	8,717,691	412,796	(1,139,810)	7,990,677
2022	7,990,677	376,197	(1,139,810)	7,227,064
2023	7,227,064	337,755	(1,139,810)	6,425,009
2024	6,425,009	297,498	(1,120,456)	5,602,051
2025	5,602,051	257,409	(1,060,395)	4,799,065
2026	4,799,065	218,464	(994,120)	4,023,409
2027	4,023,409	181,047	(921,204)	3,283,252
2028	3,283,252	145,571	(841,431)	2,587,392
2029	2,587,392	112,491	(754,231)	1,945,652
2030	1,945,652	82,314	(659,104)	1,368,862
2031	1,368,862	55,598	(555,479)	868,981
2032	868,981	32,956	(442,855)	459,082
2033	459,082	15,062	(320,589)	153,555
2034	153,555	2,848	(156,403)	-

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(11) Fund Balance and Net Assets

Fund balances, Governmental Funds

On the Balance Sheet – Governmental Funds, the fund balances are reported in the aggregate in the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund Balances by classification for the year ended June 30, 2012, were as follows:

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Project Management Capital Project</u>	<u>Non-Major Governmental Funds</u>
Fund Balances				
Nonspendable:				
City/Agency Advances	\$ -	-	-	2,196,629
Notes Receivable	52,397	-	-	25,483,318
Permanent Fund Principal	-	-	-	1,459,638
Property Held for Resale	8,300,000	-	-	7,171,300
Restricted for:				
Air Quality Improvement	-	-	-	17,274
City Charter/Capital Projects	-	-	6,726,809	3,807,551
Community Development	-	-	-	6,514,490
Debt Service	-	38,845,408	-	10,643,331
Health	-	-	-	1,035,794
Housing Successor	-	-	-	3,515,977
Other Purposes	-	-	-	2,476,620
Public Safety	-	-	-	1,179,993
Transportation	-	-	-	10,487,196
Committed to:				
Capital Projects	7,765,439	-	1,284,213	13,730,587
City/Agency Advances	48,636,872	-	-	-
Component Unit/PCOC	2,056,631	-	-	610,765
General Government	21,584,326	-	-	-
Libraries	-	-	-	1,019,607
Parking	-	-	-	1,865,954
Sewer Construction and Maintenance	-	-	-	4,693,351
Underground Utilities	-	-	-	35,873,890

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Fund balances, Governmental Funds, (Continued)

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Project Management Capital Project</u>	<u>Non-Major Governmental Funds</u>
Unassigned:	<u>(34,619,797)</u>	-	<u>(5,714,047)</u>	<u>(1,160,304)</u>
Total fund balances	<u>\$53,775,868</u>	<u>38,845,408</u>	<u>2,296,975</u>	<u>132,622,961</u>

Net Assets

On the government-wide Statement of Net Assets, the net assets are reported in one of three classifications; Investment in capital assets, net of related debt, Restricted, or Unrestricted. Net assets by classifications as of June 30, 2012 are:

	Primary Government			Component Units
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	Total Primary <u>Government</u>	Total Component <u>Units</u>
	Invested in capital assets, net of related debt	\$382,295,281	332,781,486	715,076,767
Restricted:				
Expendable:				
Cultural and leisure	3,599,884	-	3,599,884	-
Capital projects	-	-	-	94,493,366
Community development	20,720,515	-	20,720,515	-
Contributions	-	17,259,775	17,259,775	-
Debt service	-	-	-	-
Low and Moderate Income Housing	-	-	-	-
Stranded investments (note 12 and 19)	-	130,573,776	130,573,776	-
Transportation	10,487,196	-	10,487,196	-
Other purposes	-	1,929,625	1,929,625	-
Nonexpendable:	2,451,447	-	2,451,447	-
Unrestricted	<u>36,017,418</u>	<u>188,163,587</u>	<u>224,181,005</u>	<u>(102,030,929)</u>
Total net assets	<u>\$455,571,741</u>	<u>670,708,249</u>	<u>1,126,279,990</u>	<u>15,935,267</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(12) Restricted Net Assets – Stranded Investments

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

In November 2006, the City Council approved the Stranded Investment Reserve (SIR) Utilization Plan (Plan). In January 2009 in accordance with the Plan and a previously approved Prepayment Agreement (Agreement), PWP utilized approximately \$80.0 million of the reserve funds to complete an economic defeasance of selected bonds for IPP. As authorized in the Agreement, the 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, 2012, the Stranded Investment Reserve balance was \$130.6 million. The details of the additions and subtractions from the Reserve that occurred during fiscal year 2012 are shown below.

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(12) Restricted Net Assets – Stranded Investments (Continued)

Restricted Cash and Investment

Beginning balance	\$ 63,651,067
Interest earnings	1,587,583
Market gain/losses	<u>276,175</u>
Restricted cash and investment ending balance	<u>65,514,825</u>

IPA Subordinated Notes

	<u>Balance at</u> <u>June 30, 2011</u>	<u>Reduction</u>	<u>Balance at</u> <u>June 30, 2012</u>
Notes Receivable	\$ 62,004,167	(4,516,250)	57,487,917
Premium/Discount	8,089,465	(674,122)	7,415,343
Cost of Issuance	<u>169,845</u>	<u>(14,154)</u>	<u>155,691</u>
Total IPA Subordinated Notes	<u>\$ 70,263,477</u>	<u>(5,204,526)</u>	<u>65,058,951</u>

Restricted for Stranded Investments at June 30, 2012 \$130,573,776

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(13) Accumulated Fund Deficits

The following funds reported accumulated deficits in their respective fund balances / net assets at June 30, 2012:

	<u>Accumulated Deficit</u>
Governmental Activities:	
Special Revenue Funds:	
Building Services	\$ (1,160,304)
Internal Service Funds:	
Building Maintenance	(1,400,823)
Benefits	(24,222,954)
General Liability	(7,355,781)
Workers Compensation	(7,416,279)
Printing Services	(724,587)
Business-type Activities:	
Del Mar Gold Line Parking Garage Fund	(435,511)
Paseo Colorado Parking	(3,826,651)

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

Building Services

The Building Services Fund experienced a significant drop in permit revenue over the past six years which created a significant negative fund balance. To address this issue, we have reduced expenses, mostly personnel costs, over the last two years which has allowed us to start recovering and has reduced the negative fund balance. In addition, we are starting to see an increase in permit revenue. Because of both of these events (reduced costs and increased revenues), we expect the fund balance to be positive by fiscal year 2014.

Building Maintenance

In fiscal year 2011, management developed a five-year recovery plan designed to eliminate the deficit and achieve a positive fund balance. Implementation of this plan began in fiscal year 2012 and fiscal year 2013 budget changes are consistent with the plan goals.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(13) Accumulated Fund Deficits, (Continued)

Benefits Fund

The Benefits Fund was established to account for employee compensated absences, retirement, and health benefits. A deficit is likely to be shown in this fund each year, as a large portion of the deficit reflects the total liability that would be paid out if all employees left employment. In reality a small percentage of employees leave employment requiring the payout of their accrued leave balances. Each year, the city reviews the rates charged to Departments to adjust to an appropriate recovery level and keep the deficit low.

General Liability

The City has established a General Liability Fund to provide for the potential claim and cost expenditures for general liability claims against the City. In addition to any monies held in this fund, the City makes an annual appropriation based upon its estimate of claim and expense payments during the fiscal year. Management is reviewing the deficit and plans to correct the situation through an increase in rates charged as part of the annual budget process.

Workers' Compensation

The City has established a Workers' Compensation Fund to provide for the potential claim and cost expenditures for workers' compensation claims against the City. In addition to any monies held in this Fund, the City makes an annual appropriation based upon its estimate of claim and expense payments during the fiscal year. Management 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 59.82% of the claims payable liability which is generally consistent with the position of the fund last year.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(13) Accumulated Fund Deficits, (Continued)

Printing Services

During the past year, City departments have been identifying ways to reduce cost in response to citywide cost reductions. Consequently, Printing Services has experienced significant reductions in work orders as departments cut back on reproductive services by reducing quantities of printed materials. It is anticipated that as budgetary restraints begin to lessen, additional revenue will be garnered as city departments increase their printing services request. Additionally, Printing Services has expanded its graphic design capabilities to include HTML e-mails and web page design. As a result of these expanded services, it is anticipated that additional revenues will be generated. Management will continue to explore ways to provide additional services to non-profit businesses in the community. Printing Services has reduced its budget by approximately \$200,000 by eliminating three full-time positions.

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, but because the distance from these districts is sufficiently long, many users are reluctant to use the garage in spite of reduced rates. The Developer has recently added new tenants and existing tenants are looking to expand. These factors should increase transient revenue. Additionally, staff is reaching out to businesses in the surrounding areas to attract additional monthly parkers to increase revenues. The Del Mar garage was recently added to the Zoning Parking Credit program, this should have a positive impact on revenue.

Paseo Colorado Parking

In August 1999, the City of Pasadena and the Developer of the Paseo Colorado entered into a Parking Operation Management Agreement (POMA). This agreement defines the operation, maintenance, and limits the acceptable uses of the garages. Due to this agreement, the City is limited in attracting additional transient and monthly parkers outside of the development. Additionally, lease expirations and tenant improvements the developer has initiated have diminished the mall's attractiveness as a "destination." The City is working with the Developer to increase parking traffic within the development.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(14) Pledged Revenue

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

As of January 31, 2012, Pasadena Community Development Commission ceased operations as an entity due to the passage of a law. Therefore, Tax Increment information for the first seven months of fiscal year 2012 is included in the primary government section and the last five months information in the fiduciary fund section.

<u>Description of Pledged Revenue</u>	<u>Annual Amount of Pledged Revenue (net of expenses) (in thousands)</u>	<u>Annual Debt Service Payment (in thousands)</u>	<u>Debt Service as a Percentage of Pledged Revenue</u>
<u>Primary Government</u>			
Tax Increment (Downtown)	\$9,372	\$8,242	88%
Tax Increment (Other Projects)	3,573	637	18%
Light and Power Revenues	43,215	14,126	33%
Water Revenues	17,370	6,730	39%
<u>Fiduciary Funds</u>			
Tax Increment (Downtown)	\$9,570	\$0	0%
Tax Increment (Other Projects)	4,495	565	13%

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

(15) Transfers

Primary Government

The following is a summary of transfers in and out for the year ended June 30, 2012:

Transfers From	Transfers To	Amount	
General Fund	Internal Service Funds	\$ 713,701	
	General Debt Service Funds	9,817,479	A
	Non-Major Governmental Funds	25,166,078	B
	Project Management Fund	2,064,905	
	Non-Major Enterprise Funds	<u>85,000</u>	
		<u>37,847,163</u>	
Project Management Fund	Light and Power Fund	78,798	
	Internal Service Funds	873,811	
	General Fund	<u>42,250</u>	
		<u>994,859</u>	
PCDC Debt Service Funds	Non-Major Governmental Funds	<u>1,484,525</u>	
Light and Power Fund	General Fund	<u>15,860,515</u>	C
Water Fund	General Fund	<u>3,312,634</u>	D
Non-Major Governmental Funds	General Fund	812,245	
	PCDC	771,760	
	Non-Major Governmental Funds	10,040,164	
	Project Management Fund	11,164,819	
	Other City Government	<u>14,875</u>	
		<u>22,803,863</u>	E
Non-Major Enterprise Funds	General Fund	198,240	
	Internal Service Funds	<u>92,164</u>	
		<u>290,404</u>	
Internal Service Funds	Project Management Fund	<u>899,037</u>	
Total		<u>\$ 83,493,000</u>	

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(15) Transfers, (Continued)

Fiduciary Funds

The following is a summary of transfers in and out for the year ended June 30, 2012:

Transfers From	Transfers To	Amount
Redevelopment Obligation Retirement Fund	Successor Agency Debt Service Funds	\$ 192,759
Successor Agency Debt Service Funds	Successor Agency Administrative Fund	638,880
Other City Government	Housing Successor Debt Service Fund	<u>14,875</u>
Total		\$ <u>846,514</u>

Primary Government

(A) The General Fund transferred \$9,817,479 to pay for General Fund's debt service obligation on the 1999 Pension Bonds and 2009 and 2012 Equipment Lease purchases.

(B) Transfers from the General Fund to Non-Major Governmental Funds consist in part of the following:

- 1) \$13,407,300 was transferred to various debt service funds for the General Fund's portion of debt service payments on 1993 Certificates of Participation, 2006 Lease Revenue Bonds, and 2008 Series "B" and "C" Certificates of Participation.
- 2) \$9,180,180 transferred to the Library Services Fund to support the City of Pasadena Libraries.
- 3) \$1,054,131 transferred to the Health Fund to support the City's animal control services.
- 4) \$1,524,467 was transferred from the General Fund to various Transportation, Parking and other Non-Major Governmental Funds to support their operations.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(15) Transfers, (Continued)

Primary Government, (Continued)

(C) Light and Power contributed \$15,860,515 to the General Fund for the payment of interest and principal on City bonds, municipal improvements and other purposes.

(D) The Water Fund transferred \$3,312,634 to the General Fund; of this amount, \$2,772,634 is based on 6% of gross income received during the preceding fiscal year as authorized by the City Charter and the remaining \$540,000 supports Hahamongna Watershed Park operations.

(E) Transfers from Non-Major Governmental Funds include the following:

- 1) \$11,164,819 transferred to the Project Management Fund; including \$3,863,582 from Transportation funds, \$2,705,579 from Sewer Construction and Maintenance; \$2,358,084 from Undergrounding Fund, \$1,978,440 from various Capital Project Funds and \$259,134 from other Non-Major Governmental Funds.
- 2) \$10,040,164 transferred to other Non-Major governmental funds, including, \$7,791,159 to Housing and Community Development prior to dissolution of Pasadena Community Development Commission after determining these revenues were not tax increment related, but in fact other State of California grants; \$573,363 from PCDC to Affordable Housing, \$881,107 from Sewer Construction and Maintenance and \$281,761 from various other Non-Major Governmental Funds.

(16) 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, 2012, excess liability insurance has been purchased with limits of \$20 million excess of a \$5 million self-insured retention. No excess insurance for workers' compensation has been purchased.

Eight workers' compensation claims from prior years, when the retention was \$500,000, have exceeded the excess level. Nine workers' compensation claims from

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(16) Self-Insurance (Continued)

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

The Office of the City Attorney, primarily using staff counsel, controls litigated liability claims. A Liability Claim is loosely defined as a claim for money damages by a 3rd party arising from an accident traditionally covered by a liability insurance policy. During FY12, Liability Claims were paid in the approximate sum of \$499,565 (loss plus expense), which is within the historical expectation of payments on the type of incidents tracked. Liability Claims against public entities tend to yield a defense verdict or settlement at a fraction of the exposure. There is one claim for the fire damage caused by a power line malfunction that could cost the City about \$1 million previously reported which was apparently not pursued by litigation. On November 30/ December 1, 2011, Pasadena was hit by a windstorm which toppled trees; insurance companies have presented Liability Claims against the City arising from the windstorm exposing the City to property damage liability for damage to private property. The police shot and killed a young man exposing City to wrongful death and civil rights liability. A fifteen month old child in a stroller was hit in the head by a golf ball on the street near Brookside Golf Course which an attorney has presented as a possible brain damage claim. No other pending liability claims appear to have sufficient damages and adverse liability to develop into a "catastrophe" claim 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 Insurance Co. Phoenix Aviation 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.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(16) Self-Insurance, (Continued)

The City bought All Risk Property Insurance on all its buildings except production facilities at the power plant, with a total scheduled insured value of \$885,088,405 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 19 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 a major fire claim at the power plant in FY10, collecting an advance payment of \$6.3 million with the remainder of the loss still being evaluated and negotiated. Based upon information gathered through the loss investigation and insurance adjusting process, the repair cost estimated by Pasadena Water and Power is \$14,636,450 and was presented to the City Council on July 30, 2012. Pursuant to approval by the City Council, GT1 is currently undergoing repairs, and costs are being submitted to the City's property insurance carrier for reimbursement. As of the end of October 2012, the City will be approximately 50% complete with repairs. As a result of this loss, the power plant production facilities are excluded from the City's All Risk/Boiler & Machinery policy and are insured under a separate Property and Boiler & Machinery policy with Lloyds of London syndicates. The property policy limits in effect at the time of the GT1 loss provided limits in excess of \$100 million dollars; the limits for GT1 were the actual cost to repair or replace GT1.

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.

PCOC is entitled to indemnity from the City, and 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. PCOC buys separate liability insurance on the ice rink. There are lawsuits pending that are being defended by an insurance company without a reservation of rights.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(16) Self-Insurance, (Continued)

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

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, 2012, general liability claims payable amounted to \$13,105,359 of which \$4,586,876 is estimated to be paid within one year. Workers’ Compensation claims payable amounted to \$18,354,466, of which \$6,424,063 is estimated to be paid within one year.

	Beginning Fiscal Year Liability	Current Year Claims and Prior Year Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
2010-11	\$24,666,276	12,219,641	9,202,426	27,683,491
2011-12	27,683,491	10,696,461	6,920,127	31,459,825

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(17) Deferred Compensation Plan

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

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

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

	<u>2012</u>	<u>2011</u>
Assets, beginning of year (market value)	\$188,463,209	163,124,578
Deferrals of compensation	13,250,572	14,016,063
Earnings and adjustments to market value	1,498,438	23,616,921
Payments to eligible employees	<u>(11,011,731)</u>	<u>(12,294,353)</u>
Assets, end of year (market value)	<u>\$192,200,488</u>	<u>\$188,463,209</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(18) Pension Plans

Each full-time employee and each part-time employee (with 1,000 hours or more of service) of the City is a member of either the 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. Safety personnel hired after June 30, 1977 are members of CALPERS. In June 2004 active members were provided a one-time opportunity to transfer from the FPRS to CalPERS as provided by an agreement with the City. Once transferred to CalPERS, retirement benefits for all fire and police personnel employed thereafter are provided under CalPERS. The plan provides retirement, death and disability benefits. Copies of FPRS's annual financial report may be obtained from the Department of Finance, 100 North Garfield Avenue, 3rd Floor, Pasadena, California 91109. This annual financial report includes the required three-year trend information.

Deposits and Investment Risk

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

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

(18) Pension Plans, (Continued)

Pasadena Fire and Police Retirement System, (Continued)

Funding Policy

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

In October 2011, the Board and the City approved an Amended and Restated Contribution Agreement 20,823 (Amended Contribution Agreement), which permanently changes actuarial methodology used to calculate the plan's funded percentage by adopting assumed interest rate and inflation assumptions for the June 30, 2011 valuation and for future valuations. The Amended Contribution Agreement 20,823 also required the City to issue pension obligation bonds that would yield approximately \$46.6 million in net proceeds to the plan by March 31, 2012, which would meet the plan's funding requirement if they were paid by that date because the net proceeds would be treated as if they had been assets of the plan as of June 30, 2011, and the City no longer owed supplemental contribution to the plan for fiscal year 2011/2012. The City contributed \$46,600,000 in net proceeds to the plan on March 29, 2012; therefore, the City no longer owed supplemental contribution to the plan for fiscal year ending June 30, 2012.

Pursuant to Section 1509.81 of the Charter, members also contribute an additional 5% of compensation for cost-of-living benefits. Because this is a flat rate and cost-of-living benefits are not fully funded, these contributions continued. The contribution requirement of plan members and the City are established and may be amended by the Board within the provisions of the City Charter.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(18) Pension Plans, (Continued)

Pasadena Fire and Police Retirement System, (Continued)

Annual Pension Cost

For fiscal year 2012, the City's annual pension cost was \$8,700,000 for FPRS. The City's required and actual fiscal year contributions were \$16,941,000 and \$46,600,000 respectively. The required contribution was determined as part of the June 30, 2012 actuarial valuation using the actuarial accrued liability for retirees actuarial cost method. Pursuant to Amended Contribution Agreement 20,823, the Board, with the concurrence of the City Treasury and the plan's Investment Advisor, adopted the following recommended assumptions and studies for the July 1, 2011 actuarial valuation for the fiscal year ending June 30, 2012: (a) 6.0% investment rate of return, (b) projected annual salary increases of 0.0%, (c) 3% per year COLA, and (d) CalPERS 1997-2007 Experience Study mortality tables with projection Scale AA. 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 were 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, 2012.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(18) 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>
6/30/10	\$ 5,766	4,982	86.4%	49,318
6/30/11	5,175	8,036	155.3%	46,457
6/30/12	8,700	46,600	535.6%	8,557

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial 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>
6/30/10	\$ 109,740	166,096	56,356	66.1%	0	N/A
6/30/11	105,811	179,284	73,473	59.0%	0	N/A
6/30/12	136,272	174,249	39,977	78.2%	0	N/A

As of June 30, 2009, no active employees are in the closed plan.

Changes in the Net Pension Obligation (NPO) during the fiscal year ended June 30, 2012 are as follows:

Beginning of year net pension obligation	\$46,457,000
Pension Cost:	
Annual required contribution	16,941,000
Interest on beginning of year NPO less interest on mid year City contribution	2,788,000
Amortization of beginning of year NPO	<u>(11,029,000)</u>
Total pension costs	8,700,000
Less: City contribution	<u>(46,600,000)</u>
End of year net pension obligation	<u>\$8,557,000</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(18) 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 city contract with employee bargaining groups.

The City received notice from CalPERS advising the City's increases in its employer contribution rates.

The table shown below represents a five-year plan for the employer's actual and future contribution rates.

Employer Contribution Rate (Five-Year Plan)

<u>Fiscal Year</u>	<u>Safety</u>	<u>Miscellaneous</u>	<u>Superfunded?</u>
6/30/2012	26.559%	15.484%	No
6/30/2013	25.621%	16.227%	No
6/30/2014	27.226%	17.377%	No
6/30/2015	28.7% (projected)	18.7% (projected)	No
6/30/2016	29.2% (projected)	19.1% (projected)	N/A

Under GASB Statement No. 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, 2011 to June 30, 2012 has been determined by an actuarial valuation of the plan as of June 30, 2009. The contribution rate indicated for the period is 26.559% of payroll for the safety plan and 15.484% of payroll for the miscellaneous plan. In order to

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(18) Pension Plans, (Continued)

California Public Employees' Retirement System, (Continued)

calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2012, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2011 to June 30, 2012.

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

	<u>Retirement Program</u>	1959 Survivor Program	
		<u>Misc. Plan</u>	<u>Safety Plan</u>
Valuation Date	June 30, 2009	N/A	June 30, 2009
Actuarial Cost Method	Entry Age Normal Cost Method	N/A	Modified Term Insurance Method
Amortization Method	Level Percent of Payroll	N/A	Level Percent of Payroll
Average Remaining Period	21 Years as of the Valuation Date (23 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	3.55% to 14.45% depending on Age, Service, and type of employment (3.55% 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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(18) Pension Plans, (Continued)

California Public Employees' Retirement System, (Continued)

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.

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, shown 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.

Three-Year Trend Information (in thousands)

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>							
06/30/09	\$ 352,610	283,880	68,730	80.5%	58.7%	45,516	151.0%
06/30/10	373,670	307,056	66,614	82.2%	64.7%	45,643	145.9%
06/30/11	403,626	331,603	72,023	82.2%	73.6%	44,058	163.5%
<i>Retirement Program - Miscellaneous</i>							
06/30/09	\$ 732,713	607,710	125,003	82.9%	60.6%	116,952	106.9%
06/30/10	773,302	635,455	137,847	82.2%	64.4%	115,289	119.6%
06/30/11	819,327	666,290	153,037	81.3%	72.3%	110,571	138.4%

*Information for the 6/30/12 disclosures was not available at the time of printing.

Annual Pension Cost (Employer Contribution)

Fiscal Year	Safety	Miscellaneous	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$12,566	10,459	100%	-
6/30/11	12,518	10,346	100%	-
6/30/12	16,744	11,370	100%	-

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(18) Pension Plans, (Continued)

California Public Employees' Retirement System, (Continued)

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, 2012, was \$3,255,791. Both the City and the covered employees made the total required 7.5% contributions of \$130,232 from the City and \$113,953 from the covered employees.

(19) Commitments and Contingencies

Primary Government

"Take or Pay" Contracts

The City's electric operation has entered into various long-term "Take or Pay" contracts to provide for current and future electric generating capacity and transmission of energy for City customers. The City is obligated to pay the amortized cost of indebtedness regardless of the ability of the contracting agency to provide electricity and/or transmission, as applicable. The original indebtedness will be amortized by adding the financing costs to purchase energy over the life of the contract. The contracts expire at various times through FY 2036. The total commitment under these contracts as of June 30, 2012 is \$365 million.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(19) Commitments and Contingencies (Continued)

Primary Government (Continued)

Additional financial information on the Southern California Public Power Authority (SCPPA) may be obtained by contacting the City of Pasadena Department of Water and Power at 150 South Los Robles, Suite 200, Pasadena, CA 91101.

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, 2012, the City’s Reserve for Stranded Investment fund balance was approximately \$130.6 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 information related to IPA and SCPPA is available online from the Water and Power Department’s website or may be obtained by contacting the department at 150 South Los Robles, Suite 200, Pasadena, CA 91101.

Other

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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(19) Commitments and Contingencies (Continued)

Primary Government (Continued)

Litigation

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

California ISO Receivable

The Light and Power Fund carries a net account receivable of \$17,000,000 that represents energy sales to the California Independent System Operator (ISO) 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 received the net account receivable in July 2011.

(20) Debt Without Government Commitment – Primary Government

The City of Pasadena serves as a conduit for entities to issue revenue bonds to finance various projects. The City of Pasadena does not bear any responsibility for the tax exempt status of the bonds, the debt service on the bonds or any other matter related to the bonds. These are not obligations of the City, and are therefore excluded from the City's financial statements.

In October 2011 the City served as a conduit for Maranatha High School for issuance of revenue bonds or a loan transaction not to exceed \$27,900,000 for the purposes of refinancing certain outstanding revenue bonds which were used to finance the cost of acquiring, constructing and equipping the existing campus of the educational facilities. All construction has been completed. The bond issue was for refinancing for savings purposes, therefore no public offering of bonds will take place.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(20) Debt Without Government Commitment – Primary Government (Continued)

<u>Entity</u>	<u>Date of Issuance</u>	<u>Aggregate or Not to Exceed Amount</u>	<u>Purpose</u>
Colorado Educational & Cultural Facilities Authority	January 2011	\$60 million	To refinance and refund outstanding bonds that were issued to acquire land, retire debt, constructing, improving and equipping student and faculty housing and other facilities at Fuller Theological Seminary.
California Enterprise Development Authority	November 2009	\$9.8 million	To refinance or reimburse for the cost of constructing, installing, rehabilitating, equipping, and furnishing school facilities at the Chandler School.
Polytechnic School	August 2009	\$25 million	To finance the acquisition, construction, improvement and equipping of existing and new school facilities at Polytechnic School.
Collis P. & Howard Huntington Memorial Hospital	April 2005	\$202 million	To finance the expansion of hospital facilities and advance refunding of 1996 Hospital Association Certificates of Participation.

On November 13, 1997, the City issued \$13.3 million of its Community Facilities District (CFD) #1 Special Tax Bonds to finance public improvements related to the Civic Center West Project. Special taxes assessed on the property by means of direct billing are pledged to pay debt service and administrative expenses. The City is not liable for repayments, but is only acting as an agent for revenue payers. The bonds are not recorded as liabilities in the accompanying financial statements. Principal payments will commence in Fiscal Year 2021. As of June 30, 2012 the outstanding balance on the CFD Special Tax Bonds is \$8,865,000.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(20) Debt Without Government Commitment – Primary Government (Continued)

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 million and are due in December 2014.

(21) 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 \$112.00 or \$33.60 per month depending on the bargaining unit or the unrepresented group the employee was a member of. For fiscal year ended June 30, 2012 the number of employees covered by the subsidy follows:

	<u>Partial Benefit Group</u>	<u>Full Benefit Group</u>	<u>Total</u>
Active Participants	1,004	782	1,786
Participants receiving subsidy	<u>271</u>	<u>269</u>	<u>540</u>
Total	<u>1,275</u>	<u>1,051</u>	<u>2,326</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

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Disability retirement at hire and for Non-Industrial Disability retirement after 5 years of CalPERS service.

Pre-retirement Death:

Safety Employees:

Industrial:

Survivor receives medical benefits commencing immediately.

Non-Industrial:

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

Miscellaneous Employees:

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

Dependent Eligibility:

Dependents are not eligible for benefits.

Survivor Eligibility:

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

Benefits:

Medical Benefit:

Eligible retirees are provided a subsidy for medical benefits through PEHMCA. For the calendar year 2012, this monthly amount is \$112.00 for certain classes of employees and \$33.60 for remaining employees.

Funding Policy and Annual OPEB Cost. The City contribution requirements have been established at the individual retiree levels of \$112.00 or \$33.60 per month depending on bargaining unit membership and policy enacted by CalPERS pursuant to State Law. These minimum requirements may be increased through future negotiations between the City and respective unions. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. This is the third year of implementation of GASB No. Statement 45 and the city's liability is based on "Pay-as-you-go" funding. If the City should select the "Prefunding" method the annual OPEB cost would be reduced. The City's annual OPEB cost for the current year and related information follows:

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

	<u>Partial Benefit Group</u>	<u>Full Benefit Group</u>	<u>Total</u>
Normal Cost	\$663,426	\$537,931	\$1,201,357
Amortization of UAAL *	<u>935,852</u>	<u>1,081,126</u>	<u>2,016,978</u>
Annual OPEB Cost	1,519,774	1,481,740	3,001,514
Contributions made	<u>103,099</u>	<u>361,945</u>	<u>465,044</u>
Increase in net OPEB obligation	1,416,675	1,119,795	2,536,470
Net OPEB obligation – beginning of year	<u>3,522,993</u>	<u>6,084,752</u>	<u>9,607,745</u>
Net OPEB obligation – end of year	<u>\$4,939,668</u>	<u>\$7,204,547</u>	<u>\$12,144,215</u>

*UAAL is amortized over an initial 30 years using the level-dollar method on a closed basis. The remaining period at June 30, 2012 is assumed to be 26 years.

Annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for FY 2012 and the two preceding years are as follows:

<u>Year Ended</u>	<u>Amount Groups Receiving Per Month Benefit</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2010	105.00	1,502,275	9.98%	1,313,114
6/30/2010	23.50	<u>1,502,169</u>	<u>12.59%</u>	<u>1,352,410</u>
6/30/2010 Total		<u>3,004,444</u>	<u>11.28%</u>	<u>2,665,524</u>
6/30/2011	108.00	1,523,960	12.08%	1,339,934
6/30/2011	27.00	<u>1,529,525</u>	<u>15.18%</u>	<u>1,297,375</u>
6/30/2011 Total		<u>\$3,053,485</u>	<u>13.63%</u>	<u>2,637,309</u>
6/30/2012	112.00	1,481,740	24.43%	1,119,795
6/30/2012	33.60	<u>1,519,774</u>	<u>6.78%</u>	<u>1,416,675</u>
6/30/2012 Total		<u>\$3,001,514</u>	<u>31.21%</u>	<u>2,536,470</u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2012 follows:

	<u>Partial Benefit Group</u>	<u>Full Benefit Group</u>	<u>Total</u>
Actuarial accrued liability	\$14,957,507	\$17,279,382	\$32,236,889
Actuarial value of plan assets	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	\$14,957,507	\$17,279,382	\$32,236,889
 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.

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 – 5.00% per year.
Administrative Expenses:	Not assumed to be paid from this plan.
Future Mutual Price Inflation:	5.0% per year
Pre-retirement Turnover:	Utilizing CalPERS 2009 experience study rates
Pre-retirement Mortality:	Utilizing CalPERS 2009 experience study rates
Post-retirement Mortality:	Utilizing CalPERS 2009 experience study rates

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Disability Rates: Utilizing CalPERS 2009 experience study rates
Medical Inflation Rates: Assumed to be 5.00% per year

Demographic Assumptions:

Post-retirement mortality:

- Service Retirement: CalPERS healthy recipients mortality for public agencies
- Disability Retirement: CalPERS non-industrially disabled recipients' mortality for miscellaneous public agencies for miscellaneous members. CalPERS industrially disabled recipients' mortality for safety employees for safety members.
- Spouse: CalPERS healthy recipients' mortality for public agencies.

Termination: Rates varying by age and service.

Pre-retirement mortality: Rates varying by age.

Disability: Rates varying by age.

Service retirement: Members eligible for service retirement are assumed to retire based on rates varying by age and/or service.

Percentage married at Retirement: 50% of miscellaneous active members assumed married at retirement. 65% of safety active members assumed married at retirement.

Spouse Ages: For active members reaching retirement, wives are assumed to be three years younger than husbands.

Medical Coverage Elections: 60% of retiring members are assumed to elect coverage.

Implicit Subsidy: CalPERS Health Plans utilized by the City are community rated. As such, the City has no implicit subsidy for these benefits.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

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

Actuarial Methods:

Funding Method:

Entry Age Normal – Level Dollar.

Amortization Period:

New Unfunded Actuarial Accrued Liability resulting from plan amendments, changes in assumptions or methods, or experience gains and losses are amortized over a closed 30 year period on a level dollar basis.

Schedule of Funding Progress

<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>
6/30/08	\$0	\$23,745,129	\$23,745,129	0%	154,261,000	15.4%
6/30/09	\$0	\$23,321,751	\$23,321,751	0%	162,467,648	14.4%
6/30/10	\$0	\$30,819,908	\$30,819,908	0%	160,705,028	19.2%
6/30/11	\$0	\$31,678,052	\$31,678,052	0%	153,898,526	20.6%
6/30/12	\$0	\$32,236,889	\$32,236,889	0%	150,943,707	21.4%

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CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(22) Restatement of Beginning Net Assets

Primary Government

The accompanying financial statements reflect adjustments that resulted in the restatement of beginning fund balance of the Non-Major Governmental Funds, and net assets of the major, non-major and governmental activities of the Primary Government. The adjustments occurred due to over accrual of interest, revision of Promissory Note schedules, transfers and elimination of advances between City and Pasadena Community Development Commission as a result of the dissolution of the former redevelopment agency.

The following schedule summarizes the effect of the prior period adjustment to the beginning fund balance/net asset as of July 1, 2011:

	Governmental Funds	Governmental Activities
Fund Balance / Net Assets at July 1, 2011	\$ 185,330,975	400,413,514
Adjustment to eliminate over accrual of interest	1,327,290	1,327,290
Adjustment to agree to revised Promissory Notes schedules	4,405,238	4,405,238
Adjustment to record transfers in to General Fund	(3,200,000)	(3,200,000)
Adjustment to reflect advances between PCDC and the City	(131,735,543)	(131,735,543)
Adjustment to record transfers out from Non- Major Governmental Funds	3,200,000	3,200,000
Fund Balance / Net Assets at July 1, 2011, as restated	\$ 59,327,960	274,410,499

(23) State Assembly Bill 1X 26

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Pasadena that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(23) State Assembly Bill 1X 26, (Continued)

assets until they are distributed to other units of state and local government. On January 30, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 9173.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in an amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure of encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011), all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (Private-Purpose Trust Fund) in the financial statements of the City.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(23) State Assembly Bills 1X 26, (Continued)

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary gain (or loss) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the Private-Purpose Trust Fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary gain (or loss) recognized in the governmental funds was not the same amount as the extraordinary gain (or loss) that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as followed:

Total extraordinary gain reported in governmental fund financial statements - increase to net assets of the Successor Agency Trust Fund	\$152,582,102
Gain from release of advances due to the City of Pasadena prior to 2/1/12 – PCDC Debt Service	(47,497,587)
Gain from release of advances due to the City of Pasadena prior to 2/1/12 – Capital Project	(56,355,333)
Loss from 1996 Multi-Purpose Capital Project Certificate of Participation due to prior year adjustment of advances to reconcile GL to promissory note prior to 2/1/12	1,395,582
Loss from New Development Impact Funds due to prior year adjustment of advances to reconcile GL to promissory note prior to 2/1/12	355,490
Loss from Special Revenue Fund due to a repaid back to HUD for Nehemiah Court project	560,771
Loss from General Fund due to prior year adjustment of advances to reconcile GL to promissory note prior to 2/1/12	364,808
Transfer of bonds payable, net of unamortized costs of issuance and discount	4,590,884
Transfer of note payable	2,420,722
Adjustment for advances not approved on the recognized obligation payment schedules	<u>(956,643)</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfer (equal to amount of extraordinary loss reported in the fiduciary fund)	<u><u>\$57,460,796</u></u>

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(24) Subsequent Events

2012A Electric Revenue Refunding Bond

On August 6, 2012, the City Council approved the issuance of Electric Revenue Refunding Bonds, 2012A Series to partially refinance the current outstanding 2002 bonds and full refund the outstanding 2003 bonds in the amount of up to \$15 million. On September 24, 2012, the City sold on a competitive basis \$11,780,000 Electric Revenue Refunding Bonds, 2012A Series. The purpose of the refunding was for pure economic reasons. The City realized a present value savings of \$1.1 million or 10.15% present value savings rate. The true interest cost on the financing was 1.54%.

Fire in Gas Turbine Unit GT-2 in City Power Generating Plant

On October 16, 2012, a fire occurred in the power turbine section of gas turbine generating unit GT-2 during a normal scheduled run. The cause of the fire is under investigation, but initial indications are that a turbine blade in the power turbine broke loose, causing equipment damage and the fire. No injuries were reported and no interruption of service occurred to customers of the Pasadena Water and Power Department.

California Department of Finance Denial of Items on Recognized Obligation Payment Schedule III

Pursuant to the requirements of AB 1X 26 and AB 1484, the Successor Agency to the Pasadena Community Development Commission (Successor Agency) submitted its Recognized Obligation Payment Schedule for the period of January to June 2013. In a letter dated October 5, 2012 the Department of Finance notified the Successor Agency that it had denied a number of requested payments. The Successor Agency requested to "Meet and Confer" whereby additional information and appeal of the decision can be made. This occurred on November 7, 2012. As of the publication of these financial statements no decision has been received from the California Department of Finance.

The most significant of the items denied is Senate Bill 481, which requires all tax increment monies collected in the Downtown Redevelopment Project Area to be utilized exclusively to make payments in conformance with the First Amendment to Amended and Restated Reimbursement Agreement dated July 7, 1986. This agreement requires \$800,000 to be provided for low and moderate income housing and the balance must be

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(24) Subsequent Events (Continued)

California Department of Finance Denial of Items on Recognized Obligation Payment Schedule III (Continued)

utilized by the City for debt service on Pension Obligation Bonds. This agreement was validated by SB 481 and also validated by a 1999 court judgment.

The other items denied and appealed through the Meet and Confer process include promissory notes relating to COPs, CDBG and HUD Section 108 loan repayments, affordable housing monitoring and enforcement costs, and legal and consulting contracts.

The City believes that these are legally enforceable agreements under the law.

Concord Senior Housing Apartments

In August 2012 the City notified the Pasadena Fire and Police Retirement System (FPRS) that three payments of ground lease rent had been received by the City in the total amount of \$520,000 for fiscal years 2009-2012, from Retirement Housing Foundation (RHF), which is the operator of the Concord. The City's Housing Department and FPRS are currently working with the US Department of Housing and Urban Development (HUD) to assess whether the rent payments were approved by HUD. If approved, the rent payments will be transferred to the FPRS. Going forward, based on the regulatory agreement between HUD and RHF, as well as the ground lease agreement between the City and RHF, FPRS is entitled to receive \$130,000 annually from the operator of the Concord for ground lease rent, payable only through residual receipts, through 2031. The City authorized the assignment of a 93% beneficial interest to the FPRS and a 7% beneficial interest to the Pasadena Community Development Commission or its successor for the production of low and moderate income housing. In addition, unpaid rent is to accrue as a liability, and interest on the unpaid rent is to accrue as a liability at 8.5% as defined in the lease agreement between the City and RHF. As of the July 31, 2012 audited financial statements for the Concord, a total of \$2,033,334 has been booked as a liability for past due rent, and a total of \$2,202,461 has been booked as a liability for interest on the past due rent. All cash flows from 1989 to 2031 are not to be split, but have 100% flow through the City to the FPRS. The City Treasurer is working with FPRS and the City's Housing Department to assess the ability to collect past rent and interest, and future rent from the Concord property.

CITY OF PASADENA

Notes to the Basic Financial Statements, (Continued)

Year Ended June 30, 2012

(24) Subsequent Events (Continued)

Helicopter Crash

On Saturday, November 17, 2012, the City had two aircraft (helicopters) involved in landing crash, at the City's heliport in Altadena, CA. The two aircraft involved were acquired by the City over twenty years ago and are fully depreciated. The reason for the crash is currently under investigation. The Police Department has three other functional aircraft available and the crash will not disrupt operations.

Rose Bowl Renovation Project

In October 2010, Rose Bowl Operating Company (RBOC) and the City approved a major renovation of the Rose Bowl. The total estimated cost of the proposed Rose Bowl Renovation Project was originally \$152 million. The sources for these funds include the net project fund deposits of \$127 million from the lease-revenue financing issued by the City; \$15 million equity contribution from the RBOC, Pasadena Tournament of Roses Association, and the City of Pasadena; and \$7.5 million of funding revenues from future expected events such as a 2014 Bowl Championship Series, and philanthropic efforts.

Towards the end of calendar year 2010, the City placed the bonds for the Renovation Project on the market, just as other government agencies were doing the same. This caused the bond market to become saturated and resulted in lower returns than the City and the Company had anticipated.

Construction has uncovered a number of unanticipated expenses relating to unknown conditions of the existing 90 year old facility. Also, subsequent to this and to fiscal year ended June 30, 2012, the Company has continued to receive bids that were less favorable than originally estimated, further increasing the gap in funding for this project and forcing a number of changes to the project scope. Some of these scope changes will require the consent of UCLA and the Pasadena Tournament of Roses (TOR) Association. Staff is currently negotiating with UCLA and TOR concerning these project scope changes, however, as of the date of this report no agreement has been reached.

To help fund the gap, the Rose Bowl Legacy has the task in raising \$20 million in private donations.

CITY OF PASADENA
Notes to the Basic Financial Statements, (Continued)
Year Ended June 30, 2012

(24) Subsequent Events (Continued)

Rose Bowl Renovation Project (Continued)

The RBOC Board of Directors and City are continuing to investigate both short and long term additional funding. The options analyzed included a bank loan, use of the EB5 program, an internal loan from the City of Pasadena, a bank letter/line of credit, and restructure of the existing 2006 Rose Bowl debt. In analyzing the various options, the evaluation criteria included the processing time to complete the debt issuance, cash flow impact on the City and the Company, ease of administration of the debt, flexibility of proceed use, risks to the City and the Company, and cost of issuance of the debt. A financing option will need to be implemented prior to depletion of cash available for the project, which is anticipated to be January 2013, to meet applicable laws and maintain the construction schedule. City staff is recommending a structure that consists of restructuring the existing 2006 Rose Bowl debt with the addition of new debt necessary to net \$30 million of construction proceeds and a temporary “bridge loan” from the City, which will be repaid from the new bond proceeds expected in late December 2012/early January 2013.

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YEAR ENDED

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

JUNE 30
2012



REQUIRED SUPPLEMENTARY
INFORMATION



Westgate
Apartments

Required Supplementary
Information

CITY OF PASADENA

Notes to the Required Supplementary Information

Year Ended June 30, 2012

(1) Budgets and Budgetary Data

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

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

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

(2) Expenditures in Excess of Appropriations

The general fund reported an excess of expenditures over appropriations at June 30, 2012:

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Fund:			
General government			
City Council	1,949,992	2,029,855	(79,863)
Non-departmental	940,074	6,237,786	(5,297,712)
Culture and leisure			
Human Services and Recreation	8,890,360	9,447,449	(557,089)
Non-departmental-PCOC	4,900,000	5,276,660	(376,660)

CITY OF PASADENA

Notes to the Required Supplementary Information

Year Ended June 30, 2012

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

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Special Revenue Funds:			
Library Fund	11,705,108	12,042,135	(337,027)
Housing and Community Development	22,245,732	24,025,236	(1,779,504)
Donated Funds	255,219	311,214	(55,995)
Housing Successor Fund	-	226,155	(226,155)

The general government, City Council departmental expenditures, exceeded appropriations by due to an understatement of benefits and printing charges.

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

Culture and leisure, Human Services and Recreation expenditures exceeded appropriations due to excessive use of part-time staff to supplement staffing levels across the department, over commitment in Contract Services expenses and increases in Internal Service charges for which their budget was not adjusted.

Culture and leisure, non-departmental expenditures exceeded appropriations due to unanticipated expenditures by PCOC requiring additional transfers of Transient Occupancy Tax to this component unit.

The Library Fund exceeded appropriations due to mandated salary adjustments droving personnel costs higher than anticipated and the department having fewer vacancy savings to help offset such costs.

The Housing and Community Development Fund expenditures exceeded appropriations due to the budget for Other Housing Funds being included in the Low and Moderate Income Housing Fund before dissolution of redevelopment.

The Housing Successor Fund was created due to the dissolution of redevelopment. The budget for this activity is included in the Low and Moderate Income Housing Fund.

Only the Downtown Cultural Trust Fund expenditures were budgeted; other 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
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012

	<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>
Revenues:					
Taxes	\$ 121,272,351	117,264,300	120,658,622	3,394,322	114,150,357
Licenses and permits	2,628,440	2,628,440	2,738,785	110,345	2,471,544
Intergovernmental revenues	14,461,083	14,519,855	14,388,263	(131,592)	14,570,521
Charges for services	29,679,987	29,029,987	29,613,903	583,916	32,092,354
Fines and forfeits	6,351,000	6,351,000	6,796,482	445,482	6,362,032
Investment earnings	19,340,000	19,340,000	9,665,891	(9,674,109)	22,929,320
Rental income	1,051,773	1,731,463	1,336,611	(394,852)	1,073,420
Miscellaneous revenues	2,390,747	2,737,747	10,390,704	7,652,957	2,307,555
Total revenues	<u>197,175,381</u>	<u>193,602,792</u>	<u>195,589,261</u>	<u>1,986,469</u>	<u>195,957,103</u>
Expenditures:					
Current:					
General government:					
City Attorney/City Prosecutor	6,163,494	5,936,760	5,561,406	375,354	5,791,888
City Clerk	1,699,616	1,697,548	1,646,913	50,635	2,164,843
City Council	1,950,843	1,949,992	2,029,855	(79,863)	1,923,958
City Manager	4,277,643	5,328,796	4,327,982	1,000,814	2,762,385
Finance	9,041,622	9,028,064	8,833,011	195,053	8,603,768
Human Resources	2,688,839	2,685,976	2,372,444	313,532	2,603,544
Non-departmental	2,556,574	940,074	6,237,786	(5,297,712)	15,427,000
Public safety:					
Fire	39,471,202	39,289,044	38,705,014	584,030	39,106,917
Police	58,309,273	59,149,844	58,352,983	796,861	58,102,502
Transportation:					
Public Works and Transportation	24,901,866	25,893,115	23,883,432	2,009,683	23,026,269
Culture and leisure:					
Human Services and Recreation	9,022,722	8,890,360	9,447,449	(557,089)	9,038,597
Non-departmental - PCOC	4,900,000	4,900,000	5,276,660	(376,660)	4,745,370
Community development:					
Planning and Permitting	7,395,113	7,630,815	7,063,911	566,904	8,362,111
Total expenditures	<u>172,378,807</u>	<u>173,320,388</u>	<u>173,738,846</u>	<u>(418,458)</u>	<u>181,659,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,796,574</u>	<u>20,282,404</u>	<u>21,850,415</u>	<u>1,568,011</u>	<u>14,297,951</u>
Other financing sources (uses):					
Transfers in	16,717,614	16,902,390	20,225,884	3,323,494	26,931,281
Transfers out	(46,563,337)	(47,350,781)	(37,847,163)	9,503,618	(47,756,165)
Transfers to component units	-	-	-	-	-
Total other financing sources (uses)	<u>(29,845,723)</u>	<u>(30,448,391)</u>	<u>(17,621,279)</u>	<u>12,827,112</u>	<u>(20,824,884)</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>(364,808)</u>	<u>(364,808)</u>	<u>-</u>
Change in fund balances	(5,049,149)	(10,165,987)	3,864,328	14,030,315	(6,526,933)
Fund balances at beginning of year, as restated (note 22)	<u>49,911,540</u>	<u>49,911,540</u>	<u>49,911,540</u>	<u>-</u>	<u>56,438,473</u>
Fund balances at end of year	<u>\$ 44,862,391</u>	<u>39,745,553</u>	<u>53,775,868</u>	<u>14,030,315</u>	<u>49,911,540</u>

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SUPPLEMENTARY INFORMATION

CITY OF PASADENA
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals	
					2012	2011
<u>Assets</u>						
Cash and investments	\$ 69,653,330	10,643,331	17,496,537	2,445,133	100,238,331	95,439,475
Accounts receivable	9,336,623	-	41,601	6,912	9,385,136	10,498,053
Notes receivable	51,202,083	-	-	-	51,202,083	40,570,036
Due from other funds	-	-	-	-	-	1,788,523
Prepays and other assets	3,602	-	-	-	3,602	6,370
Advances to other funds	-	-	2,196,629	-	2,196,629	29,586,135
Allowance for uncollectible long-term receivables	(25,718,765)	-	-	-	(25,718,765)	(37,882,387)
Property held for resale	7,171,300	-	-	-	7,171,300	7,438,977
	<u>\$ 111,648,173</u>	<u>10,643,331</u>	<u>19,734,767</u>	<u>2,452,045</u>	<u>144,478,316</u>	<u>147,445,182</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 3,294,873	-	-	598	3,295,471	2,448,550
Deposits	310,089	-	-	-	310,089	303,447
Due to other funds	3,756,684	-	-	-	3,756,684	8,073,408
Due to other governments	560,771	-	-	-	560,771	-
Deferred revenue	3,932,340	-	-	-	3,932,340	4,842,790
Advances from other funds	-	-	-	-	-	65,833,946
	<u>11,854,757</u>	<u>-</u>	<u>-</u>	<u>598</u>	<u>11,855,355</u>	<u>81,502,141</u>
Fund balances:						
Nonspendable	32,654,618	-	2,196,629	1,459,638	36,310,885	41,186,014
Restricted	24,846,300	10,643,331	3,807,551	381,044	39,678,226	36,071,295
Committed	43,452,802	-	13,730,587	610,765	57,794,154	54,034,985
Unassigned	(1,160,304)	-	-	-	(1,160,304)	(65,349,253)
	<u>99,793,416</u>	<u>10,643,331</u>	<u>19,734,767</u>	<u>2,451,447</u>	<u>132,622,961</u>	<u>65,943,041</u>
Total liabilities and fund balances	<u>\$ 111,648,173</u>	<u>10,643,331</u>	<u>19,734,767</u>	<u>2,452,045</u>	<u>144,478,316</u>	<u>147,445,182</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, 2012

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals	
					2012	2011
Revenues:						
Taxes	\$ 8,132,216	-	1,954,015	-	10,086,231	12,665,267
Licenses and permits	6,786,494	-	-	-	6,786,494	4,591,945
Intergovernmental revenues	43,226,728	-	-	-	43,226,728	39,829,262
Charges for services	9,092,784	-	195,299	-	9,288,083	8,705,010
Investment earnings	852,503	166,173	226,378	29,712	1,274,766	1,300,375
Rental income	2,620,244	-	505,515	-	3,125,759	3,527,851
Miscellaneous revenues	3,209,518	-	17,025	-	3,226,543	5,810,039
Contributions	51,700	-	4,374,566	320,000	4,746,266	1,607,276
	<u>73,972,187</u>	<u>166,173</u>	<u>7,272,798</u>	<u>349,712</u>	<u>81,760,870</u>	<u>78,037,025</u>
Expenditures:						
Current:						
General government	-	15,333	-	-	15,333	131,285
Public safety	3,206,700	-	-	-	3,206,700	3,325,194
Transportation	11,391,562	-	-	-	11,391,562	10,868,649
Sanitation	3,516,602	-	-	-	3,516,602	3,782,112
Health	10,899,113	-	-	-	10,899,113	11,027,480
Culture and leisure	12,469,805	-	-	1,403	12,471,208	11,429,562
Community development	28,690,438	-	1,580,579	-	30,271,017	31,645,429
Capital outlay	-	-	170,747	-	170,747	57,902
Debt service:						
Principal retirement	315,000	9,255,740	-	-	9,570,740	11,585,899
Interest	39,509	5,217,308	3,179,981	-	8,436,798	10,343,588
	<u>70,528,729</u>	<u>14,488,381</u>	<u>4,931,307</u>	<u>1,403</u>	<u>89,949,820</u>	<u>94,197,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,443,458</u>	<u>(14,322,208)</u>	<u>2,341,491</u>	<u>348,309</u>	<u>(8,188,950)</u>	<u>(16,160,075)</u>
Other financing sources (uses):						
Transfers in	21,574,964	14,288,408	827,395	-	36,690,767	29,458,838
Transfers out	(19,272,306)	-	(3,518,202)	(13,355)	(22,803,863)	(19,322,495)
Total other financing sources (uses)	<u>2,302,658</u>	<u>14,288,408</u>	<u>(2,690,807)</u>	<u>(13,355)</u>	<u>13,886,904</u>	<u>10,136,343</u>
Extraordinary gain (loss)	<u>(560,771)</u>	<u>-</u>	<u>61,542,737</u>	<u>-</u>	<u>60,981,966</u>	<u>-</u>
Change in fund balances	5,185,345	(33,800)	61,193,421	334,954	66,679,920	(6,023,732)
Fund balances at beginning of year, as restated	<u>94,608,071</u>	<u>10,677,131</u>	<u>(41,458,654)</u>	<u>2,116,493</u>	<u>65,943,041</u>	<u>71,966,773</u>
Fund balances at end of year	<u>\$ 99,793,416</u>	<u>10,643,331</u>	<u>19,734,767</u>	<u>2,451,447</u>	<u>132,622,961</u>	<u>65,943,041</u>

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YEAR ENDED

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

JUNE 30
2012

SPECIAL REVENUE FUNDS



*Tournament of Roses Court Ceremony
Pasadena Conference Center*

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

(Continued)

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

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

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

Housing and Community Development Fund - to account for the use of City Inclusionary housing funds, State of California housing grants, Community Development Block Grant and other U.S. Department of Housing and Urban Development programs restricted for housing and community development activities.

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

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

Low and Moderate Income Housing Fund – to account for property tax increment legally restricted for increasing or improving housing for low and moderate income households prior to February 1, 2012.

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CITY OF PASADENA
Non-Major Governmental Funds
Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Sewer					
	Construction					
	Public		Building	and	Underground	
	Safety	Health	Services	Maintenance	Utilities	Transportation
<u>Assets</u>						
Cash and investments	\$ 1,335,218	695,143	-	3,996,615	35,228,113	10,156,952
Accounts receivable	1,490,694	2,498,331	19,068	716,083	645,777	1,188,471
Prepays and other assets	-	-	-	-	-	3,602
Notes receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Allowance for uncollectible long-term receivables	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-
Total assets	<u>\$ 2,825,912</u>	<u>3,193,474</u>	<u>19,068</u>	<u>4,712,698</u>	<u>35,873,890</u>	<u>11,349,025</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 79,583	482,307	86,447	19,347	-	771,294
Deposits	60	10,702	282,459	-	-	-
Due to other funds	1,027,314	-	810,466	-	-	67,018
Due to other governments	-	-	-	-	-	-
Deferred revenue	538,962	1,664,671	-	-	-	23,517
Total liabilities	<u>1,645,919</u>	<u>2,157,680</u>	<u>1,179,372</u>	<u>19,347</u>	<u>-</u>	<u>861,829</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	1,179,993	1,035,794	-	-	-	10,487,196
Committed	-	-	-	4,693,351	35,873,890	-
Unassigned	-	-	(1,160,304)	-	-	-
Total fund balances (deficit)	<u>1,179,993</u>	<u>1,035,794</u>	<u>(1,160,304)</u>	<u>4,693,351</u>	<u>35,873,890</u>	<u>10,487,196</u>
Total liabilities and fund balances	<u>\$ 2,825,912</u>	<u>3,193,474</u>	<u>19,068</u>	<u>4,712,698</u>	<u>35,873,890</u>	<u>11,349,025</u>

Human Services Endowment	Library	Parking	Air Quality Improvement	Housing and Community Development	Donated Funds	Housing Successor	Low and Moderate Income Housing	Totals	
								2012	2011
1,542,558	1,413,066	2,597,988	-	7,054,588	2,130,403	3,502,686	-	69,653,330	65,944,669
4,376	161,164	54,941	43,017	2,464,419	6,025	44,257	-	9,336,623	10,035,358
-	-	-	-	-	-	-	-	3,602	3,602
-	-	-	-	35,657,798	-	15,544,285	-	51,202,083	33,238,538
-	-	-	-	-	-	-	-	-	91,339
-	-	-	-	-	-	-	-	-	18,493,047
-	-	-	-	(25,718,765)	-	-	-	(25,718,765)	(26,510,238)
-	-	-	-	5,771,300	-	1,400,000	-	7,171,300	7,438,977
<u>1,546,934</u>	<u>1,574,230</u>	<u>2,652,929</u>	<u>43,017</u>	<u>25,229,340</u>	<u>2,136,428</u>	<u>20,491,228</u>	<u>-</u>	<u>111,648,173</u>	<u>108,735,292</u>
42,626	524,225	19,012	-	1,198,214	40,852	30,966	-	3,294,873	2,295,654
-	2,730	10,300	-	3,838	-	-	-	310,089	303,447
-	-	757,663	25,743	1,068,480	-	-	-	3,756,684	6,685,330
-	-	-	-	560,771	-	-	-	560,771	-
-	27,668	-	-	1,677,522	-	-	-	3,932,340	4,842,790
<u>42,626</u>	<u>554,623</u>	<u>786,975</u>	<u>25,743</u>	<u>4,508,825</u>	<u>40,852</u>	<u>30,966</u>	<u>-</u>	<u>11,854,757</u>	<u>14,127,221</u>
-	-	-	-	15,710,333	-	16,944,285	-	32,654,618	32,660,324
1,504,308	-	-	17,274	5,010,182	2,095,576	3,515,977	-	24,846,300	21,549,308
-	1,019,607	1,865,954	-	-	-	-	-	43,452,802	43,280,944
-	-	-	-	-	-	-	-	(1,160,304)	(2,882,505)
<u>1,504,308</u>	<u>1,019,607</u>	<u>1,865,954</u>	<u>17,274</u>	<u>20,720,515</u>	<u>2,095,576</u>	<u>20,460,262</u>	<u>-</u>	<u>99,793,416</u>	<u>94,608,071</u>
<u>1,546,934</u>	<u>1,574,230</u>	<u>2,652,929</u>	<u>43,017</u>	<u>25,229,340</u>	<u>2,136,428</u>	<u>20,491,228</u>	<u>-</u>	<u>111,648,173</u>	<u>108,735,292</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, 2012

	<u>Public</u>		<u>Building</u>	<u>Sewer</u>	<u>Underground</u>	
	<u>Safety</u>	<u>Health</u>	<u>Services</u>	<u>Construction</u>	<u>Utilities</u>	<u>Transportation</u>
				<u>and Maintenance</u>		
Revenues:						
Taxes	\$ -	708,804	-	-	5,026,652	-
Licenses and permits	-	1,003,625	5,782,869	-	-	-
Intergovernmental revenue:	3,459,644	8,036,087	-	-	-	10,590,774
Charges for services	-	587,297	-	7,220,201	-	863,601
Investment earnings:	13,031	-	(14,716)	50,865	405,196	119,276
Rental income	-	-	-	-	-	-
Miscellaneous revenues	-	191,192	2,004	16,400	-	1,413,229
Contributions	-	-	-	-	-	-
Total revenues	<u>3,472,675</u>	<u>10,527,005</u>	<u>5,770,157</u>	<u>7,287,466</u>	<u>5,431,848</u>	<u>12,986,880</u>
Expenditures:						
Current:						
Public safety	3,206,700	-	-	-	-	-
Transportation	-	-	-	-	42,051	8,580,604
Sanitation	-	-	-	3,516,602	-	-
Health	-	10,899,113	-	-	-	-
Culture and leisure	-	-	-	-	-	-
Community development	-	-	4,047,956	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>3,206,700</u>	<u>10,899,113</u>	<u>4,047,956</u>	<u>3,516,602</u>	<u>42,051</u>	<u>8,580,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>265,975</u>	<u>(372,108)</u>	<u>1,722,201</u>	<u>3,770,864</u>	<u>5,389,797</u>	<u>4,406,276</u>
Other financing sources (uses):						
Transfers in	-	1,054,131	-	-	-	400,014
Transfers out	-	-	-	(3,171,497)	(2,407,105)	(3,863,582)
Total other financing sources (uses)	<u>-</u>	<u>1,054,131</u>	<u>-</u>	<u>(3,171,497)</u>	<u>(2,407,105)</u>	<u>(3,463,568)</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>265,975</u>	<u>682,023</u>	<u>1,722,201</u>	<u>599,367</u>	<u>2,982,692</u>	<u>942,708</u>
Fund balances (deficit) at beginning of year, as restated	<u>914,018</u>	<u>353,771</u>	<u>(2,882,505)</u>	<u>4,093,984</u>	<u>32,891,198</u>	<u>9,544,488</u>
Fund balances (deficit) at end of year	<u>\$ 1,179,993</u>	<u>1,035,794</u>	<u>(1,160,304)</u>	<u>4,693,351</u>	<u>35,873,890</u>	<u>10,487,196</u>

Human Services Endowment	Library	Parking	Air Quality Improvement	Housing and Community Development	Donated Funds	Housing Successor	Low and Moderate Income Housing	Totals	
								2012	2011
-	2,385,833	10,927	-	-	-	-	-	8,132,216	8,186,113
-	-	-	-	-	-	-	-	6,786,494	4,591,945
-	88,597	-	174,263	20,877,363	-	-	-	43,226,728	39,829,262
-	11,067	410,618	-	-	-	-	-	9,092,784	8,543,115
17,912	25,315	20,751	-	85,224	23,544	14,453	91,652	852,503	787,425
-	2,130	2,471,320	-	139,794	-	-	7,000	2,620,244	2,366,627
-	96,271	1,314	-	855,439	384,874	29,901	218,894	3,209,518	5,646,759
-	-	-	-	-	51,700	-	-	51,700	329,317
<u>17,912</u>	<u>2,609,213</u>	<u>2,914,930</u>	<u>174,263</u>	<u>21,957,820</u>	<u>460,118</u>	<u>44,354</u>	<u>317,546</u>	<u>73,972,187</u>	<u>70,280,563</u>
-	-	-	-	-	-	-	-	3,206,700	3,325,194
-	-	2,768,907	-	-	-	-	-	11,391,562	10,868,649
-	-	-	-	-	-	-	-	3,516,602	3,782,112
-	-	-	-	-	-	-	-	10,899,113	11,027,480
116,456	12,042,135	-	-	-	311,214	-	-	12,469,805	11,428,626
-	-	-	-	23,670,727	-	226,155	745,600	28,690,438	26,173,189
-	-	-	-	315,000	-	-	-	315,000	295,000
-	-	-	-	39,509	-	-	-	39,509	52,623
<u>116,456</u>	<u>12,042,135</u>	<u>2,768,907</u>	<u>-</u>	<u>24,025,236</u>	<u>311,214</u>	<u>226,155</u>	<u>745,600</u>	<u>70,528,729</u>	<u>66,952,873</u>
<u>(98,544)</u>	<u>(9,432,922)</u>	<u>146,023</u>	<u>174,263</u>	<u>(2,067,416)</u>	<u>148,904</u>	<u>(181,801)</u>	<u>(428,054)</u>	<u>3,443,458</u>	<u>3,327,690</u>
260,741	9,180,180	149,671	-	8,340,282	-	205,330	1,984,615	21,574,964	14,341,033
-	(181,482)	(556,554)	(170,900)	(71,287)	(247,386)	(527,649)	(8,074,864)	(19,272,306)	(11,428,402)
<u>260,741</u>	<u>8,998,698</u>	<u>(406,883)</u>	<u>(170,900)</u>	<u>8,268,995</u>	<u>(247,386)</u>	<u>(322,319)</u>	<u>(6,090,249)</u>	<u>2,302,658</u>	<u>2,912,631</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(560,771)</u>	<u>-</u>	<u>20,964,382</u>	<u>(20,964,382)</u>	<u>(560,771)</u>	<u>-</u>
<u>162,197</u>	<u>(434,224)</u>	<u>(260,860)</u>	<u>3,363</u>	<u>5,640,808</u>	<u>(98,482)</u>	<u>20,460,262</u>	<u>(27,482,685)</u>	<u>5,185,345</u>	<u>6,240,321</u>
<u>1,342,111</u>	<u>1,453,831</u>	<u>2,126,814</u>	<u>13,911</u>	<u>15,079,707</u>	<u>2,194,058</u>	<u>-</u>	<u>27,482,685</u>	<u>94,608,071</u>	<u>88,367,750</u>
<u>1,504,308</u>	<u>1,019,607</u>	<u>1,865,954</u>	<u>17,274</u>	<u>20,720,515</u>	<u>2,095,576</u>	<u>20,460,262</u>	<u>-</u>	<u>99,793,416</u>	<u>94,608,071</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, 2012

	<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>
Revenues:					
Intergovernmental revenues	\$ 2,350,623	4,318,704	3,459,644	(859,060)	3,716,897
Investment earnings	<u>(26,260)</u>	<u>(26,260)</u>	<u>13,031</u>	<u>39,291</u>	<u>(654)</u>
Total revenues	<u>2,324,363</u>	<u>4,292,444</u>	<u>3,472,675</u>	<u>(819,769)</u>	<u>3,716,243</u>
Expenditures:					
Current:					
Public safety	<u>3,122,248</u>	<u>5,288,643</u>	<u>3,206,700</u>	<u>2,081,943</u>	<u>3,325,194</u>
Total expenditures	<u>3,122,248</u>	<u>5,288,643</u>	<u>3,206,700</u>	<u>2,081,943</u>	<u>3,325,194</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(797,885)</u>	<u>(996,199)</u>	<u>265,975</u>	<u>1,262,174</u>	<u>391,049</u>
Change in fund balances	<u>(797,885)</u>	<u>(996,199)</u>	<u>265,975</u>	<u>1,262,174</u>	<u>391,049</u>
Fund balance at beginning of year	<u>914,018</u>	<u>914,018</u>	<u>914,018</u>	<u>-</u>	<u>522,969</u>
Fund balance at end of year	<u>\$ 116,133</u>	<u>(82,181)</u>	<u>1,179,993</u>	<u>1,262,174</u>	<u>914,018</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, 2012

	<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>
Revenues:					
Taxes	\$ 668,424	668,424	708,804	40,380	710,827
Licenses and permits	766,000	766,000	1,003,625	237,625	897,784
Intergovernmental revenues	7,374,680	7,423,869	8,036,087	612,218	7,037,983
Charges for services	622,912	622,912	587,297	(35,615)	587,197
Investment earnings	820	820	-	(820)	-
Miscellaneous revenues	471,083	585,936	191,192	(394,744)	89,724
Total revenues	<u>9,903,919</u>	<u>10,067,961</u>	<u>10,527,005</u>	<u>459,044</u>	<u>9,323,515</u>
Expenditures:					
Current:					
Health	<u>10,808,538</u>	<u>11,034,912</u>	<u>10,899,113</u>	<u>135,799</u>	<u>11,027,480</u>
Total expenditures	<u>10,808,538</u>	<u>11,034,912</u>	<u>10,899,113</u>	<u>135,799</u>	<u>11,027,480</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(904,619)</u>	<u>(966,951)</u>	<u>(372,108)</u>	<u>594,843</u>	<u>(1,703,965)</u>
Other financing sources:					
Transfers in	<u>1,054,131</u>	<u>1,054,131</u>	<u>1,054,131</u>	<u>-</u>	<u>1,425,214</u>
Total other financing sources	<u>1,054,131</u>	<u>1,054,131</u>	<u>1,054,131</u>	<u>-</u>	<u>1,425,214</u>
Change in fund balances	149,512	87,180	682,023	594,843	(278,751)
Fund balance at beginning of year	<u>353,771</u>	<u>353,771</u>	<u>353,771</u>	<u>-</u>	<u>632,522</u>
Fund balance (deficit) at end of year	<u>\$ 503,283</u>	<u>440,951</u>	<u>1,035,794</u>	<u>594,843</u>	<u>353,771</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, 2012

	<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>
Revenues:					
Licenses and permits	\$ 3,795,908	3,795,908	5,782,869	1,986,961	3,694,161
Investment earnings	(20,000)	(20,000)	(14,716)	5,284	(68,092)
Miscellaneous revenues	-	-	2,004	2,004	892
Total revenues	<u>3,775,908</u>	<u>3,775,908</u>	<u>5,770,157</u>	<u>1,994,249</u>	<u>3,626,961</u>
Expenditures:					
Current:					
Community development	<u>4,324,871</u>	<u>4,323,078</u>	<u>4,047,956</u>	<u>275,122</u>	<u>4,799,006</u>
Total expenditures	<u>4,324,871</u>	<u>4,323,078</u>	<u>4,047,956</u>	<u>275,122</u>	<u>4,799,006</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(548,963)</u>	<u>(547,170)</u>	<u>1,722,201</u>	<u>2,269,371</u>	<u>(1,172,045)</u>
Other financing sources (uses):					
Transfers out	-	-	-	-	(85,562)
Total other financing sources (uses)	-	-	-	-	(85,562)
Change in fund balances	(548,963)	(547,170)	1,722,201	2,269,371	(1,257,607)
Fund balance (deficit) at beginning of year	<u>(2,882,505)</u>	<u>(2,882,505)</u>	<u>(2,882,505)</u>	<u>-</u>	<u>(1,624,898)</u>
Fund balance (deficit) at end of year	<u>\$ (3,431,468)</u>	<u>(3,429,675)</u>	<u>(1,160,304)</u>	<u>2,269,371</u>	<u>(2,882,505)</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, 2012

	<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>
Revenues:					
Intergovernmental revenues	\$ -	-	-	-	1,715
Charges for services	6,268,726	6,268,726	7,220,201	951,475	6,540,614
Investment earnings	55,500	55,500	50,865	(4,635)	65,576
Miscellaneous revenues	-	-	16,400	16,400	4,000
Total revenues	<u>6,324,226</u>	<u>6,324,226</u>	<u>7,287,466</u>	<u>963,240</u>	<u>6,611,905</u>
Expenditures:					
Current:					
Sanitation	<u>4,108,478</u>	<u>4,108,135</u>	<u>3,516,602</u>	<u>591,533</u>	<u>3,782,112</u>
Total expenditures	<u>4,108,478</u>	<u>4,108,135</u>	<u>3,516,602</u>	<u>591,533</u>	<u>3,782,112</u>
Excess of revenues over expenditures	<u>2,215,748</u>	<u>2,216,091</u>	<u>3,770,864</u>	<u>1,554,773</u>	<u>2,829,793</u>
Other financing sources (uses):					
Transfers out	<u>(465,918)</u>	<u>(5,750,381)</u>	<u>(3,171,497)</u>	<u>2,578,884</u>	<u>(2,999,581)</u>
Total other financing sources (uses)	<u>(465,918)</u>	<u>(5,750,381)</u>	<u>(3,171,497)</u>	<u>2,578,884</u>	<u>(2,999,581)</u>
Change in fund balances	1,749,830	(3,534,290)	599,367	4,133,657	(169,788)
Fund balance at beginning of year	<u>4,093,984</u>	<u>4,093,984</u>	<u>4,093,984</u>	<u>-</u>	<u>4,263,772</u>
Fund balance at end of year	<u>\$ 5,843,814</u>	<u>559,694</u>	<u>4,693,351</u>	<u>4,133,657</u>	<u>4,093,984</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, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with	Prior
	<u>Original</u>	<u>Final</u>		Final Budget	Year
				Positive (Negative)	Actual
Revenues:					
Taxes	\$ 5,326,368	5,326,368	5,026,652	(299,716)	5,149,200
Investment earnings	450,000	450,000	405,196	(44,804)	606,879
Total revenues	<u>5,776,368</u>	<u>5,776,368</u>	<u>5,431,848</u>	<u>(344,520)</u>	<u>5,756,079</u>
Expenditures:					
Current:					
Transportation	42,051	42,051	42,051	-	42,051
Total expenditures	<u>42,051</u>	<u>42,051</u>	<u>42,051</u>	-	<u>42,051</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,734,317</u>	<u>5,734,317</u>	<u>5,389,797</u>	<u>(344,520)</u>	<u>5,714,028</u>
Other financing sources (uses):					
Transfers out	(48,060)	(6,404,310)	(2,407,105)	3,997,205	(3,238,867)
Total other financing sources (uses)	<u>(48,060)</u>	<u>(6,404,310)</u>	<u>(2,407,105)</u>	<u>3,997,205</u>	<u>(3,238,867)</u>
Change in fund balances	5,686,257	(669,993)	2,982,692	3,652,685	2,475,161
Fund balance at beginning of year	<u>32,891,198</u>	<u>32,891,198</u>	<u>32,891,198</u>	-	<u>30,416,037</u>
Fund balance at end of year	<u>\$ 38,577,455</u>	<u>32,221,205</u>	<u>35,873,890</u>	<u>3,652,685</u>	<u>32,891,198</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, 2012

	<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>
Revenues:					
Intergovernmental revenues	\$ 11,306,588	11,566,428	10,590,774	(975,654)	9,858,813
Charges for services	863,571	863,571	863,601	30	860,197
Investment earnings	118,610	118,610	119,276	666	(11,105)
Miscellaneous revenues	1,495,963	1,495,963	1,413,229	(82,734)	1,645,295
Total revenues	<u>13,784,732</u>	<u>14,044,572</u>	<u>12,986,880</u>	<u>(1,057,692)</u>	<u>12,353,200</u>
Expenditures:					
Current:					
Transportation	<u>9,566,479</u>	<u>9,893,190</u>	<u>8,580,604</u>	<u>1,312,586</u>	<u>8,462,972</u>
Total expenditures	<u>9,566,479</u>	<u>9,893,190</u>	<u>8,580,604</u>	<u>1,312,586</u>	<u>8,462,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,218,253</u>	<u>4,151,382</u>	<u>4,406,276</u>	<u>254,894</u>	<u>3,890,228</u>
Other financing sources (uses):					
Transfers in	400,014	464,974	400,014	(64,960)	386,579
Transfers out	<u>-</u>	<u>(6,930,929)</u>	<u>(3,863,582)</u>	<u>3,067,347</u>	<u>(2,278,191)</u>
Total other financing sources (uses)	<u>400,014</u>	<u>(6,465,955)</u>	<u>(3,463,568)</u>	<u>3,002,387</u>	<u>(1,891,612)</u>
Change in fund balances	4,618,267	(2,314,573)	942,708	3,257,281	1,998,616
Fund balance at beginning of year	<u>9,544,488</u>	<u>9,544,488</u>	<u>9,544,488</u>	<u>-</u>	<u>7,545,872</u>
Fund balance at end of year	<u>\$ 14,162,755</u>	<u>7,229,915</u>	<u>10,487,196</u>	<u>3,257,281</u>	<u>9,544,488</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, 2012

	<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>
Revenues:					
Investment earnings	\$ 17,000	17,000	17,912	912	9,920
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>17,912</u>	<u>912</u>	<u>9,920</u>
Expenditures:					
Current:					
Culture and leisure	<u>129,094</u>	<u>129,094</u>	<u>116,456</u>	<u>12,638</u>	<u>110,877</u>
Total expenditures	<u>129,094</u>	<u>129,094</u>	<u>116,456</u>	<u>12,638</u>	<u>110,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,094)</u>	<u>(112,094)</u>	<u>(98,544)</u>	<u>13,550</u>	<u>(100,957)</u>
Other financing sources:					
Transfers in	<u>260,741</u>	<u>260,741</u>	<u>260,741</u>	<u>-</u>	<u>311,125</u>
Total other financing sources	<u>260,741</u>	<u>260,741</u>	<u>260,741</u>	<u>-</u>	<u>311,125</u>
Change in fund balances	148,647	148,647	162,197	13,550	210,168
Fund balance at beginning of year	<u>1,342,111</u>	<u>1,342,111</u>	<u>1,342,111</u>	<u>-</u>	<u>1,131,943</u>
Fund balance at end of year	<u>\$ 1,490,758</u>	<u>1,490,758</u>	<u>1,504,308</u>	<u>13,550</u>	<u>1,342,111</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, 2012

	<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>
Revenues:					
Taxes	\$ 2,360,615	2,360,615	2,385,833	25,218	2,312,627
Intergovernmental revenues	70,314	70,314	88,597	18,283	134,794
Charges for services	14,040	14,040	11,067	(2,973)	11,290
Investment earnings	15,800	15,800	25,315	9,515	532
Rental income	1,000	1,000	2,130	1,130	855
Miscellaneous revenues	103,000	103,000	96,271	(6,729)	118,132
Total revenues	<u>2,564,769</u>	<u>2,564,769</u>	<u>2,609,213</u>	<u>44,444</u>	<u>2,578,230</u>
Expenditures:					
Current:					
Culture and leisure	<u>11,709,535</u>	<u>11,705,108</u>	<u>12,042,135</u>	<u>(337,027)</u>	<u>11,119,765</u>
Total expenditures	<u>11,709,535</u>	<u>11,705,108</u>	<u>12,042,135</u>	<u>(337,027)</u>	<u>11,119,765</u>
(Deficiency) of revenues					
(under) expenditures	<u>(9,144,766)</u>	<u>(9,140,339)</u>	<u>(9,432,922)</u>	<u>(292,583)</u>	<u>(8,541,535)</u>
Other financing sources (uses):					
Transfers in	10,159,646	10,159,646	9,180,180	(979,466)	9,201,246
Transfers out	<u>-</u>	<u>(376,000)</u>	<u>(181,482)</u>	<u>194,518</u>	<u>-</u>
Total other financing sources (uses)	<u>10,159,646</u>	<u>9,783,646</u>	<u>8,998,698</u>	<u>(784,948)</u>	<u>9,201,246</u>
Change in fund balances	1,014,880	643,307	(434,224)	(1,077,531)	659,711
Fund balance at beginning of year	<u>1,453,831</u>	<u>1,453,831</u>	<u>1,453,831</u>	<u>-</u>	<u>794,120</u>
Fund balance at end of year	<u>\$ 2,468,711</u>	<u>2,097,138</u>	<u>1,019,607</u>	<u>(1,077,531)</u>	<u>1,453,831</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, 2012

	<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>
Revenues:					
Taxes	\$ 15,000	15,000	10,927	(4,073)	13,459
Charges for services	382,800	382,800	410,618	27,818	543,817
Investment earnings	36,550	36,550	20,751	(15,799)	19,536
Rental income	2,572,896	2,572,896	2,471,320	(101,576)	2,196,245
Miscellaneous revenues	500	500	1,314	814	432
Total revenues	<u>3,007,746</u>	<u>3,007,746</u>	<u>2,914,930</u>	<u>(92,816)</u>	<u>2,773,489</u>
Expenditures:					
Current:					
Transportation	<u>2,632,942</u>	<u>2,834,135</u>	<u>2,768,907</u>	<u>65,228</u>	<u>2,363,626</u>
Total expenditures	<u>2,632,942</u>	<u>2,834,135</u>	<u>2,768,907</u>	<u>65,228</u>	<u>2,363,626</u>
Excess of revenues over expenditures	<u>374,804</u>	<u>173,611</u>	<u>146,023</u>	<u>(27,588)</u>	<u>409,863</u>
Other financing sources (uses):					
Transfers in	149,671	149,671	149,671	-	149,671
Transfers out	<u>(605,739)</u>	<u>(897,580)</u>	<u>(556,554)</u>	<u>341,026</u>	<u>(895,589)</u>
Total other financing sources (uses)	<u>(456,068)</u>	<u>(747,909)</u>	<u>(406,883)</u>	<u>341,026</u>	<u>(745,918)</u>
Change in fund balances	(81,264)	(574,298)	(260,860)	313,438	(336,055)
Fund balance at beginning of year	<u>2,126,814</u>	<u>2,126,814</u>	<u>2,126,814</u>	<u>-</u>	<u>2,462,869</u>
Fund balance at end of year	<u>\$ 2,045,550</u>	<u>1,552,516</u>	<u>1,865,954</u>	<u>313,438</u>	<u>2,126,814</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, 2012

	<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>
Revenues:					
Intergovernmental revenues	\$ 170,900	170,900	174,263	3,363	169,793
Investment earnings	(187)	(187)	-	187	13
Total revenues	<u>170,713</u>	<u>170,713</u>	<u>174,263</u>	<u>3,550</u>	<u>169,806</u>
Expenditures:					
Current:					
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>170,713</u>	<u>170,713</u>	<u>174,263</u>	<u>3,550</u>	<u>169,806</u>
Other financing sources (uses):					
Transfers out	(170,900)	(170,900)	(170,900)	-	(186,201)
Total other financing sources (uses)	<u>(170,900)</u>	<u>(170,900)</u>	<u>(170,900)</u>	<u>-</u>	<u>(186,201)</u>
Change in fund balances	(187)	(187)	3,363	3,550	(16,395)
Fund balance at beginning of year	<u>13,911</u>	<u>13,911</u>	<u>13,911</u>	<u>-</u>	<u>30,306</u>
Fund balance at end of year	<u>\$ 13,724</u>	<u>13,724</u>	<u>17,274</u>	<u>3,550</u>	<u>13,911</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, 2012

	<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>
Revenues:					
Intergovernmental revenues	\$ 18,974,214	18,974,214	20,877,363	1,903,149	18,866,743
Investment earnings	77,840	77,840	85,224	7,384	89,180
Rental income	81,600	81,600	139,794	58,194	75,865
Miscellaneous revenues	449,828	449,828	855,439	405,611	3,541,312
Total revenues	<u>19,583,482</u>	<u>19,583,482</u>	<u>21,957,820</u>	<u>2,374,338</u>	<u>22,573,100</u>
Expenditures:					
Current:					
Community development	20,697,593	21,891,223	23,670,727	(1,779,504)	19,665,378
Debt service:					
Principal retirement	338,251	338,251	315,000	23,251	295,000
Interest	16,258	16,258	39,509	(23,251)	52,623
Total expenditures	<u>21,052,102</u>	<u>22,245,732</u>	<u>24,025,236</u>	<u>(1,779,504)</u>	<u>20,013,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,468,620)</u>	<u>(2,662,250)</u>	<u>(2,067,416)</u>	<u>594,834</u>	<u>2,560,099</u>
Other financing sources (uses):					
Transfers in	36,249	36,249	8,340,282	8,304,033	-
Transfers out	-	-	(71,287)	(71,287)	(483,496)
Total other financing sources (uses)	<u>36,249</u>	<u>36,249</u>	<u>8,268,995</u>	<u>8,232,746</u>	<u>(483,496)</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>(560,771)</u>	<u>(560,771)</u>	<u>-</u>
Change in fund balances	(1,432,371)	(2,626,001)	5,640,808	8,266,809	2,076,603
Fund balance at beginning of year, as restated	<u>15,079,707</u>	<u>15,079,707</u>	<u>15,079,707</u>	<u>-</u>	<u>13,003,104</u>
Fund balance at end of year	<u>\$ 13,647,336</u>	<u>12,453,706</u>	<u>20,720,515</u>	<u>8,266,809</u>	<u>15,079,707</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, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with	Prior
	<u>Original</u>	<u>Final</u>		Final Budget	Year
				Positive (Negative)	Actual
Revenues:					
Investment earnings	\$ 32,722.00	32,722	23,544	(9,178)	26,422
Miscellaneous revenue	-	-	384,874	384,874	164,704
Contributions	-	-	51,700	51,700	329,317
Total revenues	<u>32,722</u>	<u>32,722</u>	<u>460,118</u>	<u>427,396</u>	<u>520,443</u>
Expenditures:					
Current:					
Culture and leisure	<u>255,219</u>	<u>255,219</u>	<u>311,214</u>	<u>(55,995)</u>	<u>206,873</u>
Total expenditures	<u>255,219</u>	<u>255,219</u>	<u>311,214</u>	<u>(55,995)</u>	<u>206,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(222,497)</u>	<u>(222,497)</u>	<u>148,904</u>	<u>371,401</u>	<u>313,570</u>
Other financing sources (uses):					
Transfers out	<u>-</u>	<u>-</u>	<u>(247,386)</u>	<u>(247,386)</u>	<u>(295,190)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(247,386)</u>	<u>(247,386)</u>	<u>(295,190)</u>
Change in fund balances	(222,497)	(222,497)	(98,482)	124,015	18,380
Fund balance at beginning of year	<u>2,194,058</u>	<u>2,194,058</u>	<u>2,194,058</u>	<u>-</u>	<u>2,175,678</u>
Fund balance at end of year	<u>\$ 1,971,561</u>	<u>1,971,561</u>	<u>2,095,576</u>	<u>124,015</u>	<u>2,194,058</u>

CITY OF PASADENA
Housing Successor Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<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>Actual</u>
Revenues:					
Investment earnings	\$ -	-	14,453	14,453	-
Miscellaneous revenues	-	-	29,901	29,901	-
Total revenues	<u>-</u>	<u>-</u>	<u>44,354</u>	<u>44,354</u>	<u>-</u>
Expenditures:					
Current:					
Community development	-	-	226,155	(226,155)	-
Total expenditures	<u>-</u>	<u>-</u>	<u>226,155</u>	<u>(226,155)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(181,801)</u>	<u>(181,801)</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	205,330	205,330	-
Transfers out	-	-	(527,649)	(527,649)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(322,319)</u>	<u>(322,319)</u>	<u>-</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>20,964,382</u>	<u>20,964,382</u>	<u>-</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>20,460,262</u>	<u>20,460,262</u>	<u>-</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>-</u>	<u>20,460,262</u>	<u>20,460,262</u>	<u>-</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, 2012

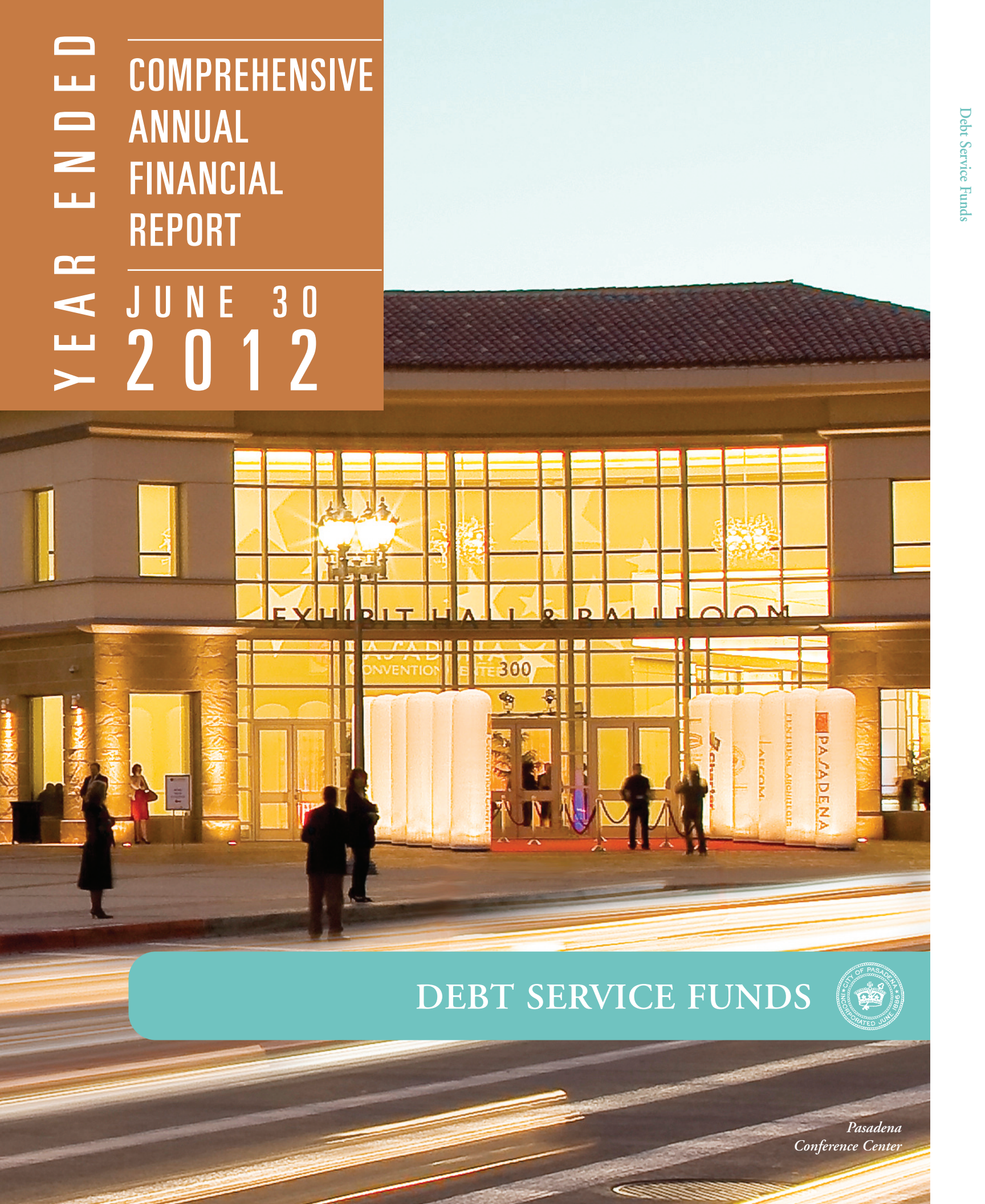
	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>Prior</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Year</u>
				<u>Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Intergovernmental revenues	\$ -	-	-	-	42,524
Investment earnings	63,145	63,145	91,652	28,507	49,218
Rental income	82,556	82,556	7,000	(75,556)	93,662
Miscellaneous revenues	<u>147,590</u>	<u>147,590</u>	<u>218,894</u>	<u>71,304</u>	<u>82,268</u>
Total revenues	<u>293,291</u>	<u>293,291</u>	<u>317,546</u>	<u>24,255</u>	<u>267,672</u>
Expenditures:					
Current:					
Community development	<u>2,426,343</u>	<u>2,426,343</u>	<u>745,600</u>	<u>1,680,743</u>	<u>1,699,916</u>
Total expenditures	<u>2,426,343</u>	<u>2,426,343</u>	<u>745,600</u>	<u>1,680,743</u>	<u>1,699,916</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,133,052)</u>	<u>(2,133,052)</u>	<u>(428,054)</u>	<u>1,704,998</u>	<u>(1,432,244)</u>
Other financing sources (uses):					
Transfers in	3,488,253	3,488,253	1,984,615	(1,503,638)	2,867,198
Transfers out	<u>(847,927)</u>	<u>(847,927)</u>	<u>(8,074,864)</u>	<u>(7,226,937)</u>	<u>(965,725)</u>
Total other financing sources (uses)	<u>2,640,326</u>	<u>2,640,326</u>	<u>(6,090,249)</u>	<u>(8,730,575)</u>	<u>1,901,473</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>(20,964,382)</u>	<u>(20,964,382)</u>	<u>-</u>
Change in fund balances	507,274	507,274	(27,482,685)	(27,989,959)	469,229
Fund balance at beginning of year, as restated	<u>27,482,685</u>	<u>27,482,685</u>	<u>27,482,685</u>	<u>-</u>	<u>27,013,456</u>
Fund balance at end of year	<u>\$ 27,989,959</u>	<u>27,989,959</u>	<u>-</u>	<u>(27,989,959)</u>	<u>27,482,685</u>

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YEAR ENDED

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2012



DEBT SERVICE FUNDS



NON-MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

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

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

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

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

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

CITY OF PASADENA
Non-Major Governmental Funds
Debt Service Funds
Combining Balance Sheet
June 30, 2012

	<u>1993 Certificates of Participation (COP)</u>	<u>2006 Lease Revenue Bond Debt Service</u>	<u>2008 Series B Refunding COP Debt Service</u>	<u>2008 Series C Refunding COP Debt Service</u>
<u>Assets</u>				
Cash and investments	\$ 3,683,548	828,299	1,245,167	4,886,317
Accounts receivable	-	-	-	-
Total assets	<u>\$ 3,683,548</u>	<u>828,299</u>	<u>1,245,167</u>	<u>4,886,317</u>
Fund balances:				
Restricted	<u>\$ 3,683,548</u>	<u>828,299</u>	<u>1,245,167</u>	<u>4,886,317</u>
Total fund balances	<u>3,683,548</u>	<u>828,299</u>	<u>1,245,167</u>	<u>4,886,317</u>
Total liabilities and fund balances	<u>\$ 3,683,548</u>	<u>828,299</u>	<u>1,245,167</u>	<u>4,886,317</u>

Totals

<u>2012</u>	<u>2011</u>
10,643,331	10,677,131
<u>-</u>	<u>-</u>
<u>10,643,331</u>	<u>10,677,131</u>
<u>10,643,331</u>	<u>10,677,131</u>
<u>10,643,331</u>	<u>10,677,131</u>
<u>10,643,331</u>	<u>10,677,131</u>

CITY OF PASADENA
Non-Major Governmental Funds
Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	1993	2006 Lease	2008 Series B	2008 Series C
	Certificates of	Revenue Bond	Refunding COP	Refunding COP
	<u>Participation (COP)</u>	<u>Debt Service</u>	<u>Debt Service</u>	<u>Debt Service</u>
Revenues:				
Investment earnings	\$ 40,051	17,485	26,335	82,302
Total revenues	<u>40,051</u>	<u>17,485</u>	<u>26,335</u>	<u>82,302</u>
Expenditures:				
Current:				
General government	4,798	1,204	4,647	4,684
Debt service:				
Principal retirement	4,960,000	525,000	2,380,740	1,390,000
Interest	<u>839,950</u>	<u>329,608</u>	<u>925,585</u>	<u>3,122,165</u>
Total expenditures	<u>5,804,748</u>	<u>855,812</u>	<u>3,310,972</u>	<u>4,516,849</u>
(Deficiency) of revenues (under) expenditures	<u>(5,764,697)</u>	<u>(838,327)</u>	<u>(3,284,637)</u>	<u>(4,434,547)</u>
Other financing sources:				
Transfers in	<u>5,738,137</u>	<u>841,022</u>	<u>3,283,075</u>	<u>4,426,174</u>
Total other financing sources	<u>5,738,137</u>	<u>841,022</u>	<u>3,283,075</u>	<u>4,426,174</u>
Change in fund balances	(26,560)	2,695	(1,562)	(8,373)
Fund balances at beginning of year	<u>3,710,108</u>	<u>825,604</u>	<u>1,246,729</u>	<u>4,894,690</u>
Fund balances at end of year	<u>\$ 3,683,548</u>	<u>828,299</u>	<u>1,245,167</u>	<u>4,886,317</u>

Totals

<u>2012</u>	<u>2011</u>
<u>166,173</u>	<u>167,927</u>
<u>166,173</u>	<u>167,927</u>
15,333	17,117
9,255,740	11,290,899
<u>5,217,308</u>	<u>5,691,740</u>
<u>14,488,381</u>	<u>16,999,756</u>
<u>(14,322,208)</u>	<u>(16,831,829)</u>
<u>14,288,408</u>	<u>13,826,563</u>
<u>14,288,408</u>	<u>13,826,563</u>
(33,800)	(3,005,266)
<u>10,677,131</u>	<u>13,682,397</u>
<u>10,643,331</u>	<u>10,677,131</u>

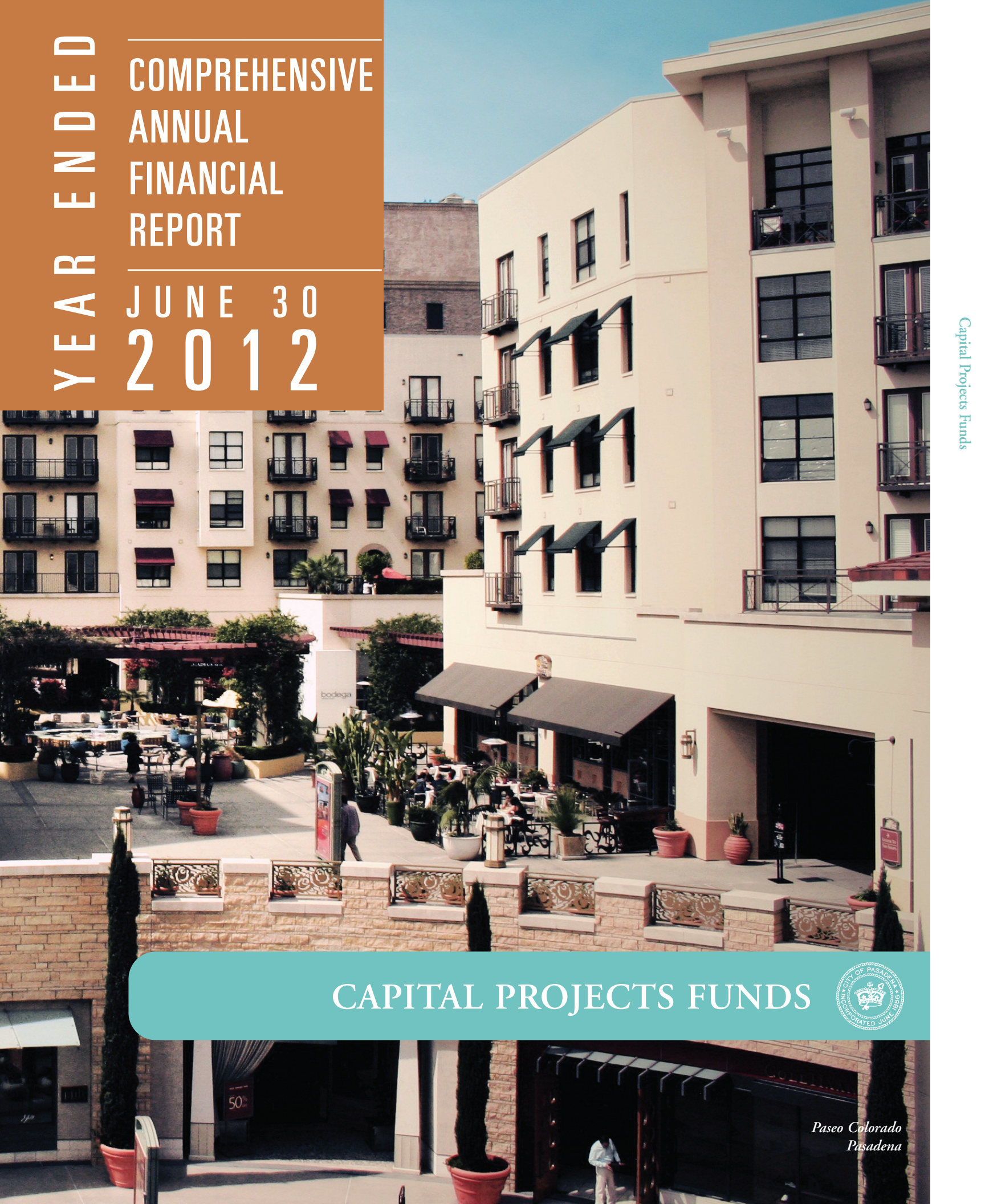
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YEAR ENDED

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Capital Projects Funds



CAPITAL PROJECTS FUNDS



Paseo Colorado
Pasadena

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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

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

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

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

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.

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

2006 Lease Revenue Bond Capital Project Fund – to account for the financing of certain construction projects and infrastructure improvements.

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

CITY OF PASADENA
Non-Major Governmental Funds

Capital Projects Funds
Combining Balance Sheet

June 30, 2012

	Charter Capital Projects	New Development Impact	Residential Development Impact	1996 Multi-Purpose Capital Project Certificates of Participation
<u>Assets</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and investments	\$ 3,804,664	694,469	11,674,996	-
Accounts receivable	2,887	1,963	32,998	-
Notes receivable	-	-	-	-
Due from other funds	-	-	-	-
Prepays and other assets	-	-	-	-
Advances to other funds	-	-	-	2,196,629
Allowance for uncollectible long-term receivables	-	-	-	-
Total assets	<u>\$ 3,807,551</u>	<u>696,432</u>	<u>11,707,994</u>	<u>2,196,629</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	2,196,629
Restricted	3,807,551	-	-	-
Committed	-	696,432	11,707,994	-
Unassigned	-	-	-	-
Total fund balances	<u>3,807,551</u>	<u>696,432</u>	<u>11,707,994</u>	<u>2,196,629</u>
Total liabilities and fund balances	<u>\$ 3,807,551</u>	<u>696,432</u>	<u>11,707,994</u>	<u>2,196,629</u>

10% Green Fee Capital Projects	Capital Public Art	2006 Lease	Traffic	Pasadena	Totals	
		Revenue Bond Capital Project	Reduction Transportation Improvement	Community Development Commission	2012	2011
487,079	620,771	-	214,558	-	17,496,537	16,704,729
1,377	1,770	-	606	-	41,601	458,685
-	-	-	-	-	-	7,331,498
-	-	-	-	-	-	1,697,184
-	-	-	-	-	-	2,768
-	-	-	-	-	2,196,629	11,093,088
-	-	-	-	-	-	(11,372,149)
<u>488,456</u>	<u>622,541</u>	<u>-</u>	<u>215,164</u>	<u>-</u>	<u>19,734,767</u>	<u>25,915,803</u>
-	-	-	-	-	-	152,433
-	-	-	-	-	-	1,388,078
-	-	-	-	-	-	65,833,946
-	-	-	-	-	-	67,374,457
-	-	-	-	-	2,196,629	7,052,437
-	-	-	-	-	3,807,551	3,800,844
488,456	622,541	-	215,164	-	13,730,587	10,154,813
-	-	-	-	-	-	(62,466,748)
<u>488,456</u>	<u>622,541</u>	<u>-</u>	<u>215,164</u>	<u>-</u>	<u>19,734,767</u>	<u>(41,458,654)</u>
<u>488,456</u>	<u>622,541</u>	<u>-</u>	<u>215,164</u>	<u>-</u>	<u>19,734,767</u>	<u>25,915,803</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, 2012

	Charter Capital Projects	New Development Impact	Residential Development Impact	1996 Multi-Purpose Capital Project Certificates of Participation
Revenues:				
Taxes	\$ -	-	-	-
Charges for services	-	-	-	-
Investment earnings	32,727	8,212	108,565	117,236
Rental income	-	-	-	-
Miscellaneous revenues	-	-	-	-
Contributions	-	-	4,374,566	-
	<u>32,727</u>	<u>8,212</u>	<u>4,483,131</u>	<u>117,236</u>
Total revenues	<u>32,727</u>	<u>8,212</u>	<u>4,483,131</u>	<u>117,236</u>
Expenditures:				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>32,727</u>	<u>8,212</u>	<u>4,483,131</u>	<u>117,236</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(26,020)	(263,273)	(705,065)	(452,324)
	<u>(26,020)</u>	<u>(263,273)</u>	<u>(705,065)</u>	<u>(452,324)</u>
Total other financing sources (uses)	<u>(26,020)</u>	<u>(263,273)</u>	<u>(705,065)</u>	<u>(452,324)</u>
Extraordinary gain (loss)	<u>-</u>	<u>(355,490)</u>	<u>-</u>	<u>(1,395,582)</u>
Change in fund balances	<u>6,707</u>	<u>(610,551)</u>	<u>3,778,066</u>	<u>(1,730,670)</u>
Fund balances (deficits) at beginning of year, as restated	<u>3,800,844</u>	<u>1,306,983</u>	<u>7,929,928</u>	<u>3,927,299</u>
Fund balances (deficits) at end of year	<u>\$ 3,807,551</u>	<u>696,432</u>	<u>11,707,994</u>	<u>2,196,629</u>

10% Green Fee Capital Projects	Capitall Public Art	2006 Lease			Totals	
		Revenue Bond Capital Project	Traffic Reduction Transportation Improvement	Pasadena Community Development Commission	2012	2011
-	-	-	-	1,954,015	1,954,015	4,479,154
-	-	-	195,299	-	195,299	161,895
5,034	7,177	-	1,981	(54,554)	226,378	319,267
-	-	-	-	505,515	505,515	1,161,224
-	14,025	-	-	3,000	17,025	163,280
-	-	-	-	-	4,374,566	402,959
<u>5,034</u>	<u>21,202</u>	<u>-</u>	<u>197,280</u>	<u>2,407,976</u>	<u>7,272,798</u>	<u>6,687,779</u>
-	-	-	-	-	-	114,168
-	-	-	-	1,580,579	1,580,579	5,472,240
-	170,747	-	-	-	170,747	57,902
-	-	-	-	3,179,981	3,179,981	4,599,225
-	170,747	-	-	4,760,560	4,931,307	10,243,535
<u>5,034</u>	<u>(149,545)</u>	<u>-</u>	<u>197,280</u>	<u>(2,352,584)</u>	<u>2,341,491</u>	<u>(3,555,756)</u>
-	-	-	-	827,395	827,395	1,291,242
-	-	-	-	(2,071,520)	(3,518,202)	(7,878,158)
-	-	-	-	(1,244,125)	(2,690,807)	(6,586,916)
-	-	-	-	63,293,809	61,542,737	-
<u>5,034</u>	<u>(149,545)</u>	<u>-</u>	<u>197,280</u>	<u>59,697,100</u>	<u>61,193,421</u>	<u>(10,142,672)</u>
<u>483,422</u>	<u>772,086</u>	<u>-</u>	<u>17,884</u>	<u>(59,697,100)</u>	<u>(41,458,654)</u>	<u>(31,315,982)</u>
<u>488,456</u>	<u>622,541</u>	<u>-</u>	<u>215,164</u>	<u>-</u>	<u>19,734,767</u>	<u>(41,458,654)</u>

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YEAR ENDED

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Permanent Funds

PERMANENT FUNDS



*Diversity, Cecelia Lueza
Rotating Public Art Exhibition Program*

NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

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

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

Singer Trust Fund - for maintenance of Singer Park.

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

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.

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

CITY OF PASADENA
Non-Major Governmental Funds
Permanent Funds
Combining Balance Sheet
June 30, 2012

	Vroman Art Bequest	Singer Trust	Noble Award	Holmes Bequest
<u>Assets</u>				
Cash and investments	\$ 5,980	42,740	5,693	25,435
Accounts receivable	17	121	16	72
Total assets	\$ 5,997	42,861	5,709	25,507
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 598	-	-	-
Total liabilities	598	-	-	-
Fund balances:				
Nonspendable	5,000	23,426	1,100	25,507
Restricted	399	19,435	4,609	-
Committed	-	-	-	-
Total fund balances	5,399	42,861	5,709	25,507
Total liabilities and fund balances	\$ 5,997	42,861	5,709	25,507

<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>M.A. Berger Trust</u>	<u>Totals</u>	
						<u>2012</u>	<u>2011</u>
297	1,007,916	4,295	25,658	109,425	1,217,694	2,445,133	2,112,946
<u>1</u>	<u>2,849</u>	<u>12</u>	<u>73</u>	<u>309</u>	<u>3,442</u>	<u>6,912</u>	<u>4,010</u>
<u>298</u>	<u>1,010,765</u>	<u>4,307</u>	<u>25,731</u>	<u>109,734</u>	<u>1,221,136</u>	<u>2,452,045</u>	<u>2,116,956</u>
-	-	-	-	-	-	598	463
-	-	-	-	-	-	598	463
298	400,000	4,307	25,000	100,000	875,000	1,459,638	1,473,253
-	-	-	731	9,734	346,136	381,044	44,012
-	610,765	-	-	-	-	610,765	599,228
<u>298</u>	<u>1,010,765</u>	<u>4,307</u>	<u>25,731</u>	<u>109,734</u>	<u>1,221,136</u>	<u>2,451,447</u>	<u>2,116,493</u>
<u>298</u>	<u>1,010,765</u>	<u>4,307</u>	<u>25,731</u>	<u>109,734</u>	<u>1,221,136</u>	<u>2,452,045</u>	<u>2,116,956</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, 2012

	<u>Vroman Art Bequest</u>	<u>Singer Trust</u>	<u>Noble Award</u>	<u>Holmes Bequest</u>
Revenues:				
Investment earnings	\$ 71	489	65	264
Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>71</u>	<u>489</u>	<u>65</u>	<u>264</u>
Expenditures:				
Current:				
Culture and leisure	<u>823</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>823</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(752)</u>	<u>489</u>	<u>65</u>	<u>264</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,355)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,355)</u>
Change in fund balances	(752)	489	65	(13,091)
Fund balances at beginning of year	<u>6,151</u>	<u>42,372</u>	<u>5,644</u>	<u>38,598</u>
Fund balances at end of year	<u>\$ 5,399</u>	<u>42,861</u>	<u>5,709</u>	<u>25,507</u>

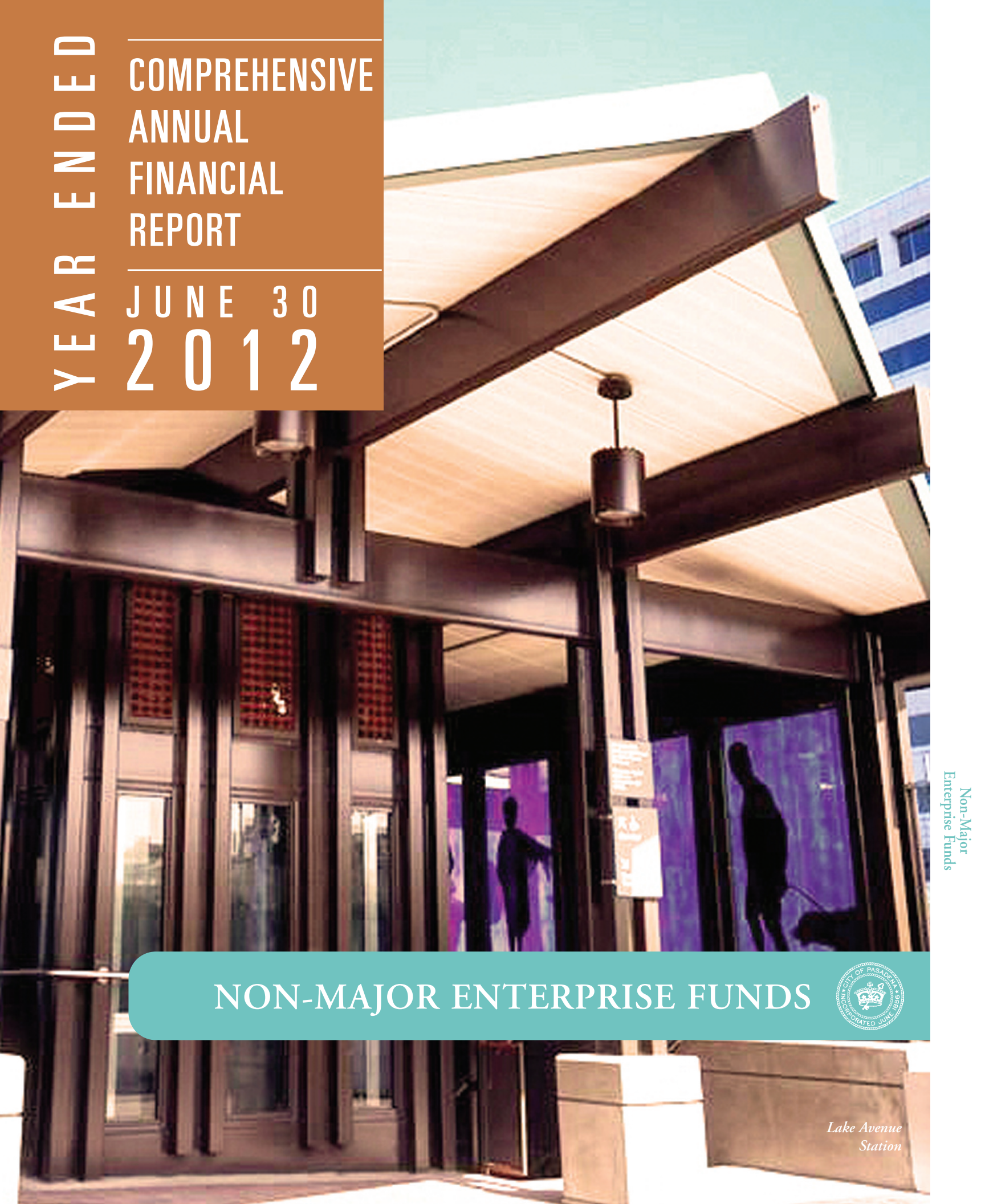
<u>Sheldon Memorial</u>	<u>Pasadena Center Capital Improvement Trust</u>	<u>Cox Trust</u>	<u>Jankos Trust</u>	<u>Hudson Family Trust</u>	<u>M.A. Berger Trust</u>	<u>Totals</u>	
						<u>2012</u>	<u>2011</u>
						3	11,537
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,000</u>	<u>320,000</u>	<u>875,000</u>
<u>3</u>	<u>11,537</u>	<u>53</u>	<u>291</u>	<u>1,253</u>	<u>335,686</u>	<u>349,712</u>	<u>900,756</u>
<u>-</u>	<u>-</u>	<u>580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,403</u>	<u>936</u>
<u>-</u>	<u>-</u>	<u>580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,403</u>	<u>936</u>
<u>3</u>	<u>11,537</u>	<u>(527)</u>	<u>291</u>	<u>1,253</u>	<u>335,686</u>	<u>348,309</u>	<u>899,820</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,355)</u>	<u>(15,935)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,355)</u>	<u>(15,935)</u>
3	11,537	(527)	291	1,253	335,686	334,954	883,885
<u>295</u>	<u>999,228</u>	<u>4,834</u>	<u>25,440</u>	<u>108,481</u>	<u>885,450</u>	<u>2,116,493</u>	<u>1,232,608</u>
<u>298</u>	<u>1,010,765</u>	<u>4,307</u>	<u>25,731</u>	<u>109,734</u>	<u>1,221,136</u>	<u>2,451,447</u>	<u>2,116,493</u>

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YEAR ENDED

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

JUNE 30
2012



Non-Major
Enterprise Funds

NON-MAJOR ENTERPRISE FUNDS



Lake Avenue
Station

NON-MAJOR ENTERPRISE FUNDS

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

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, 2012

	Plaza Las Fuentes Parking	Refuse Collection	Tele- communi- cations	Del Mar Goldline Parking Garage	Totals	
					2012	2011
Assets						
Current assets:						
Cash and investments	\$ 1,387,074	-	981,303	567,064	2,935,441	6,799,140
Accounts receivable, net	156,636	1,949,293	160,587	22,810	2,289,326	2,157,452
Total current assets	<u>1,543,710</u>	<u>1,949,293</u>	<u>1,141,890</u>	<u>589,874</u>	<u>5,224,767</u>	<u>8,956,592</u>
Noncurrent assets:						
Restricted assets - cash and investments:						
Other restricted cash and investments	2,700,529	-	-	-	2,700,529	2,779,599
Advances to other funds	4,546,129	-	-	-	4,546,129	4,704,101
Capital assets	15,852,268	9,551,558	336,846	2,450,000	28,190,672	27,715,414
Less accumulated depreciation	<u>(8,250,507)</u>	<u>(5,327,855)</u>	<u>(8,522)</u>	<u>(490,000)</u>	<u>(14,076,884)</u>	<u>(14,317,994)</u>
Net property, plant and equipment	<u>7,601,761</u>	<u>4,223,703</u>	<u>328,324</u>	<u>1,960,000</u>	<u>14,113,788</u>	<u>13,397,420</u>
Total noncurrent assets	<u>14,848,419</u>	<u>4,223,703</u>	<u>328,324</u>	<u>1,960,000</u>	<u>21,360,446</u>	<u>20,881,120</u>
Total assets	<u>16,392,129</u>	<u>6,172,996</u>	<u>1,470,214</u>	<u>2,549,874</u>	<u>26,585,213</u>	<u>29,837,712</u>
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	2,470	470,476	(2,984)	21,069	491,031	586,976
Deposits	-	2,782,801	-	5,180	2,787,981	2,574,327
Due to other funds	-	188,240	-	-	188,240	-
Certificates of participation - current	2,300,000	-	-	-	2,300,000	2,100,000
Capitalized lease obligations - current	-	34,202	-	-	34,202	32,924
Total current liabilities	<u>2,302,470</u>	<u>3,475,719</u>	<u>(2,984)</u>	<u>26,249</u>	<u>5,801,454</u>	<u>5,294,227</u>
Long-term liabilities:						
Advances from other funds	-	-	-	2,959,136	2,959,136	2,959,136
Certificates of participation - long-term	-	-	-	-	-	2,300,000
Capitalized lease obligations - long-term	-	44,626	-	-	44,626	78,829
Total long-term liabilities	<u>-</u>	<u>44,626</u>	<u>-</u>	<u>2,959,136</u>	<u>3,003,762</u>	<u>5,337,965</u>
Total liabilities	<u>2,302,470</u>	<u>3,520,345</u>	<u>(2,984)</u>	<u>2,985,385</u>	<u>8,805,216</u>	<u>10,632,192</u>
Net Assets						
Invested in capital assets, net of related debt	8,002,290	4,144,875	328,324	1,960,000	14,435,489	11,665,266
Unrestricted	6,087,369	(1,492,224)	1,144,874	(2,395,511)	3,344,508	7,540,254
Total net assets (deficit)	<u>\$ 14,089,659</u>	<u>2,652,651</u>	<u>1,473,198</u>	<u>(435,511)</u>	<u>17,779,997</u>	<u>19,205,520</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, 2012

	Plaza Las Fuentes Parking	Refuse Collection	Tele- communi- cations	Del Mar Goldline Parking Garage	Totals	
					2012	2011
Operating revenues:						
Charges for services:						
Plaza Las Fuentes parking	\$ 2,163,983	-	-	-	2,163,983	2,081,499
Refuse collection	-	11,291,409	-	-	11,291,409	10,918,207
Telecommunication	-	-	670,421	-	670,421	681,148
Del Mar Goldline Parking Garage	-	-	-	382,118	382,118	349,448
Total operating revenues	<u>2,163,983</u>	<u>11,291,409</u>	<u>670,421</u>	<u>382,118</u>	<u>14,507,931</u>	<u>14,030,302</u>
Operating expenses:						
Plaza Las Fuentes parking	1,836,639	-	-	-	1,836,639	1,929,360
Refuse collection	-	16,123,859	-	-	16,123,859	12,759,635
Telecommunications	-	-	258,692	-	258,692	379,751
Del Mar Goldline Parking Garage	-	-	-	266,868	266,868	293,671
Depreciation	324,373	655,646	8,522	122,500	1,111,041	831,812
Total operating expenses	<u>2,161,012</u>	<u>16,779,505</u>	<u>267,214</u>	<u>389,368</u>	<u>19,597,099</u>	<u>16,194,229</u>
Operating income (loss)	<u>2,971</u>	<u>(5,488,096)</u>	<u>403,207</u>	<u>(7,250)</u>	<u>(5,089,168)</u>	<u>(2,163,927)</u>
Nonoperating revenues (expenses):						
Taxes	541,115	2,760,084	-	-	3,301,199	4,321,563
Intergovernmental revenues	-	173,610	-	-	173,610	151,036
Investment earnings	223,179	8,440	12,542	6,491	250,652	376,362
Interest expense	(6,351)	(3,598)	-	-	(9,949)	(30,162)
Other nonoperating revenues (expenses)	-	153,537	-	-	153,537	179,166
Total nonoperating revenues (expenses)	<u>757,943</u>	<u>3,092,073</u>	<u>12,542</u>	<u>6,491</u>	<u>3,869,049</u>	<u>4,997,965</u>
Income (loss) before transfers and contributions	760,914	(2,396,023)	415,749	(759)	(1,220,119)	2,834,038
Transfers:						
Transfers in	-	85,000	-	-	85,000	85,000
Transfers out	-	(198,240)	(92,164)	-	(290,404)	(198,240)
Net income (loss)	760,914	(2,509,263)	323,585	(759)	(1,425,523)	2,720,798
Net assets at beginning of year	<u>13,328,745</u>	<u>5,161,914</u>	<u>1,149,613</u>	<u>(434,752)</u>	<u>19,205,520</u>	<u>16,484,722</u>
Net assets (deficit) at end of year	<u>\$ 14,089,659</u>	<u>2,652,651</u>	<u>1,473,198</u>	<u>(435,511)</u>	<u>17,779,997</u>	<u>19,205,520</u>

CITY OF PASADENA
Non-Major Enterprise Funds
Combining Statement of Cash Flows
Year Ended June 30, 2012

	Plaza		Tele-	Del Mar	Totals	
	Las Fuentes		Refuse	communi-	Goldline	2012
	<u>Parking</u>	<u>Collection</u>	<u>cations</u>	<u>Parking</u>		
Cash flows from operating activities:						
Cash received from customers	\$ 2,310,230	11,197,158	569,501	383,569	14,460,458	14,157,621
Cash payments to suppliers for goods and services	(1,735,039)	(7,799,649)	(276,653)	(270,235)	(10,081,576)	(7,531,816)
Cash payments to employees for services	(74,878)	(5,838,527)	8,185	-	(5,905,220)	(5,659,197)
Cash payments to other funds for services	(27,380)	(2,345,504)	-	(8,669)	(2,381,553)	(2,575,659)
Other nonoperating revenues	-	153,537	-	-	153,537	179,166
Other nonoperating expenses	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>472,933</u>	<u>(4,632,985)</u>	<u>301,033</u>	<u>104,665</u>	<u>(3,754,354)</u>	<u>(1,429,885)</u>
Cash flows from noncapital financing activities:						
Transfers to other funds	-	(198,240)	(92,164)	-	(290,404)	(198,240)
Transfers from other funds	-	85,000	-	-	85,000	85,000
Cash received (paid) on loans to other funds	157,972	188,240	-	-	346,212	(180,927)
Cash received (paid) on loans from other funds	-	-	-	-	-	-
Taxes received	541,115	2,760,084	-	-	3,301,199	4,321,563
Intergovernmental revenues	-	173,610	-	-	173,610	151,036
Net cash provided by (used for) noncapital financing activities	<u>699,087</u>	<u>3,008,694</u>	<u>(92,164)</u>	<u>-</u>	<u>3,615,617</u>	<u>4,178,432</u>
Cash flows from capital and related financing activities:						
Proceeds from long-term debt	-	-	-	-	-	-
Acquisition and construction of capital assets	-	(1,660,999)	(166,410)	-	(1,827,409)	(2,028,908)
Principal paid on debt	(2,100,000)	(32,925)	-	-	(2,132,925)	(2,302,585)
Interest paid on debt	(6,351)	(3,598)	-	-	(9,949)	(30,162)
Net cash used for capital and related financing activities	<u>(2,106,351)</u>	<u>(1,697,522)</u>	<u>(166,410)</u>	<u>-</u>	<u>(3,970,283)</u>	<u>(4,361,655)</u>
Cash flows from investing activities:						
Investment earnings (expenses)	<u>202,713</u>	<u>(50,109)</u>	<u>11,170</u>	<u>2,477</u>	<u>166,251</u>	<u>291,961</u>
Net cash provided by investing activities	<u>202,713</u>	<u>(50,109)</u>	<u>11,170</u>	<u>2,477</u>	<u>166,251</u>	<u>291,961</u>
Net increase (decrease) in cash and cash equivalents	(731,618)	(3,371,922)	53,629	107,142	(3,942,769)	(1,321,147)
Cash and cash equivalents at beginning of year	<u>4,819,221</u>	<u>3,371,922</u>	<u>927,674</u>	<u>459,922</u>	<u>9,578,739</u>	<u>10,899,886</u>
Cash and cash equivalents at end of year	<u>\$ 4,087,603</u>	<u>-</u>	<u>981,303</u>	<u>567,064</u>	<u>5,635,970</u>	<u>9,578,739</u>
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Assets:						
Cash and investments	\$ 1,387,074	-	981,303	567,064	2,935,441	6,799,140
Other restricted cash and investments	<u>2,700,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,700,529</u>	<u>2,779,599</u>
Cash and cash equivalents at end of year	<u>\$ 4,087,603</u>	<u>-</u>	<u>981,303</u>	<u>567,064</u>	<u>5,635,970</u>	<u>9,578,739</u>

(continued)

CITY OF PASADENA
Non-Major Enterprise Funds
Combining Statement of Cash Flows, (Continued)
Year Ended June 30, 2012

	Plaza Las Fuentes Parking	Refuse Collection	Tele- communi- cations	Del Mar Goldline Parking	Totals	
					2012	2011
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 2,971	(5,488,096)	403,207	(7,250)	(5,089,168)	(2,163,927)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	324,373	655,646	8,522	122,500	1,111,041	831,812
Amortization of bond premiums and discounts	-	-	-	-	-	38,761
Other non-operating revenues (expenses)	-	153,537	-	-	153,537	179,166
(Increase) decrease in accounts receivable	146,247	(49,031)	(100,920)	1,451	(2,253)	124,505
Increase (decrease) in allowance for uncollectible accounts	-	(45,220)	-	-	(45,220)	2,814
Increase (decrease) in accounts payable and accrued liabilities	(658)	(74,950)	(9,776)	(17,216)	(102,600)	(331,873)
Increase (decrease) in deposits payable	-	215,129	-	5,180	220,309	(111,143)
	<u>469,962</u>	<u>855,111</u>	<u>(102,174)</u>	<u>111,915</u>	<u>1,334,814</u>	<u>734,042</u>
Net cash provided by (used for) operating activities	<u>\$ 472,933</u>	<u>(4,632,985)</u>	<u>301,033</u>	<u>104,665</u>	<u>(3,754,354)</u>	<u>(1,429,885)</u>
Non-cash investing, capital and financing related activity						
Non-cash changes in fair value of investments	<u>\$ (6,273)</u>	<u>(8,116)</u>	<u>(1,591)</u>	<u>(836)</u>	<u>(16,816)</u>	<u>7,644</u>

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YEAR ENDED

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

JUNE 30
2012

INTERNAL SERVICE FUNDS



*Pasadena
Central Library*

Internal Service Funds

INTERNAL SERVICE FUNDS

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

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

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

Fleet Maintenance Fund - to account for the maintenance and repair of City vehicles and equipment.

Benefits Fund - to account for employee compensated absences, retirement, and health benefits.

Workers' Compensation Fund - to account for investigation services, temporary disability and medical payments, excess insurance, permanent disability awards, administrative services, and litigation costs. Premiums based on employee worker classifications are indirectly charged to each department for claims proportionate to current industry rates applicable to job functions.

General Liability Fund - to account for payment of self-insured general liability and automobile liability claims, excess insurance, claims adjusting services, litigation costs, and administrative services. Contributions are made from each department and are based on past claims experience and appropriate risk factors.

Printing Services Fund – to account for printing services provided to other departments by the Printing Services Section of the Department of Finance.

Mail Services Fund – to account for mail services provided to other departments by the Mail Services Division of the City Clerk's office.

CITY OF PASADENA
Internal Service Funds
Combining Statement of Net Assets
June 30, 2012

Assets	Computing and Communication Services	Building Maintenance	Fleet Maintenance	Benefits
Current assets:				
Cash and investments	\$ -	-	1,487,556	3,841,048
Accounts receivable	34,901	42,462	22,944	3,160
Due from other funds	-	-	1,057,816	-
Inventories	-	-	221,308	-
Prepays and other assets	18,154	-	-	137,724
Total current assets	<u>53,055</u>	<u>42,462</u>	<u>2,789,624</u>	<u>3,981,932</u>
Noncurrent assets:				
Restricted assets - cash and investments	-	-	-	-
Advances to other funds	-	-	-	-
Less allowance for long-term receivable	-	-	-	-
Property held for resale	-	-	-	-
Prepaid long-term assets	96,822	-	-	-
Capital assets	11,970,313	174,252	24,584,792	2,111
Less accumulated depreciation	<u>(4,079,886)</u>	<u>(133,565)</u>	<u>(15,657,020)</u>	<u>(1,056)</u>
Net property, plant and equipment	<u>7,890,427</u>	<u>40,687</u>	<u>8,927,772</u>	<u>1,055</u>
Total noncurrent assets	<u>7,987,249</u>	<u>40,687</u>	<u>8,927,772</u>	<u>1,055</u>
Total assets	<u>8,040,304</u>	<u>83,149</u>	<u>11,717,396</u>	<u>3,982,987</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	248,868	426,156	589,260	5,841,682
Insurance claims payable - current	-	-	-	-
Due to other funds	493,983	1,057,816	-	-
Compensated absences	-	-	-	10,220,044
Capitalized lease obligations - current	<u>582,274</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>1,325,125</u>	<u>1,483,972</u>	<u>589,260</u>	<u>16,061,726</u>
Long-term liabilities:				
Insurance claims payable - long-term	-	-	-	-
OPEB liability	-	-	-	12,144,215
Capitalized lease obligations - long-term	<u>3,365,233</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>3,365,233</u>	<u>-</u>	<u>-</u>	<u>12,144,215</u>
Total liabilities	<u>4,690,358</u>	<u>1,483,972</u>	<u>589,260</u>	<u>28,205,941</u>
Net Assets				
Invested in capital assets, net of related debt	3,942,920	40,687	8,927,772	1,055
Unrestricted	<u>(592,974)</u>	<u>(1,441,510)</u>	<u>2,200,364</u>	<u>(24,224,009)</u>
Total net assets (deficit)	<u>\$ 3,349,946</u>	<u>(1,400,823)</u>	<u>11,128,136</u>	<u>(24,222,954)</u>

Workers' Compensation	General Liability	Printing Services	Mail Services	Totals	
				2012	2011
11,013,365	2,052,122	-	16,841	18,410,932	13,592,081
30,581	38,891	17,830	52	190,821	257,523
-	-	-	-	1,057,816	878,573
-	-	-	-	221,308	215,946
-	-	-	160,196	316,074	234,461
<u>11,043,946</u>	<u>2,091,013</u>	<u>17,830</u>	<u>177,089</u>	<u>20,196,951</u>	<u>15,178,584</u>
-	-	-	-	-	811,371
-	-	-	-	-	3,472,080
-	-	-	-	-	(1,289,064)
-	3,714,391	-	-	3,714,391	3,714,391
-	-	-	-	96,822	-
-	-	752,439	59,452	37,543,359	34,607,702
-	-	(393,003)	(44,158)	(20,308,688)	(19,703,836)
-	-	359,436	15,294	17,234,671	14,903,866
-	3,714,391	359,436	15,294	21,045,884	21,612,644
<u>11,043,946</u>	<u>5,805,404</u>	<u>377,266</u>	<u>192,383</u>	<u>41,242,835</u>	<u>36,791,228</u>
105,759	55,826	31,420	3,328	7,302,299	3,196,760
6,424,063	4,586,876	-	-	11,010,939	12,420,760
-	-	1,070,433	-	2,622,232	1,673,427
-	-	-	-	10,220,044	9,991,594
-	-	-	-	582,274	504,947
<u>6,529,822</u>	<u>4,642,702</u>	<u>1,101,853</u>	<u>3,328</u>	<u>31,737,788</u>	<u>27,787,488</u>
11,930,403	8,518,483	-	-	20,448,886	15,262,731
-	-	-	-	12,144,215	9,607,745
-	-	-	-	3,365,233	3,832,531
<u>11,930,403</u>	<u>8,518,483</u>	<u>-</u>	<u>-</u>	<u>35,958,334</u>	<u>28,703,007</u>
<u>18,460,225</u>	<u>13,161,185</u>	<u>1,101,853</u>	<u>3,328</u>	<u>67,696,122</u>	<u>56,490,495</u>
-	-	359,436	15,294	13,287,164	11,377,759
<u>(7,416,279)</u>	<u>(7,355,781)</u>	<u>(1,084,023)</u>	<u>173,761</u>	<u>(39,740,451)</u>	<u>(31,077,026)</u>
<u>(7,416,279)</u>	<u>(7,355,781)</u>	<u>(724,587)</u>	<u>189,055</u>	<u>(26,453,287)</u>	<u>(19,699,267)</u>

CITY OF PASADENA

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets

For the Fiscal Year Ended June 30, 2012

	Computing and Communication Services	Building Maintenance	Fleet Maintenance	Benefits
Operating revenues:				
Charges for services:				
Computing and communication services	\$ 10,355,102	-	-	-
Building maintenance	-	10,515,922	-	-
Fleet maintenance	-	-	9,198,594	-
Employee benefits	-	-	-	31,771,611
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating revenues	<u>10,355,102</u>	<u>10,515,922</u>	<u>9,198,594</u>	<u>31,771,611</u>
Operating expenses:				
Computing and communication services	10,436,142	-	-	-
Building maintenance	-	10,043,942	-	-
Fleet maintenance	-	-	7,732,174	-
Depreciation	701,429	6,357	1,288,962	106
Benefits	-	-	-	34,926,955
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating expenses	<u>11,137,571</u>	<u>10,050,299</u>	<u>9,021,136</u>	<u>34,927,061</u>
Operating income (loss)	<u>(782,469)</u>	<u>465,623</u>	<u>177,458</u>	<u>(3,155,450)</u>
Nonoperating revenues (expenses):				
Investment earnings	(2,232)	(15,019)	23,063	(1,820)
Interest expense	(168,465)	-	-	-
Gain (loss) on disposal of assets	-	(662)	70,547	-
Other nonoperating revenues (expenses)	<u>57,892</u>	<u>259,538</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(112,805)</u>	<u>243,857</u>	<u>93,610</u>	<u>(1,820)</u>
Income (loss) before operating transfers	<u>(895,274)</u>	<u>709,480</u>	<u>271,068</u>	<u>(3,157,270)</u>
Transfers from (to) other funds:				
Transfers in	1,560,336	119,340	-	-
Transfers out	-	(893,570)	(5,467)	-
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	665,062	(64,750)	265,601	(3,157,270)
Net assets at beginning of year	<u>2,684,884</u>	<u>(1,336,073)</u>	<u>10,862,535</u>	<u>(21,065,684)</u>
Net assets (deficit) at end of year	<u>\$ 3,349,946</u>	<u>(1,400,823)</u>	<u>11,128,136</u>	<u>(24,222,954)</u>

Workers' Compensation	General Liability	Printing Services	Mail Services	Totals	
				2012	2011
-	-	-	-	10,355,102	9,778,565
-	-	-	-	10,515,922	10,273,226
-	-	-	-	9,198,594	9,020,837
-	-	-	-	31,771,611	31,319,435
9,594,170	2,967,369	-	-	12,561,539	13,060,062
-	-	1,140,092	-	1,140,092	1,113,812
-	-	-	431,679	431,679	424,676
<u>9,594,170</u>	<u>2,967,369</u>	<u>1,140,092</u>	<u>431,679</u>	<u>75,974,539</u>	<u>74,990,613</u>
-	-	-	-	10,436,142	10,138,357
-	-	-	-	10,043,942	9,626,226
-	-	-	-	7,732,174	7,532,003
-	-	72,403	4,545	2,073,802	2,079,493
-	-	-	-	34,926,955	36,193,980
9,569,412	5,118,978	-	-	14,688,390	15,503,734
-	-	1,398,419	-	1,398,419	1,300,724
-	-	-	374,685	374,685	409,369
<u>9,569,412</u>	<u>5,118,978</u>	<u>1,470,822</u>	<u>379,230</u>	<u>81,674,509</u>	<u>82,783,886</u>
<u>24,758</u>	<u>(2,151,609)</u>	<u>(330,730)</u>	<u>52,449</u>	<u>(5,699,970)</u>	<u>(7,793,273)</u>
128,387	9,581	(12,552)	69	129,477	310,373
-	-	-	-	(168,465)	(197,631)
-	-	-	-	69,885	47,564
-	-	-	-	317,430	227,682
<u>128,387</u>	<u>9,581</u>	<u>(12,552)</u>	<u>69</u>	<u>348,327</u>	<u>387,988</u>
153,145	(2,142,028)	(343,282)	52,518	(5,351,643)	(7,405,285)
-	-	-	-	1,679,676	744,916
-	-	-	-	(899,037)	(3,241,944)
-	(2,183,016)	-	-	(2,183,016)	-
153,145	(4,325,044)	(343,282)	52,518	(6,754,020)	(9,902,313)
<u>(7,569,424)</u>	<u>(3,030,737)</u>	<u>(381,305)</u>	<u>136,537</u>	<u>(19,699,267)</u>	<u>(9,796,954)</u>
<u>(7,416,279)</u>	<u>(7,355,781)</u>	<u>(724,587)</u>	<u>189,055</u>	<u>(26,453,287)</u>	<u>(19,699,267)</u>

CITY OF PASADENA
Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2012

	<u>Computing and Communication Services</u>	<u>Building Maintenance</u>	<u>Fleet Maintenance</u>	<u>Benefits</u>
Cash flows from operating activities:				
Cash payments to suppliers for goods or services	\$ (3,248,921)	(5,077,756)	(5,032,773)	(2,102,327)
Cash payments to employees for services	(7,247,923)	(4,486,724)	(2,170,454)	(25,884,466)
Cash payments to other funds for services	367,099	(408,968)	(388,648)	(39,595)
Cash payments from other funds for services	10,319,465	10,504,061	9,005,696	31,771,166
Other nonoperating revenues	<u>57,892</u>	<u>259,538</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>247,612</u>	<u>790,151</u>	<u>1,413,821</u>	<u>3,744,778</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	1,560,336	119,340	-	-
Transfers to other funds	-	(893,570)	(5,467)	-
Cash received (paid) on loans to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) noncapital financing activities	<u>1,560,336</u>	<u>(774,230)</u>	<u>(5,467)</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,368,201)	-	(2,040,681)	-
Proceeds from sale of capital assets	-	41	74,119	-
Principal paid on debt	(389,971)	-	-	-
Interest paid on debt	<u>(168,465)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>(2,926,637)</u>	<u>41</u>	<u>(1,966,562)</u>	<u>-</u>
Cash flows from investing activities:				
Investment earnings (expenses)	<u>4,337</u>	<u>(15,962)</u>	<u>27,934</u>	<u>11,531</u>
Net cash provided by (used for) investing activities	<u>4,337</u>	<u>(15,962)</u>	<u>27,934</u>	<u>11,531</u>
Net increase (decrease) in cash and cash equivalents	(1,114,352)	-	(530,274)	3,756,309
Cash and cash equivalents at beginning of year	<u>1,114,352</u>	<u>-</u>	<u>2,017,830</u>	<u>84,739</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>-</u>	<u>1,487,556</u>	<u>3,841,048</u>
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Assets:				
Cash and investments	\$ -	-	1,487,556	3,841,048
Other restricted cash and investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>-</u>	<u>1,487,556</u>	<u>3,841,048</u>

Workers' Compensation	General Liability	Printing Services	Mail Services	Totals	
				2012	2011
(4,466,831)	(1,006,934)	(478,357)	(155,785)	(21,569,684)	(25,160,394)
(4,834,981)	(234,295)	(673,026)	(179,764)	(45,711,633)	(50,971,900)
(173,555)	(161,157)	14,328	(117,093)	(907,589)	(1,393,308)
9,594,170	3,055,541	1,147,938	431,739	75,829,776	75,333,527
-	-	-	-	317,430	227,682
<u>118,803</u>	<u>1,653,155</u>	<u>10,883</u>	<u>(20,903)</u>	<u>7,958,300</u>	<u>(1,964,393)</u>
-	-	-	-	1,679,676	744,916
-	-	-	-	(899,037)	(3,241,944)
-	-	-	-	-	(275,034)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>780,639</u>	<u>(2,772,062)</u>
-	-	-	-	(4,408,882)	(2,644,686)
-	-	-	-	74,160	71,752
-	-	-	-	(389,971)	(734,939)
-	-	-	-	(168,465)	(197,631)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,893,158)</u>	<u>(3,505,504)</u>
<u>130,853</u>	<u>13,608</u>	<u>(10,883)</u>	<u>281</u>	<u>161,699</u>	<u>73,223</u>
<u>130,853</u>	<u>13,608</u>	<u>(10,883)</u>	<u>281</u>	<u>161,699</u>	<u>73,223</u>
249,656	1,666,763	-	(20,622)	4,007,480	(8,168,736)
10,763,709	385,359	-	37,463	14,403,452	22,572,188
<u>11,013,365</u>	<u>2,052,122</u>	<u>-</u>	<u>16,841</u>	<u>18,410,932</u>	<u>14,403,452</u>
11,013,365	2,052,122	-	16,841	18,410,932	13,592,081
-	-	-	-	-	811,371
<u>11,013,365</u>	<u>2,052,122</u>	<u>-</u>	<u>16,841</u>	<u>18,410,932</u>	<u>14,403,452</u>

CITY OF PASADENA
Internal Service Funds
Combining Statement of Cash Flows, (Continued)
Year Ended June 30, 2012

	<u>Computing and Communication Services</u>	<u>Building Maintenance</u>	<u>Fleet Maintenance</u>	<u>Benefits</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (782,469)	465,623	177,458	(3,155,450)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	701,429	6,357	1,288,962	106
Other nonoperating revenues (expenses)	57,892	259,538	-	-
(Increase) decrease in accounts receivable	(35,637)	(11,861)	(13,655)	(445)
(Increase) decrease in due from other funds	-	-	(179,243)	-
(Increase) decrease in inventories	-	-	(5,362)	-
(Increase) decrease in prepaids and other assets	(114,976)	-	-	9,547
Increase (decrease) in accounts payable and accrued liabilities	(72,610)	(108,749)	145,661	4,126,100
Increase (decrease) in due to other funds	493,983	179,243	-	-
Increase (decrease) in insurance claims payable	-	-	-	-
Increase (decrease) in OPEB liability	-	-	-	2,536,470
Increase (decrease) in compensated absences	-	-	-	228,450
	<u>1,030,081</u>	<u>324,528</u>	<u>1,236,363</u>	<u>6,900,228</u>
 Net cash provided by (used for) operating activities	 <u>\$ 247,612</u>	 <u>790,151</u>	 <u>1,413,821</u>	 <u>3,744,778</u>
<u>Non-cash investing, capital and financing related activity:</u>				
Non-cash changes in fair value of investments	\$ 43,959	(26,552)	149,493	394,853

<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Printing</u> <u>Services</u>	<u>Mail</u> <u>Services</u>	<u>Totals</u>	
				<u>2012</u>	<u>2011</u>
<u>24,758</u>	<u>(2,151,609)</u>	<u>(330,730)</u>	<u>52,449</u>	<u>(5,699,970)</u>	<u>(7,793,273)</u>
-	-	72,403	4,545	2,073,802	2,079,493
-	-	-	-	317,430	227,682
-	88,172	7,846	60	34,480	67,880
-	-	275,579	-	96,336	635,963
-	-	-	-	(5,362)	(11,667)
-	-	-	(73,006)	(178,435)	118,976
(9,264)	43,567	(14,215)	(4,951)	4,105,539	(2,892,741)
-	-	-	-	673,226	-
103,309	3,673,025	-	-	3,776,334	3,017,215
-	-	-	-	2,536,470	2,637,309
-	-	-	-	228,450	(51,230)
<u>94,045</u>	<u>3,804,764</u>	<u>341,613</u>	<u>(73,352)</u>	<u>13,658,270</u>	<u>5,828,880</u>
<u>118,803</u>	<u>1,653,155</u>	<u>10,883</u>	<u>(20,903)</u>	<u>7,958,300</u>	<u>(1,964,393)</u>
<u>311,137</u>	<u>175,059</u>	<u>(1,909)</u>	<u>(94)</u>	<u>1,045,946</u>	<u>1,082,919</u>

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YEAR ENDED

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

JUNE 30
2012

FIDUCIARY FUNDS



ArtNight Pasadena
Art Center College of Design

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee or agency capacity for individuals, governmental entities, and others, and are operated by carrying out the specifications of trust indentures, statutes, ordinances, or other governing regulations.

Pension Trust Fund:

Deferred Compensation Fund - to account for resources earned by present and former employees and held in a trust capacity by the City in accordance with the provisions of Internal Revenue Code Section 457.

Fire and Police Retirement Fund - to account for transactions of the Fire and Police Retirement System, which is governed by its own retirement board.

Agency Funds:

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.

Private-Purpose Trust Funds: Fiduciary fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. Private-purpose trust funds are used for the activities of the Successor Agency to the Pasadena Community Development Commission. Please see the next tab for the combining statements related to the Successor Agency.

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CITY OF PASADENA
Pension Trust Funds
Combining Statement of Net Assets
June 30, 2012

	<u>Deferred</u>	<u>Fire and</u>	<u>Totals</u>	
	<u>Compensation</u>	<u>Police</u>	<u>2012</u>	<u>2011</u>
Assets		<u>Retirement</u>		
		<u>System</u>		
Cash and cash equivalents	\$ 192,200,488	14,061,635	206,262,123	191,184,274
Receivables:				
Interest	-	256,444	256,444	200,421
Total receivables	-	256,444	256,444	200,421
Investments, at fair value:				
Government and agencies	-	31,855,588	31,855,588	22,206,282
Domestic corporate obligations	-	18,015,458	18,015,458	15,235,215
International corporate obligations	-	1,049,700	1,049,700	1,283,168
Real estate investment trust (REIT)	-	11,185,142	11,185,142	9,660,250
Domestic corporate stocks	-	50,182,408	50,182,408	33,204,990
International corporate stocks	-	12,555,203	12,555,203	20,488,520
Total investments	-	124,843,499	124,843,499	102,078,425
Total assets	192,200,488	139,161,578	331,362,066	293,463,120
Liabilities				
Accounts payable and accrued liabilities	-	25,498	25,498	65,514
Total liabilities	-	25,498	25,498	65,514
Net assets reserved in trust for employees' pension benefits	<u>\$ 192,200,488</u>	<u>139,136,080</u>	<u>331,336,568</u>	<u>293,397,606</u>

CITY OF PASADENA
Pension Trust Funds
Combining Statement of Changes in Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Deferred Compensation</u>	<u>Fire and Police Retirement System</u>	<u>Totals</u>	
			<u>2012</u>	<u>2011</u>
Additions:				
Contributions:				
Employer	\$ -	46,600,000	46,600,000	8,036,000
Plan members	<u>13,250,572</u>	<u>-</u>	<u>13,250,572</u>	<u>14,016,063</u>
Total contributions	<u>13,250,572</u>	<u>46,600,000</u>	<u>59,850,572</u>	<u>22,052,063</u>
Net investment income:				
Investment earnings	1,498,438	1,212,115	2,710,553	42,688,837
Dividends	<u>-</u>	<u>1,066,961</u>	<u>1,066,961</u>	<u>898,571</u>
Gross investment income	1,498,438	2,279,076	3,777,514	43,587,408
Less investment expenses	<u>-</u>	<u>(242,728)</u>	<u>(242,728)</u>	<u>(365,264)</u>
Net investment income	<u>1,498,438</u>	<u>2,036,348</u>	<u>3,534,786</u>	<u>43,222,144</u>
Total additions	<u>14,749,010</u>	<u>48,636,348</u>	<u>63,385,358</u>	<u>65,274,207</u>
Deductions:				
Benefits paid to participants	11,011,731	14,147,887	25,159,618	26,675,878
Administrative expenses	<u>-</u>	<u>286,778</u>	<u>286,778</u>	<u>241,635</u>
Total deductions	<u>11,011,731</u>	<u>14,434,665</u>	<u>25,446,396</u>	<u>26,917,513</u>
Net increase	3,737,279	34,201,683	37,938,962	38,356,694
Net assets reserved in trust for employees' pension benefits:				
Beginning of year	<u>188,463,209</u>	<u>104,934,397</u>	<u>293,397,606</u>	<u>255,040,912</u>
End of year	<u>\$ 192,200,488</u>	<u>139,136,080</u>	<u>331,336,568</u>	<u>293,397,606</u>

CITY OF PASADENA

Agency Funds

Combining Balance Sheet

June 30, 2012

	South Lake Business Improvement District	Lake/ Washington Special Assessment District	Library Equipment Replacement	Workforce Investment Act	Community Facilities District No. 1
<u>Assets</u>					
Cash and investments	\$ -	946	1,480,438	-	1,430,105
Accounts receivable	-	901	4,671	949,720	-
Other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>1,847</u>	<u>1,485,109</u>	<u>949,720</u>	<u>1,430,105</u>
<u>Liabilities</u>					
Accounts payable and accrued liabilities	\$ -	-	-	949,720	-
Due to other governments	-	1,847	1,485,109	-	1,430,105
Due to bondholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ -</u>	<u>1,847</u>	<u>1,485,109</u>	<u>949,720</u>	<u>1,430,105</u>

Open Space Assessment District	Totals	
	2012	2011
135,309	3,046,798	3,278,077
9,078	964,370	438,365
<u>1,004,774</u>	<u>1,004,774</u>	<u>1,022,556</u>
<u>1,149,161</u>	<u>5,015,942</u>	<u>4,738,998</u>
576	950,296	698,949
-	2,917,061	2,863,314
<u>1,148,585</u>	<u>1,148,585</u>	<u>1,176,735</u>
<u>1,149,161</u>	<u>5,015,942</u>	<u>4,738,998</u>

CITY OF PASADENA
Agency Funds
Combining Statements of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2012

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
<u>SOUTH LAKE BUSINESS IMPROVEMENT DISTRICT</u>				
<u>Assets</u>				
Cash and investments	\$ 104,766	-	104,766	-
Total assets	\$ 104,766	-	104,766	-
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 104,766	-	104,766	-
Total liabilities	\$ 104,766	-	104,766	-
<u>LAKE/WASHINGTON SPECIAL ASSESSEMENT DISTRICT</u>				
<u>Assets</u>				
Cash and investments	\$ 1,894	27,566	28,514	946
Accounts receivable	6	898	3	901
Total assets	\$ 1,900	28,464	28,517	1,847
<u>Liabilities</u>				
Due to other governments	\$ 1,900	27,620	27,673	1,847
Total liabilities	\$ 1,900	27,620	27,673	1,847

(Continued)

CITY OF PASADENA

Agency Funds

Combining Statements of Changes in Assets and Liabilities (Continued)

For the Fiscal Year Ended June 30, 2012

	<u>Balance at</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2012</u>
 <u>LIBRARY EQUIPMENT REPLACEMENT</u>				
<u>Assets</u>				
Cash and investments	\$ 1,427,046	125,323	71,931	1,480,438
Accounts receivable	5,043	19,906	20,278	4,671
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,432,089</u>	<u>145,229</u>	<u>92,209</u>	<u>1,485,109</u>
 <u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ -	-	-	-
Due to other governments	1,432,089	128,496	75,476	1,485,109
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 1,432,089</u>	<u>128,496</u>	<u>75,476</u>	<u>1,485,109</u>
 <u>WORKFORCE INVESTMENT ACT</u>				
<u>Assets</u>				
Cash and investments	\$ 162,085	4,828,273	4,990,358	-
Accounts receivable	431,330	2,762,422	2,244,032	949,720
Other assets	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 593,415</u>	<u>7,590,695</u>	<u>7,234,390</u>	<u>949,720</u>
 <u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 593,415	5,937,550	5,581,245	949,720
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 593,415</u>	<u>5,937,550</u>	<u>5,581,245</u>	<u>949,720</u>

(Continued)

CITY OF PASADENA

Agency Funds

Combining Statements of Changes in Assets and Liabilities (Continued)

For the Fiscal Year Ended June 30, 2012

	<u>Balance at</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2012</u>
 <u>COMMUNITY FACILITIES DISTRICT NO. 1</u>				
<u>Assets</u>				
Cash and investments	\$ 1,429,325	1,404,845	1,404,065	1,430,105
Total assets	<u>\$ 1,429,325</u>	<u>1,404,845</u>	<u>1,404,065</u>	<u>1,430,105</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ -	3,537	3,537	-
Due to other governments	1,429,325	468,740	467,960	1,430,105
Total liabilities	<u>\$ 1,429,325</u>	<u>472,277</u>	<u>471,497</u>	<u>1,430,105</u>
 <u>OPEN SPACE ASSESSMENT DISTRICT</u>				
<u>Assets</u>				
Cash and investments	\$ 152,961	84,398	102,050	135,309
Accounts receivable	1,986	7,092	-	9,078
Other assets	1,022,556	72,957	90,739	1,004,774
Total assets	<u>\$ 1,177,503</u>	<u>164,447</u>	<u>192,789</u>	<u>1,149,161</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 768	-	192	576
Due to bondholders	1,176,735	-	28,150	1,148,585
Total liabilities	<u>\$ 1,177,503</u>	<u>-</u>	<u>28,342</u>	<u>1,149,161</u>

(Continued)

CITY OF PASADENA

Agency Funds

Combining Statements of Changes in Assets and Liabilities (Continued)

For the Fiscal Year Ended June 30, 2012

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
 <u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 3,278,077	6,470,405	6,701,684	3,046,798
Accounts receivable	438,365	2,790,318	2,264,313	964,370
Other assets	1,022,556	72,957	90,739	1,004,774
Total assets	\$ 4,738,998	9,333,680	9,056,736	5,015,942
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 698,949	5,941,087	5,689,740	950,296
Due to other governments	2,863,314	624,856	571,109	2,917,061
Due to bondholders	1,176,735	-	28,150	1,148,585
Total liabilities	\$ 4,738,998	6,565,943	6,288,999	5,015,942

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YEAR ENDED

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SUCCESSOR AGENCY COMBINED



*Norton Simon
Museum*

Successor Agency
Combined

Private-Purpose Trust Funds

Private-purpose trust funds are one type of the fiduciary funds reported in the prior tab.

Successor Agency to Pasadena Community Development Commission – was formed to account for receipt of incremental property tax and disbursements related to enforceable obligations (debts) of the former redevelopment agency. It will remain in place until all enforceable obligations, as approved on the Recognized Obligation Payment Schedule by California Department of Finance, are paid in full and all assets have been liquidated. It includes the following funds:

Successor Agency Administration Fund – to account for administrative costs of the Successor Agency as approved on the Recognized Obligation Payment Schedule.

Redevelopment Obligation Retirement Fund – to account for receipts and disbursements of incremental property tax.

Successor Agency Debt Service Funds – to account for debt service payments and other enforceable obligations of the former redevelopment agency. They include Old Pasadena, Lincoln, Downtown, Fair Oaks, Orange Grove, Villa Parke, and Lake/Washington project areas.

Successor Agency Debt Service Fund – Affordable Housing – to account for the 2006 Tax Allocation Revenue Bonds (housing set-aside revenues-Townhouse Project Refunding), Housing Enabled By Local Partnerships (HELP) program loans, and payment of enforceable obligations of the former Low and Moderate Income Housing Fund.

CITY OF PASADENA
Private Purpose Trust Funds
Combining Statement of Net Assets
June 30, 2012

	Successor Agency Admin	Redevelopment Obligation Retirement Fund	Successor Agency Debt Service		
			Old Pasadena	Lincoln	Downtown
Assets					
Cash and investments	\$ 121,840	13,871,818	783,942	116,837	38,774
Prepays and other assets	2,934	-	-	-	-
Notes receivable	-	-	-	-	4,211,680
Due from other funds	-	-	-	428,132	-
Advances to other funds	-	-	1,479,568	-	1,479,568
Allowance for uncollectible long-term receivables	-	-	-	-	(4,211,680)
Total assets	<u>124,774</u>	<u>13,871,818</u>	<u>2,263,510</u>	<u>544,969</u>	<u>1,518,342</u>
Liabilities					
Accounts payable and accrued liabilities	136,281	-	-	36	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	10,825,000	-	47,551,436
Notes Payable	-	-	-	-	-
Bonds payable	-	-	-	-	-
Unamortized premium (discount)	-	-	-	-	-
Total liabilities	<u>136,281</u>	<u>-</u>	<u>10,825,000</u>	<u>36</u>	<u>47,551,436</u>
Net Assets					
Net assets held in trust	<u>\$ (11,507)</u>	<u>13,871,818</u>	<u>(8,561,490)</u>	<u>544,933</u>	<u>(46,033,094)</u>

Successor Agency Debt Service				Housing	Totals	
Fair Oaks	Orange Grove	Villa Parke	Lake Washington	Successor- Debt Service	2012	2011
709,938	522,242	1,357,130	1,372,742	378,444	19,273,707	-
14,934	6,809	7,777	6,444	7,397	46,295	-
2,059,876	230,000	829,942	-	-	7,331,498	-
-	-	-	-	-	428,132	-
-	-	-	-	-	2,959,136	-
<u>(2,059,876)</u>	<u>(230,000)</u>	<u>(829,942)</u>	<u>-</u>	<u>-</u>	<u>(7,331,498)</u>	<u>-</u>
<u>724,872</u>	<u>529,051</u>	<u>1,364,907</u>	<u>1,379,186</u>	<u>385,841</u>	<u>22,707,270</u>	<u>-</u>
42,490	214	1,649	10,998	17,115	208,783	-
-	428,132	-	-	-	428,132	-
1,351,513	231,541	231,541	80,925	-	60,271,956	-
-	-	-	-	2,420,722	2,420,722	-
1,820,000	546,000	543,000	485,000	800,000	4,194,000	-
<u>(21,818)</u>	<u>(7,006)</u>	<u>(6,970)</u>	<u>(5,306)</u>	<u>(6,651)</u>	<u>(47,751)</u>	<u>-</u>
<u>3,192,185</u>	<u>1,198,881</u>	<u>769,220</u>	<u>571,617</u>	<u>3,231,186</u>	<u>67,475,842</u>	<u>-</u>
<u>(2,467,313)</u>	<u>(669,830)</u>	<u>595,687</u>	<u>807,569</u>	<u>(2,845,345)</u>	<u>(44,768,572)</u>	<u>-</u>

CITY OF PASADENA
Private Purpose Trust Funds
Combining Statement of Changes in Net Assets
For the Fiscal Year Ended June 30, 2012

	Successor Agency Admin	Redevelopment	Successor Agency Debt Service		
		Obligation Retirement Fund	Old Pasadena	Lincoln	Downtown
Additions:					
Property taxes	\$ -	14,064,577	-	-	-
Investment earnings	-	-	-	-	20,898
Miscellaneous revenues	395	-	-	-	-
Total additions	<u>395</u>	<u>14,064,577</u>	<u>-</u>	<u>-</u>	<u>20,898</u>
Deductions:					
Fiscal agency expenses	-	-	-	-	-
Interest expense	-	-	8,253	4,374	271,487
Statutory pass-through expenses	-	-	-	4,867	-
Lease expense	14,672	-	-	-	-
Other operating expense	-	-	-	-	26,663
Administrative expenses:					
County administrative expenses	-	-	5,040	332	39,298
Successor agency administrative cost allowance	636,110	-	-	-	-
Total deductions	<u>650,782</u>	<u>-</u>	<u>13,293</u>	<u>9,573</u>	<u>337,448</u>
Transfers:					
Transfers in	638,880	-	5,040	5,199	39,298
Transfers out	-	(192,759)	-	(638,880)	-
Change in net assets before extraordinary items	<u>(11,507)</u>	<u>13,871,818</u>	<u>(8,253)</u>	<u>(643,254)</u>	<u>(277,252)</u>
Extraordinary items:					
Assets of Pasadena Community Development Commission	-	-	2,271,763	1,188,223	1,586,123
Liabilities of Pasadena Community Development Commission	-	-	(10,825,000)	(36)	(47,341,965)
Total extraordinary items	<u>-</u>	<u>-</u>	<u>(8,553,237)</u>	<u>1,188,187</u>	<u>(45,755,842)</u>
Change in net assets	<u>(11,507)</u>	<u>13,871,818</u>	<u>(8,561,490)</u>	<u>544,933</u>	<u>(46,033,094)</u>
Net Assets held in trust at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets held in trust at end of year	<u>\$ (11,507)</u>	<u>13,871,818</u>	<u>(8,561,490)</u>	<u>544,933</u>	<u>(46,033,094)</u>

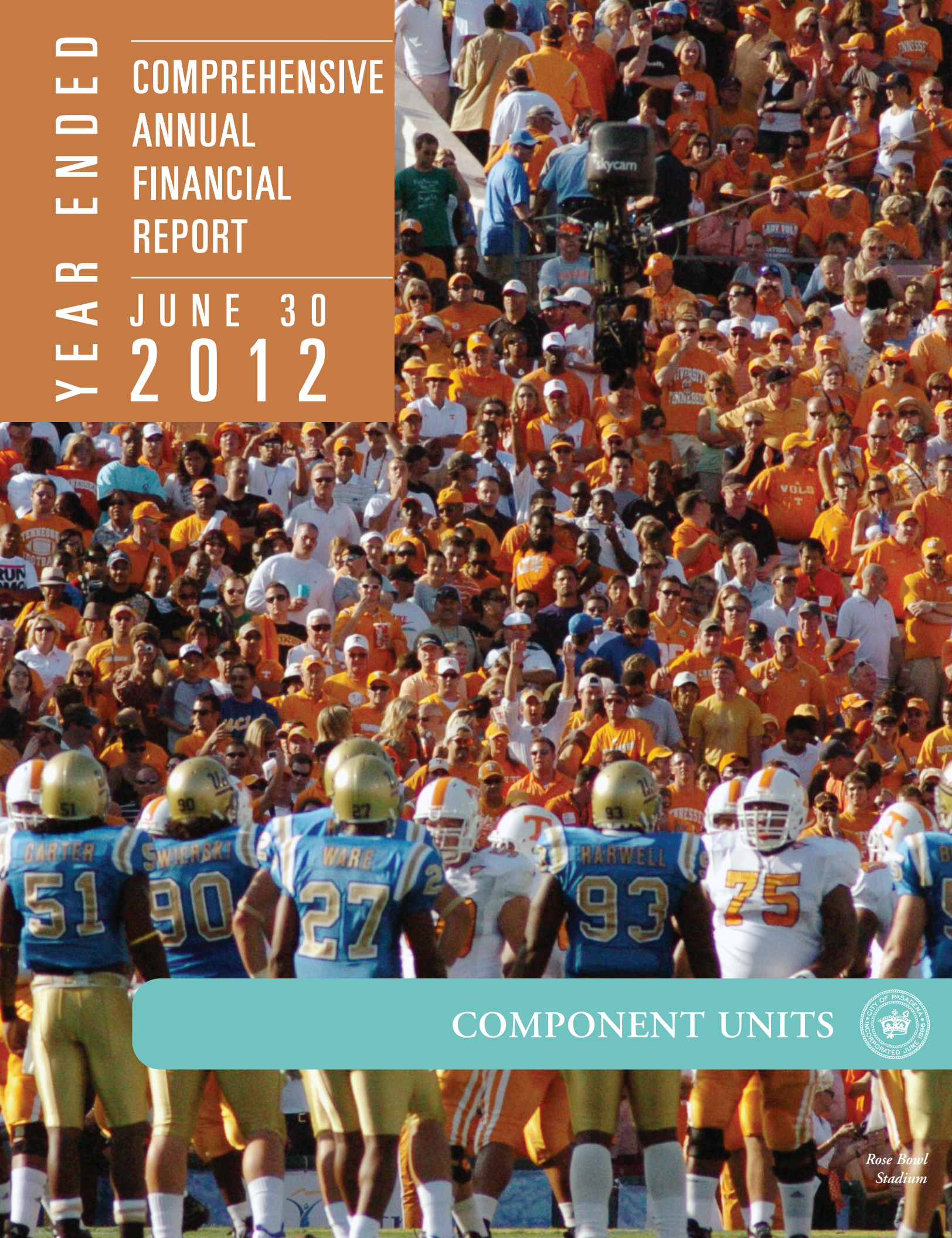
Successor Agency Debt Service				Housing Successor-	Totals	
Fair Oaks	Orange Grove	Villa Parke	Lake Washington	Debt Service	2012	2011
-	-	-	-	-	14,064,577	-
-	1,064	-	-	-	21,962	-
-	-	-	-	-	395	-
-	1,064	-	-	-	14,086,934	-
645	123	646	645	1,860	3,919	-
71,685	32,806	35,818	19,598	35,443	479,464	-
11,975	26,773	141,073	13,668	-	198,356	-
-	-	-	-	-	14,672	-
-	-	-	-	-	26,663	-
913	649	3,647	522	-	50,401	-
-	-	-	-	-	636,110	-
85,218	60,351	181,184	34,433	37,303	1,409,585	-
9,207	20,537	104,629	8,849	14,875	846,514	-
-	-	-	-	-	(831,639)	-
(76,011)	(38,750)	(76,555)	(25,584)	(22,428)	12,692,224	-
1,958,994	531,302	1,722,333	1,411,231	389,947	11,059,916	-
(4,350,296)	(1,162,382)	(1,050,091)	(578,078)	(3,212,864)	(68,520,712)	-
(2,391,302)	(631,080)	672,242	833,153	(2,822,917)	(57,460,796)	-
(2,467,313)	(669,830)	595,687	807,569	(2,845,345)	(44,768,572)	-
-	-	-	-	-	-	-
<u>(2,467,313)</u>	<u>(669,830)</u>	<u>595,687</u>	<u>807,569</u>	<u>(2,845,345)</u>	<u>(44,768,572)</u>	<u>-</u>

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YEAR ENDED

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Component Units

COMPONENT UNITS



Rose Bowl
Stadium

DISCRETELY PRESENTED COMPONENT UNIT

ROSE BOWL OPERATING COMPANY

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Discretely presented component units do not meet one of the two criteria for blending. The two criteria required to blend component units are 1) the board of the component unit is substantively the same as that of the City or 2) the component unit serves the City exclusively.

Rose Bowl Operating Company – incorporated on January 18, 1994, as a legally separate entity with the primary purpose of returning economic and civic value to the City by managing a world class stadium and a professional quality golf course complex in a residential open-space environment.

CITY OF PASADENA
Discretely Presented Component Units
Rose Bowl Operating Company
Combining Statement of Net Assets
June 30, 2012

	Rose Bowl	Golf Course	Totals	
			2012	2011
Assets				
Current assets:				
Cash and investments (note 2)	\$ 6,494,684	3,869,160	10,363,844	12,186,788
Cash and investments restricted (note 2)	76,966,529	-	76,966,529	132,979,245
Accounts receivable, net	1,370,684	559,446	1,930,130	2,308,938
Due from other funds	-	-	-	1,060,549
Prepays and other assets	24,246	4,858	29,104	81,210
Total current assets	<u>84,856,143</u>	<u>4,433,464</u>	<u>89,289,607</u>	<u>148,616,730</u>
Noncurrent assets:				
Restricted assets - cash and investments (note 2)	3,062,412	-	3,062,412	3,112,125
Other receivable	-	-	-	-
Unamortized bond issuance costs	2,365,110	-	2,365,110	2,379,016
Deferred outflow (note 10)	5,791,691	-	5,791,691	2,930,332
Capital assets (note 7):				
Land	-	-	-	-
Construction in progress	88,859,023	319,334	89,178,357	29,332,164
Other capital assets, net	29,102,776	4,577,622	33,680,398	44,239,137
Total noncurrent assets	<u>129,181,012</u>	<u>4,896,956</u>	<u>134,077,968</u>	<u>81,992,774</u>
Total assets	<u>214,037,155</u>	<u>9,330,420</u>	<u>223,367,575</u>	<u>230,609,504</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	13,766,352	24,815	13,791,167	8,522,027
Deposits	31,200	-	31,200	33,518
Interest payable	3,283,062	-	3,283,062	3,286,277
Due to other funds	-	-	-	1,060,549
Deferred revenue (note 8)	987,572	100,000	1,087,572	1,443,480
Current portion of compensated absences	41,903	6,938	48,841	51,988
Current portion of long-term debt (note 9)	1,955,000	-	1,955,000	1,875,000
Total current liabilities	<u>20,065,089</u>	<u>131,753</u>	<u>20,196,842</u>	<u>16,272,839</u>
Noncurrent liabilities:				
Compensated absences	100,064	20,151	120,215	127,973
Derivative instrument liability (note 10)	3,172,388	-	3,172,388	311,029
Advances from primary government - long-term (note 6)	-	-	-	-
Long-term debt (note 9)	186,058,568	-	186,058,568	187,492,881
Unamortized premium (discount)	(79,503)	-	(79,503)	(86,731)
Total noncurrent liabilities	<u>189,251,517</u>	<u>20,151</u>	<u>189,271,668</u>	<u>187,845,152</u>
Total liabilities	<u>209,316,606</u>	<u>151,904</u>	<u>209,468,510</u>	<u>204,117,991</u>
Net Assets				
Invested in capital assets, net of related debt	13,599,161	4,896,956	18,496,117	22,901,211
Restricted	78,736,778	-	78,736,778	136,091,370
Unrestricted	(87,615,390)	4,281,560	(83,333,830)	(132,501,068)
Total net assets	<u>\$ 4,720,549</u>	<u>9,178,516</u>	<u>13,899,065</u>	<u>26,491,513</u>

See accompanying notes to the basic financial statements.

CITY OF PASADENA
Discretely Presented Component Units
Rose Bowl Operating Company
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Rose Bowl</u>	<u>Golf Course</u>	<u>Totals</u>	
			<u>2012</u>	<u>2011</u>
Operating revenues:				
Charges for services:				
Golf course	\$ -	2,041,038	2,041,038	10,534,676
Rose Bowl	<u>9,507,435</u>	<u>-</u>	<u>9,507,435</u>	<u>2,164,662</u>
Total operating revenues	<u>9,507,435</u>	<u>2,041,038</u>	<u>11,548,473</u>	<u>12,699,338</u>
Operating expenses:				
Golf course	-	504,446	504,446	8,677,890
Rose Bowl	<u>17,031,197</u>	<u>-</u>	<u>17,031,197</u>	<u>713,213</u>
Depreciation	<u>2,565,141</u>	<u>213,216</u>	<u>2,778,357</u>	<u>3,240,537</u>
Total operating expenses	<u>19,596,338</u>	<u>717,662</u>	<u>20,314,000</u>	<u>12,631,640</u>
Operating income	<u>(10,088,903)</u>	<u>1,323,376</u>	<u>(8,765,527)</u>	<u>67,698</u>
Nonoperating revenues (expenses):				
Investment earnings	2,152,721	122,650	2,275,371	1,564,159
Interest expense	<u>(11,739,301)</u>	<u>-</u>	<u>(11,739,301)</u>	<u>(7,714,436)</u>
Other nonoperating revenues	<u>4,143,273</u>	<u>632,399</u>	<u>4,775,672</u>	<u>761,268</u>
Total nonoperating revenues (expenses)	<u>(5,443,307)</u>	<u>755,049</u>	<u>(4,688,258)</u>	<u>(5,389,009)</u>
Income (loss) before operating transfers	<u>(15,532,210)</u>	<u>2,078,425</u>	<u>(13,453,785)</u>	<u>(5,321,311)</u>
Capital contributions	<u>861,337</u>	<u>-</u>	<u>861,337</u>	<u>2,359,773</u>
Change in net assets	(14,670,873)	2,078,425	(12,592,448)	(2,961,538)
Net assets at beginning of year	<u>19,391,422</u>	<u>7,100,091</u>	<u>26,491,513</u>	<u>29,453,051</u>
Net assets at end of year	<u>\$ 4,720,549</u>	<u>9,178,516</u>	<u>13,899,065</u>	<u>26,491,513</u>

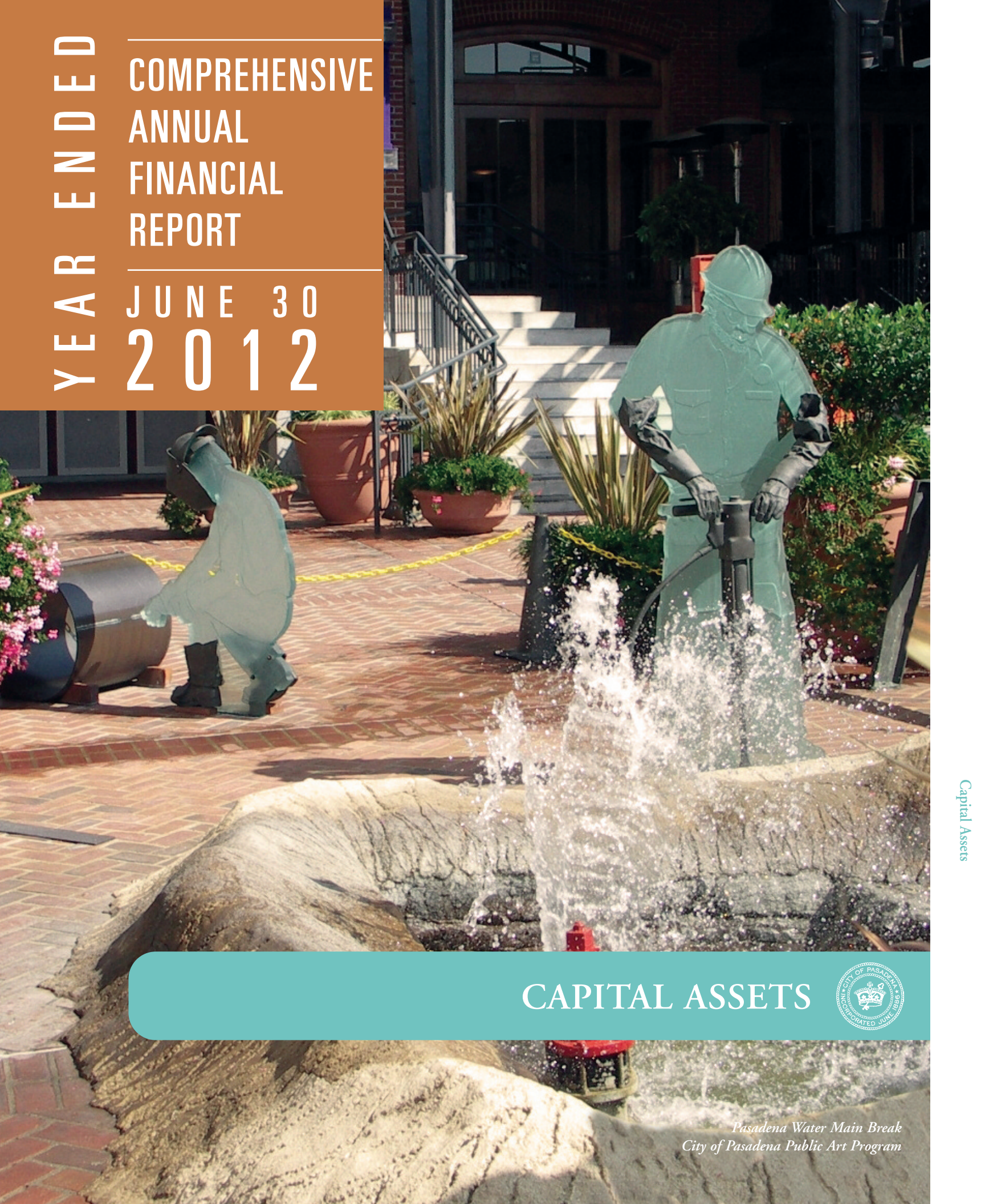
See accompanying notes to the basic financial statements.

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YEAR ENDED

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CAPITAL ASSETS



*Pasadena Water Main Break
City of Pasadena Public Art Program*

GOVERNMENTAL FUNDS

CAPITAL ASSETS

Capital assets are land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of arts and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

CITY OF PASADENA

**Capital Assets Used in the Operation of Government Funds
Comparative Schedule by Source⁽¹⁾
June 30, 2012 and June, 2011**

	<u>2012</u>	<u>2011</u>
Governmental funds capital assets:		
Land	\$ 58,273,512	56,442,474
Buildings and improvements	278,441,646	290,793,975
Machinery and equipment	20,393,680	20,374,485
Infrastructure	317,147,350	308,795,220
Construction in progress	<u>18,459,145</u>	<u>19,342,779</u>
Total governmental funds capital assets	<u>\$ 692,715,333</u>	<u>695,748,933</u>
Investment in governmental funds capital assets by source:		
General Fund	\$ 156,010,707	169,338,336
Special revenue fund	21,079,467	20,497,319
Capital projects funds	<u>515,625,159</u>	<u>505,913,278</u>
Total governmental funds capital assets	<u>\$ 692,715,333</u>	<u>695,748,933</u>

⁽¹⁾ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF PASADENA

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity⁽¹⁾
June 30, 2012**

Function and Activity	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure	Construction in Progress	Totals
General government:						
City Council	\$ -	-	36,503	-	-	36,503
City Manager	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-
City Prosecutor	-	-	-	-	-	-
City Clerk	-	-	31,990	-	-	31,990
Finance	-	7,013,021	478,267	-	-	7,491,288
Human Resources	-	-	2,327	-	-	2,327
Non-departmental	54,226,482	152,395,352	180,172	-	-	206,802,006
Total general government	<u>54,226,482</u>	<u>159,408,373</u>	<u>729,259</u>	<u>-</u>	<u>-</u>	<u>214,364,114</u>
Public safety:						
Fire	-	5,214,178	2,122,791	-	-	7,336,969
Police	-	27,258,534	7,857,693	-	-	35,116,227
Total public safety	<u>-</u>	<u>32,472,712</u>	<u>9,980,484</u>	<u>-</u>	<u>-</u>	<u>42,453,196</u>
Transportation:						
Public Works and Transportation	1,237,810	14,953,250	4,693,151	317,147,350	18,459,145	356,490,706
Health:						
Public Health	-	11,576,442	122,480	-	-	11,698,922
Culture and leisure:						
Human Services, Recreation and Neighborhoods	-	20,808,918	821,807	-	-	21,630,725
Community development:						
Planning and Permitting	-	6,927,375	1,703,038	-	-	8,630,413
Housing and Development	2,809,220	32,294,576	2,343,461	-	-	37,447,257
Total community development	<u>2,809,220</u>	<u>39,221,951</u>	<u>4,046,499</u>	<u>-</u>	<u>-</u>	<u>46,077,670</u>
Total general fixed assets	<u>\$ 58,273,512</u>	<u>278,441,646</u>	<u>20,393,680</u>	<u>317,147,350</u>	<u>18,459,145</u>	<u>692,715,333</u>

⁽¹⁾ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF PASADENA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity ⁽¹⁾
For the Period Ended June 30, 2012

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Governmental Funds Capital Assets June 30, 2012</u>
General government:				
City Council	\$ 42,090	-	(5,587)	36,503
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Prosecutor	44,100	-	(44,100)	-
City Clerk	39,206	-	(7,216)	31,990
Finance	7,386,430	185,041	(80,183)	7,491,288
Human Resources	14,280	-	(11,953)	2,327
Non-departmental	<u>213,633,470</u>	<u>1,715,601</u>	<u>(8,547,065)</u>	<u>206,802,006</u>
Total general government	<u>221,159,576</u>	<u>1,900,642</u>	<u>(8,696,104)</u>	<u>214,364,114</u>
Public safety:				
Fire	7,474,418	12,500	(149,949)	7,336,969
Police	<u>35,217,844</u>	<u>749,923</u>	<u>(851,540)</u>	<u>35,116,227</u>
Total public safety	<u>42,692,262</u>	<u>762,423</u>	<u>(1,001,489)</u>	<u>42,453,196</u>
Transportation:				
Public Works and Transportation	<u>350,847,999</u>	<u>21,696,001</u>	<u>(16,053,294)</u>	<u>356,490,706</u>
Health:				
Public Health	<u>11,742,680</u>	<u>-</u>	<u>(43,758)</u>	<u>11,698,922</u>
Culture and leisure:				
Human Services, Recreation and Neighborhoods	<u>21,781,364</u>	<u>-</u>	<u>(150,639)</u>	<u>21,630,725</u>
Community development:				
Planning and Permitting	8,682,771	-	(52,358)	8,630,413
Housing and Development	<u>38,842,281</u>	<u>1,989,921</u>	<u>(3,384,945)</u>	<u>37,447,257</u>
Total community development	<u>47,525,052</u>	<u>1,989,921</u>	<u>(3,437,303)</u>	<u>46,077,670</u>
Total governmental funds capital assets	<u>\$ 695,748,933</u>	<u>26,348,987</u>	<u>(29,382,587)</u>	<u>692,715,333</u>

⁽¹⁾ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

YEAR ENDED

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

JUNE 30
2012

STATISTICAL SECTION



*ArtNight Pasadena
Pasadena Museum of California Art*

Statistical
Section

STATISTICAL SECTION

(Unaudited)

This section of the City of Pasadena’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents	Page
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	242
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	247
<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.	254
<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.	262
<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.	264

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.

Table 1

CITY OF PASADENA
Net Assets by Component
Last Ten Fiscal Years
 (accrual basis of accounting)
 (in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
Governmental activities										
Invested in capital assets, net of related debt	148,883	178,073	177,710	221,450	284,366	318,192	325,410	364,990	375,202	382,296
Restricted	15,077	3,326	11,021	37,608	44,513	73,830	94,360	87,602	97,996	37,259
Unrestricted	58,176	81,998	84,615	52,625	15,402	(19,054)	(28,083)	(61,972)	(198,788)	36,017
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>	<u>390,620</u>	<u>274,410</u>	<u>455,572</u>
Business-type activities										
Invested in capital assets, net of related debt	125,217	120,562	144,993	172,776	211,672	254,992	257,831	291,079	311,054	332,781
Restricted	280,460	-	184,290	191,111	191,731	153,935	158,337	155,458	151,872	149,763
Unrestricted	-	295,394	108,110	76,034	88,377	119,139	146,345	160,885	176,307	188,164
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>	<u>607,422</u>	<u>639,233</u>	<u>670,708</u>
Primary government										
Invested in capital assets, net of related debt	274,100	298,635	322,703	394,226	496,038	573,185	583,241	656,069	686,256	715,077
Restricted	295,537	3,326	195,311	228,719	236,244	227,763	252,697	243,060	249,868	187,022
Unrestricted	58,176	377,392	192,725	128,659	103,779	104,085	118,261	98,913	(22,481)	224,181
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>	<u>998,042</u>	<u>913,643</u>	<u>1,126,280</u>

* As restated.

Table 2

CITY OF PASADENA
Changes in Net Assets
Last Ten Fiscal Years
 (accrual basis of accounting)
 (in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
Expenses										
Governmental activities:										
General government	\$ 49,562	27,947	50,248	38,301	45,708	44,788	43,926	38,973	43,955	35,085
Public safety	64,948	70,480	78,920	82,372	95,181	99,785	103,180	104,870	103,392	103,389
Transportation	33,787	30,918	37,322	42,277	34,109	50,035	49,979	43,905	51,134	63,839
Sanitation	2,669	2,739	2,409	3,104	3,110	3,189	4,061	3,697	3,782	3,516
Health	10,070	10,991	10,834	11,548	12,469	12,444	13,373	11,458	12,108	11,422
Culture and leisure	22,115	22,602	23,379	24,725	26,123	27,608	26,048	25,996	26,196	27,825
Community development	32,108	37,996	31,593	33,655	38,596	40,763	42,791	53,845	45,937	42,169
Interest and other fiscal charges	16,739	15,592	15,740	15,979	16,753	15,345	18,755	13,249	12,121	41,481
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>	<u>295,993</u>	<u>298,625</u>	<u>328,726</u>
Business-type activities:										
Electric	115,360	126,921	125,859	143,063	141,189	162,719	170,428	158,770	167,442	173,410
Water	27,996	29,132	30,281	29,424	32,886	36,394	36,877	35,920	40,101	43,771
Refuse	8,401	8,975	9,331	10,737	10,785	12,098	11,833	13,131	13,158	16,783
Parking	10,615	10,209	10,727	11,293	11,960	12,437	12,775	11,159	11,384	11,711
Telecommunication	-	-	416	382	364	470	457	452	380	267
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>	<u>219,432</u>	<u>232,465</u>	<u>245,942</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>	<u>515,425</u>	<u>531,090</u>	<u>574,668</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 12,882	14,481	14,246	14,786	16,161	16,679	17,899	17,552	16,975	17,465
Public safety	13,739	10,698	16,497	12,068	13,274	14,064	15,504	12,097	13,315	11,085
Transportation	4,035	9,076	5,466	10,964	12,275	13,802	13,852	13,248	13,215	12,863
Sanitation	4,331	4,796	4,884	5,358	5,593	5,583	6,685	6,504	6,541	7,220
Health	712	724	734	766	731	788	737	902	696	666
Culture and leisure	1,215	1,857	2,029	2,112	2,152	2,114	1,957	2,270	2,476	2,856
Community development	9,066	10,014	11,735	11,768	9,867	10,503	9,244	7,450	7,724	9,594
Operating grants and contributions	26,242	36,220	32,560	34,842	33,668	41,254	28,808	33,659	36,910	86,051
Capital grants and contributions	13,816	15,421	22,602	16,113	17,166	14,456	18,112	15,289	11,090	15,665
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>	<u>108,971</u>	<u>108,942</u>	<u>163,465</u>
Business-type activities:										
Charges for services:										
Electric	126,425	138,530	138,642	149,985	167,538	185,043	193,158	183,712	186,993	185,951
Water	28,958	31,860	34,267	34,508	39,942	39,560	43,096	43,480	47,137	54,301
Refuse	8,392	7,996	8,744	9,136	9,627	10,012	10,285	11,050	10,918	11,291
Parking	8,778	10,337	11,075	11,878	12,282	13,867	13,124	12,558	11,753	11,991
Telecommunication	180	452	446	356	358	428	595	629	681	670
Operating grants and contributions	3,168	2,495	2,764	2,693	2,670	3,233	4,216	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	3,962	2,481	2,317
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>	<u>255,391</u>	<u>259,963</u>	<u>266,521</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>	<u>364,362</u>	<u>368,905</u>	<u>429,986</u>
Net Revenues (Expenses)										
Governmental activities	\$ (145,960)	(115,978)	(139,692)	(143,184)	(161,162)	(174,714)	(189,315)	(187,022)	(189,683)	(165,261)
Business-type activities	13,529	16,433	19,324	13,657	35,233	28,025	32,104	35,959	27,498	20,579
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>	<u>(151,063)</u>	<u>(162,185)</u>	<u>(144,682)</u>

(continued)

Table 2

CITY OF PASADENA
Changes in Net Assets
Last Ten Fiscal Years
 (accrual basis of accounting)
 (in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property tax, levied for general purpose	\$ 42,843	46,966	46,268	51,116	61,736	63,449	69,062	68,354	70,803	54,051
Sales tax	33,219	32,472	34,025	33,992	34,634	36,519	32,913	28,949	30,301	32,239
Utility users' tax	24,142	25,928	26,639	26,766	28,063	29,640	31,162	29,520	29,355	29,318
Transient occupancy tax	6,610	7,022	7,445	8,481	8,565	8,848	7,382	6,942	7,668	9,553
Construction tax	3,339	4,474	3,974	3,223	3,828	3,984	2,367	1,397	1,480	2,819
Business license tax	4,021	4,784	4,147	5,289	5,321	5,604	5,861	5,664	5,600	5,479
Franchise tax	1,756	2,026	2,079	2,194	2,187	2,108	2,402	1,933	2,216	2,015
Other taxes	4,960	5,440	5,475	5,721	6,153	6,222	6,078	6,035	6,108	6,262
Other intergovernmental	10,738	8,929	14,213	13,478	14,145	14,565	15,094	14,901	15,427	14,919
Investment earnings	11,033	5,371	9,780	8,820	16,448	12,851	9,887	6,030	3,690	3,178
Gain on sale of assets	604	31	-	23	-	146	665	250	737	5,396
Miscellaneous revenues	4,775	4,733	12,094	9,429	6,361	5,329	6,121	4,465	7,033	11,509
Transfers	14,321	14,257	16,587	22,915	6,320	14,137	15,040	12,122	16,216	19,285
Extraordinary Gain	-	-	-	-	-	-	-	-	-	150,399
Total governmental activities	<u>162,361</u>	<u>162,433</u>	<u>182,726</u>	<u>191,447</u>	<u>193,761</u>	<u>203,402</u>	<u>204,034</u>	<u>186,562</u>	<u>196,634</u>	<u>346,422</u>
Business-type activities:										
Taxes:										
Transient occupancy tax	1,017	1,174	1,439	1,766	1,793	1,883	1,605	1,464	1,421	541
Franchise tax	749	792	1,110	1,659	1,957	2,215	2,128	3,098	2,901	2,760
Investment earnings	13,808	3,834	10,801	4,455	16,056	15,447	10,868	9,333	6,910	9,401
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	10,946	9,296	6,670
Transfers	(14,321)	(14,257)	(16,587)	(22,915)	(6,320)	(14,137)	(15,040)	(17,408)	(16,215)	(19,300)
Extraordinary Gain	-	-	-	-	-	-	-	-	-	10,825
Total business-type activities	<u>3,764</u>	<u>(6,155)</u>	<u>2,113</u>	<u>(11,129)</u>	<u>16,625</u>	<u>8,263</u>	<u>2,343</u>	<u>7,433</u>	<u>4,313</u>	<u>10,897</u>
Total primary government	<u>\$ 166,125</u>	<u>156,278</u>	<u>184,839</u>	<u>180,318</u>	<u>210,386</u>	<u>211,665</u>	<u>206,377</u>	<u>193,995</u>	<u>200,947</u>	<u>357,319</u>
Changes in Net Assets										
Governmental activities	16,401	46,455	43,034	48,263	32,599	28,688	14,719	(460)	6,951	181,161
Business-type activities	17,293	10,278	21,437	2,528	51,858	36,288	34,447	43,392	31,811	31,476
Total primary government	<u>\$ 33,694</u>	<u>56,733</u>	<u>64,471</u>	<u>50,791</u>	<u>84,457</u>	<u>64,976</u>	<u>49,166</u>	<u>42,932</u>	<u>38,762</u>	<u>212,637</u>

* As restated.

CITY OF PASADENA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010 [^]	2011 [*]	2012
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			
Nonspendable								404	3,252	8,352
Restricted								-	-	-
Committed								39,201	39,321	80,043
Assigned								4,794	8,583	5,510
Unassigned								8,778	(130,594)	(40,129)
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>	<u>53,177</u>	<u>(79,438)</u>	<u>53,776</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			
Nonspendable								41,456	44,386	36,311
Restricted								86,805	85,216	85,250
Committed								53,267	54,266	59,078
Assigned								-	-	-
Unassigned								(42,460)	(45,102)	(6,874)
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>	<u>139,068</u>	<u>138,766</u>	<u>173,765</u>

The City of Pasadena has elected to show only nine years of data for this schedule.

* As restated.

[^] Beginning in 2010, the City started reporting fund balance in conformity with GASB Statement 54, which changed how fund balance is classified.

Table 4

CITY OF PASADENA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
Revenues:										
Taxes	\$ 120,889	129,111	130,053	136,783	150,487	156,373	157,227	148,794	153,532	141,736
Licenses and permits	7,333	7,386	9,438	9,185	7,121	8,646	7,136	6,737	7,063	9,525
Intergovernmental revenues	48,799	53,974	64,173	56,485	60,304	57,531	61,410	63,398	61,459	64,715
Charges for services	29,063	25,299	32,358	34,653	37,892	39,088	42,783	41,489	40,820	38,939
Fines and forfeits	4,120	5,425	6,542	7,080	7,758	8,025	8,844	5,135	6,362	6,796
Investment earnings	21,868	23,715	22,582	22,874	32,450	29,350	28,423	28,089	25,332	11,745
Rental income	4,502	4,931	4,870	4,867	4,991	5,370	5,277	4,687	4,601	4,462
Miscellaneous revenues	5,707	7,949	15,148	11,336	8,756	7,894	6,570	6,651	8,431	13,618
Contributions	2,546	2,560	2,382	4,836	7,292	6,005	8,012	842	2,928	5,280
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>	<u>305,822</u>	<u>310,528</u>	<u>296,816</u>
Expenditures:										
Current:										
General government	25,788	25,939	27,261	31,037	34,717	35,124	35,826	36,976	39,418	77,897
Public safety	64,139	69,450	77,965	81,861	92,713	96,211	102,518	101,078	100,535	100,265
Transportation	27,655	29,822	31,012	33,923	34,193	36,717	36,904	33,038	33,895	35,275
Sanitation	2,669	2,739	2,409	3,104	3,109	3,189	4,061	3,697	3,782	3,517
Health	9,960	10,880	10,727	11,430	12,247	12,124	11,471	11,049	11,027	10,899
Culture and leisure	21,564	22,095	22,912	24,293	25,518	26,821	26,936	25,154	25,214	27,192
Community development	32,324	38,543	35,142	37,059	38,052	39,682	42,652	52,600	42,043	37,848
Capital outlay	16,370	33,803	38,786	75,111	60,902	34,999	29,991	34,374	21,612	20,645
Debt service:										
Principal retirement	10,702	10,488	53,054	12,322	12,296	41,972	86,074	21,553	21,174	20,303
Interest	28,055	30,630	29,577	31,557	35,212	34,165	33,432	37,067	40,296	16,486
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>	<u>356,586</u>	<u>338,996</u>	<u>350,327</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>	<u>(50,764)</u>	<u>(28,468)</u>	<u>(53,511)</u>
Other financing sources (uses):										
Premium (discount) on debt issued	(210)	-	-	(36)	-	836	-	-	-	(459)
Issuance of long-term debt	73,790	40,168	42,932	17,542	87	27,939	80,032	-	-	51,097
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	112,078	95,951	81,635
Transfers out	(61,160)	(64,035)	(116,182)	(112,144)	(99,825)	(96,215)	(142,668)	(96,168)	(77,238)	(63,131)
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>	<u>15,910</u>	<u>18,713</u>	<u>69,142</u>
Extraordinary gain (loss):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,582</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>	<u>(34,854)</u>	<u>(9,755)</u>	<u>168,213</u>
Debt service as a percentage of noncapital expenditures	17.3%	17.1%	28.5%	16.4%	16.5%	23.4%	31.5%	18.2%	19.4%	11.2%

The City of Pasadena has elected to show only nine years of data for this schedule.

* As restated.

CITY OF PASADENA
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Secured Valuations	Homeowners Exemption	Net Secured Valuations	Unsecured Valuations	Total Assessed Valuation	Total Direct Tax Rate
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%
2010	20,204,880	(138,631)	20,066,249	644,888	20,711,137	0.33%
2011	20,481,388	(138,275)	20,343,113	605,404	20,948,517	0.34%
2012	20,969,532	(137,843)	20,831,689	567,527	21,399,216	0.32%

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.

Table 6

CITY OF PASADENA
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
City Direct Rates:										
City basic rate	0.2069	0.2090	0.1894	0.1925	0.2139	0.1926	0.1932	0.1920	0.1891	0.1921
Pasadena Community Development Commission (PCDC)	<u>0.1498</u>	<u>0.1488</u>	0.1515	0.1480	0.1552	0.1447	0.1396	0.1380	0.1489	0.0605
PCDC Successor Agency			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0657</u>
Total City Direct Rate	0.3567	0.3578	0.3409	0.3405	0.3691	0.3373	0.3328	0.3300	0.3380	0.3183
Overlapping Rates:										
Los Angeles County General	0.3182	0.3174	0.3332	0.3225	0.3067	0.3277	0.3635	0.2280	0.3307	0.3346
Pasadena School District	0.3170	0.3341	0.3316	0.3555	0.2847	0.2993	0.2765	0.3908	0.4392	0.3589
Pasadena Community College District	0.0940	0.0999	0.1019	0.0964	0.1122	0.1103	0.1018	0.1273	0.1231	0.1121
Flood Control District	0.0009	0.0005	0.0003	0.0001	0.0001	-	-	-	-	-
Metropolitan Water District	<u>0.0067</u>	<u>0.0061</u>	<u>0.0058</u>	<u>0.0052</u>	<u>0.0047</u>	<u>0.0045</u>	<u>0.0043</u>	<u>0.0043</u>	<u>0.0037</u>	<u>0.0037</u>
Total Direct Rate	<u>1.0935</u>	<u>1.1158</u>	<u>1.1137</u>	<u>1.1202</u>	<u>1.0775</u>	<u>1.0791</u>	<u>1.0789</u>	<u>1.0804</u>	<u>1.2347</u>	<u>1.1276</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.

PCDC dissolved in January 2012, thereby, this schedule represents its seven months of enforceable obligations. The remaining five months are reported under the Successor Agency for the former PCDC.

Direct and Overlapping tax rate information was not available for years prior to 2003.

Table 7

CITY OF PASADENA
Principal Property Taxpayers
Current Year and Nine Years Ago

Property Owner	2012		2003	
	Total Assessed Valuation	Percent of Total City Taxable Assessed Valuation	Total Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Marangi Leonard M	\$ 488,979,482	2.29%	\$ -	0.00%
Kaiser Foundation Health Plan	218,721,478	1.02%	112,713,367	0.53%
Paseo Colorado Holdings LLC	192,186,749	0.90%	-	0.00%
Pacific Huntington Hotel Corp	145,584,783	0.68%	-	0.00%
Equity Office Properties Trust	127,400,000	0.60%	-	0.00%
Tishman Speyer Archstone Smith	119,279,517	0.56%	-	0.00%
SSR Paseo Colorado LLC	110,712,369	0.52%	-	0.00%
Wells Reit Pasadena	103,446,418	0.48%	-	0.00%
Pasadena Towers LLC	97,500,000	0.46%	96,412,999	0.45%
SPF 888 Walnut Pasadena LLC	89,600,000	0.42%	-	0.00%
Spieker Properties	-	0.00%	126,720,718	0.59%
H CHH Assoc	-	0.00%	116,562,678	0.54%
Aetna Life Insurance Co	-	0.00%	87,082,897	0.41%
Parfinco EWA LLC	-	0.00%	65,862,087	0.31%
Operating Engineers Funds Inc	-	0.00%	65,773,803	0.31%
Post Paseo Colorado LLC	-	0.00%	59,843,400	0.28%
One Colorado Investments LLC	-	0.00%	56,286,469	0.26%
Agbri Pasadena	-	0.00%	51,265,763	0.24%
Total principal property taxpayers gross assessed value	<u>\$ 1,693,410,796</u>	7.93%	<u>\$ 838,524,181</u>	3.92%

The amounts shown above include assessed value data for both the City and the Redevelopment Agency

Data is only presented for the top ten properties in each of the two years presented

Source: Los Angeles County Assessor data, MuniServices, LLC.

CITY OF PASADENA

Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy (2)
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%	395,971	27,103,169	100.20%
2007	32,496,995	31,024,296	95.47%	481,826	31,506,122	96.95%
2008	33,781,403	33,745,845	99.89%	501,424	34,247,269	101.38%
2009	37,380,921	37,340,002	99.89%	795,552	38,135,554	102.02%
2010	37,326,902	36,726,304	98.39%	626,804	37,353,107	100.07%
2011	37,774,007	36,668,527	97.07%	505,708	36,668,527	97.07%
2012	38,752,298	38,214,429	98.61%	*	38,214,429	98.61%

(1) Excludes collections from Police Building General Obligation Bond Assessment.

(2) This percentage may exceed 100% because information provided by Tax Assessor may not clearly identify the year collected.

For fiscal years 2003-2005, 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 2011 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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Type of Customer:										
Residential	287,717	306,776	313,470	314,235	337,905	338,855	337,531	328,320	319,657	316,084
Commercial and Industrial ¹	815,701	844,449	830,523	862,664	880,661	884,070	887,698	883,413	813,566	783,296
Street Lights and Traffic Signals ¹	16,488	18,563	18,667	16,841	15,744	15,701	16,266	16,272	15,640	16,598
Wholesales to other Utilities	50,249	113,919	125,250	27,816	122,496	315,484	118,231	164,215	168,613	199,045
Other	<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>	<u>(6,340)</u>	<u>10,697</u>	<u>(867)</u>
Total	1,210,521	1,289,827	1,296,279	1,215,437	1,365,851	1,546,898	1,363,240	1,385,880	1,328,173	1,314,156
Total direct rate per megawatt hour ²	104.44	107.40	106.95	123.40	109.81	119.62	141.69	132.55	140.79	141.40

¹ Commercial and Industrial Sales were reported separately prior to 2001.

² Rate represents average cost per megawatt hour with respect to total revenue sales from electricity.

Source: Pasadena Water and Power

CITY OF PASADENA
Electricity Rates
Last Ten Fiscal Years
(Average Rate in Dollars per Kilowatt-Hour)

Fiscal Year Ended June 30	Residential	Commercial & Industrial	Street Lights & Traffic Signals	Other
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
2010	0.1471	0.1307	0.1300	N/A
2011	0.1497	0.1337	0.1310	N/A
2012	0.1480	0.1343	0.1332	N/A

Source: Pasadena Water and Power

CITY OF PASADENA
Electricity Customers
Current Year and Nine Years Ago

<u>Electricity Customer</u>	<u>2012</u>	
	<u>Electricity Charges</u>	<u>Percent of Operating Electric Revenues</u>
Huntington Memorial Hospital	\$ 4,560,773	2.45%
California Institute of Technology	3,337,832	1.80%
Pasadena City College	2,241,610	1.21%
Kaiser Permanente	2,017,148	1.09%
Street Lights/Transportation Dept.	1,995,057	1.07%
AT&T	1,758,371	0.95%
Paseo Colorado LLC	1,305,568	0.70%
Public Works	1,397,995	0.75%
Aetna Life Insurance	1,242,058	0.67%
Metropolitan Transportation Authority	<u>1,301,202</u>	<u>0.70%</u>
	<u>\$ 21,157,614</u>	<u>11.39%</u>

Source: Pasadena Water and Power

Information for FY 2003 is not available since this table was started only from FY 2006.

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	Revenue	Pension	Certificates of	Tax	Capitalized	Notes	
	Bonds	Bonds ^	Bonds	Participation ¹	Allocation Bonds **	Lease Obligations	Payable	
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	10,355,000	131,960,000	154,256,497	10,607,328	9,291,742	8,144,865	326,165,432
2007	-	10,355,000	128,045,000	138,963,861	9,928,550	7,812,910	7,162,835	302,268,156
2008	-	9,895,000	123,610,000	131,036,605	8,819,025	6,527,207	7,120,623	287,008,460
2009	-	9,415,000	118,365,000	124,732,976	7,656,689	12,499,210	6,258,463	278,927,338
2010	-	8,910,000	111,525,000	114,437,082	6,422,412	9,992,673	4,020,056	255,307,223
2011	-	8,405,000	103,935,000	103,651,183	5,149,000	8,196,271	3,420,722	232,757,176
2012	-	7,880,000	143,040,000	94,920,443	-	9,494,610	685,000	256,020,053

Source: City of Pasadena Notes to Financial Statements and Statistical Table 18.

^ Information of Revenue Bonds under Governmental Activities was added in FY 2011

* 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 2010. See Table 18.

¹ Restated COP prior year data 2007 to 2011

**FY 2012's balance from Tax Allocation Bonds under Governmental Activities were transferred to
FY 2012's Long-Term Liabilities under Private Purpose Trust Fund

Table 12

Business-type Activities							
Revenue	Certificates of	Capitalized	Notes	Total	Total	Percentage	Debt
Bonds	Participation	Lease	Payable	Business-type	Primary	of Personal	Per
		Obligations		Activities	Government	Income *	Capita *
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	563,539,522	103.21	3,856
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	92.38	3,904
253,675,000	23,798,315	448,305	1,677,796	279,599,416	558,526,754	92.15	3,719
240,655,000	20,735,016	653,215	1,552,911	263,596,142	518,903,365	90.79	3,794
263,190,000	17,393,817	111,754	1,421,679	282,117,250	514,874,426	90.69	3,706
251,565,000	13,764,557	78,828	1,283,965	266,692,350	522,712,403	91.87	3,755

CITY OF PASADENA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Outstanding General Bonded Debt								
Fiscal Year	General			Tax			Percent of	
Ended	Obligation	Revenue	Pension	Certificates of	Allocation	Assessed		Per
June 30	Bonds	Bonds	Bonds	Participation	Bonds	Total	Value ¹	Capita
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	10,355,000	131,960,000	154,256,497	10,607,328	308,728,825	1.99%	2,113
2007	-	10,355,000	128,045,000	138,963,861	9,928,550	287,292,411	1.67%	1,951
2008	-	9,895,000	123,610,000	131,036,605	8,819,025	273,360,630	1.45%	1,845
2009	-	9,415,000	118,365,000	124,732,976	7,656,689	260,169,665	1.26%	1,732
2010	-	8,910,000	111,525,000	114,437,082	6,422,412	241,294,494	1.17%	1,764
2011	-	8,405,000	103,935,000	103,651,183	5,149,000	221,140,183	1.06%	1,592
2012	-	7,880,000	143,040,000	94,920,443	-	245,840,443	1.15%	1,766

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Table 14

CITY OF PASADENA
Direct and Overlapping Debt
June 30, 2012

City Assessed Valuation		\$ 18,545,961,197	
Redevelopment Agency Incremental Valuation		<u>2,853,254,803</u>	
Total Assessed Valuation		<u>\$ 21,399,216,000</u>	
	Percentage Applicable ¹	Outstanding Debt 6/30/12	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Los Angeles County Flood Control District	2.158%	37,195,000	802,668
Metropolitan Water District	1.036%	196,545,000	2,036,206
Pasadena Area Community College District	32.666%	109,110,105	35,641,907
La Canada Unified School District	0.229%	30,906,408	70,776
Pasadena Unified School District	71.057%	271,585,000	192,980,153
City of Pasadena Community Facilities District No. 1	100.000%	8,685,000	8,685,000
Los Angeles County Improvement District No. 2658-M	0.987%	3,020,000	29,807
Los Angeles County Regional Park and Open Space Assessment District	2.013%	<u>170,725,000</u>	<u>3,436,694</u>
Total overlapping tax and assessment debt		<u>827,771,513</u>	<u>243,683,211</u>
Overlapping Other Debt:			
Los Angeles County General Fund Obligations	2.013%	\$ 1,474,122,758	29,674,091
Los Angeles County Superintendent of Schools Certificates of Participation	2.013%	11,269,678	226,859
Los Angeles County Sanitation District Nos. 15, 16 & 17 Certificates of Participation	.0420-58.066	53,204,381	11,477,820
Pasadena Unified School District Certificates of Participation	71.057%	1,999,999	1,421,139
Pasadena Area Community College District Certificates of Participation	32.666%	<u>1,225,000</u>	<u>400,159</u>
Total gross overlapping other debt		<u>1,541,821,816</u>	<u>43,200,068</u>
Total net overlapping debt		<u>\$ 2,369,593,329</u>	286,883,279
City direct debt			<u>256,020,053</u>
Total direct and overlapping debt			<u>\$542,903,332</u>

Notes:

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. The City Direct Debt amount does not include Business Type Activities debt.

Source: California Municipal Statistics, Inc.

CITY OF PASADENA
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands)

	Fiscal Year				
	2003	2004	2005	2006	2007
Assessed valuation	12,011,398	13,124,151	14,102,936	15,535,968	17,246,657
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	3,002,850	3,281,038	3,525,734	3,883,992	4,311,664
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	450,427	492,156	528,860	582,599	646,750
Total net debt applicable to limit:					
General obligation bonds	<u>5,760</u>	<u>4,425</u>	<u>3,025</u>	<u>1,550</u>	<u>-</u>
Legal debt margin	<u>444,667</u>	<u>487,731</u>	<u>525,835</u>	<u>581,049</u>	<u>646,750</u>
Total debt applicable to the limit as a percentage of debt limit	1.3%	0.9%	0.6%	0.3%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Pasadena, Department of Finance
Los Angeles County Tax Assessor

Table 15

Fiscal Year				
2008	2009	2010	2011	2012
18,812,937	20,752,287	20,711,137	20,948,517	21,399,216
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
4,703,234	5,188,072	5,177,784	5,237,129	5,349,804
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
705,485	778,211	776,668	785,569	802,471
-	-	-	-	-
<u>705,485</u>	<u>778,211</u>	<u>776,668</u>	<u>785,569</u>	<u>802,471</u>
0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF PASADENA
Pledged-Revenue Coverage
Governmental Activity Debt
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended June 30	General Obligation Bonds				Tax Allocation Bonds							
	Property Taxes	Debt Service			Primary Government*				Private Purpose Trust Fund**			
		Principal	Interest	Coverage	Tax Increment	Debt Service			Tax Increment	Debt Service		
						Principal	Interest	Coverage		Principal	Interest	Coverage
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	40,087	-	-	-	28,975	1,162	442	18.06	-	-	-	-
2010	39,771	-	-	-	28,583	1,234	380	17.71	-	-	-	-
2011	39,608	-	-	-	31,195	1,273	315	19.64	-	-	-	-
2012	41,106	-	-	-	12,945	455	182	20.33	14,065	500	65	24.88

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

*Up to January 31, 2012, the date of PCDC dissolution, tax increment was reported under Primary Government grouping.

**Starting February 1, 2012, tax increment was reported under Private Purpose Trust Fund grouping and will continue to report under Private Purpose Trust Fund going forward.

CITY OF PASADENA
Pledged-Revenue Coverage
Business-Type Activity Debt
Last Ten Fiscal Years
(in thousands)

Light & Power Revenue Bonds						
Fiscal Year	Light &	Less	Net	Debt Service ³		
Ended	Power	Operating	Available	Principal	Interest	Coverage
June 30	Revenue ¹	Expenses ²	Revenue	Interest	Interest	Coverage
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	202,612	145,971	56,641	7,210	7,908	374.66%
2010	191,927	134,035	57,892	7,510	7,604	383.04%
2011*	193,049	142,962	50,087	5,320	6,261	432.49%
2012	192,542	149,327	43,215	7,945	6,181	305.93%

Water Revenue Bonds						
Fiscal Year	Water	Less	Net	Debt Service ³		
Ended	Revenue ¹	Operating	Available	Principal	Interest	Coverage
June 30	Revenue ¹	Expenses ²	Revenue	Interest	Interest	Coverage
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	2,949	216.06%
2009	43,552	30,170	13,382	2,095	2,881	268.93%
2010*	43,788	28,667	15,121	2,195	2,780	303.94%
2011	47,353	31,480	15,873	2,300	3,518	272.83%
2012	54,777	37,407	17,370	2,390	4,340	258.10%

¹ Total operating revenues including investment earnings

² Total operating expenses exclusive of depreciation

³ Requirements are reported on a cash basis, excluding premiums

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

* Amount restated

CITY OF PASADENA
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Personal Income (in thousands)	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
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	6,260,545	42,265	4.3%
2009	150,185	6,060,866	40,356	9.9%
2010	136,769	5,715,713	41,791	9.4%
2011	138,915	5,677,039	40,867 *	12.6%
2012	139,222	5,689,585	40,867 *	9.1%

* Per Capita Personal Income data not available for last two fiscal years

The statistical information for 2011 and 2012 is based on the updated 2010 census.

Source:

(1) State of California, Department of Finance County Population Estimates

(2) Bureau of Economic Analysis - Includes Long Angeles - Long Beach -

Glendale Metropolitan Division: <http://www.bea.gov/regional/reis/drill.cfm>

(3) State of California Employment Development Department

<http://www.labormarketinfo.edd.ca.gov/cgi/dataAnalysis/AreaSelection.asp?tableName=labf>

CITY OF PASADENA
Principal Employers
Current Year and Nine Years Ago

Employer	2012		2003	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
California Institute of Technology - Jet Propulsion Laboratory	5,029	14.96%	6,000	19.89%
Kaiser Permanente	4,760	14.16%	3,300	10.94%
California Institute of Technology - Campus	3,900	11.60%	3,000	9.95%
Huntington Memorial Hospital	3,200	9.52%	2,400	7.96%
Pasadena Unified School District	3,000	8.92%	3,000	9.95%
ATT (SBC IN 2007)	2,525	7.51%	2,547	8.44%
The City of Pasadena	2,179	6.48%	1,950	6.47%
Pasadena City College	1,500	4.46%	2,900	9.61%
Bank of America	1,300	3.87%	1,300	4.31%
Pacific Clinics Administration	1,100	3.27%	*	*
Art Center College of Design	883	2.63%	200	0.66%
One West Bank	800	2.38%	*	*
Parsons Corporation	650	1.93%	2,000	6.63%
Hathaway-Sycamores	615	1.83%	*	*
The Langham Huntington Hotel (The Ritz-Carlton)	584	1.74%	560	1.86%
Western Asset	577	1.72%	290	0.96%
Rusnak Pasadena	450	1.34%	290	0.96%
East West Bank	342	1.02%	*	*
Avon Products	249	0.74%	425	1.41%

* Data not available

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: Planning and Development Department, Pasadena Public Library and Pasadena Chamber of Commerce

CITY OF PASADENA
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

<u>Function</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General government	461.8	470.1	471.8	474.3	480.1	487.6	489.6	453.9	448.4	338.0
Public safety	562.5	564.6	563.6	564.6	575.6	591.6	594.6	593.6	568.8	560.0
Public works	361.6	361.3	355.8	357.3	360.3	372.3	373.3	357.9	340.4	292.0
Transportation	39.6	40.0	43.0	43.0	44.0	46.0	48.0	48.0	45.0	43.0
Health	88.6	90.6	93.1	103.4	104.3	108.8	103.1	96.8	92.0	96.0
Culture and leisure	147.5	151.5	148.1	147.3	146.2	147.2	148.2	142.6	139.4	210.0
Water & power	343.2	363.0	383.0	402.0	413.0	423.0	428.0	430.5	434.0	371.0
Information services ¹	122.0	122.0	118.9	119.8	120.2	121.8	121.8	116.0	105.4	150.0
Seasonal ²	-	-	-	-	-	-	-	-	-	119.0
Total	<u>2,126.8</u>	<u>2,163.1</u>	<u>2,177.3</u>	<u>2,211.7</u>	<u>2,243.7</u>	<u>2,298.3</u>	<u>2,306.6</u>	<u>2,239.3</u>	<u>2,173.4</u>	<u>2,179.0</u>

¹ Information services (Library).

² Seasonal employees were paid through an outside agency prior to 2012.

Source: City Payroll Office

CITY OF PASADENA
Operating Indicators
by Function
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police:										
Arrests	9,248	10,699	9,815	9,655	10,117	9,722	9,055	8,535	6,481	6,031
Transportation:										
** Parking citations issued	123,231	148,436	154,245	163,103	177,060	189,017	189,932	132,042	142,615	160,384
Fire:										
Number of emergency calls	15,024	14,975	*	*	11,565	16,089	15,921	15,592	15,647	16,431
Inspections	*	3,607	4,827	*	3,855	5,017	5,720	6,737	*	7,168
Water:										
New connections	73	172	99	84	99	61	99	85	66	42
Average daily consumption (thousands of gallons)	32,700	33,090	30,130	29,960	32,970	31,537	29,872	25,623	24,528	25,174

* Information was not available.

** Parking citations were originally reported under Police Dept. This category moved to Transportation Department in FY10 because majority of parking tickets are issued by Transportation Department.

CITY OF PASADENA
Capital Asset Statistics
by Function
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	3	3	3	3	3	3	4	4	5	5
Fire:										
Fire stations	8	8	8	8	8	8	8	8	7	7
Transportation:										
Streets (miles)	321	321	321	322	322	322	322	322	322	322
Streetlights	16,500	16,595	16,720	16,798	17,047	17,047	17,047	17,047	17,069	17,100
Traffic signals	291	309	312	312	324	340	325	327	327	329
Parking facilities	12	11	11	11	11	11	11	11	12	12
Culture and leisure										
Park sites	23	23	23	24	24	24	24	24	24	24
Community centers	6	6	6	6	6	6	6	6	5	4
Libraries	10	10	10	10	10	10	10	10	10	10
Electric Utility:										
Power plants	1	1	1	1	1	1	1	1	1	1
Customers	59,613	60,795	61,401	62,256	62,793	62,902	63,576	63,838	63,957	64,163
Miles of service	650.0	650.0	650.0	640.0	531.0	525.0	525	525	525	525
Maximum capacity (megawatts)	355	355	355	258	197	197	197	197	175	175
Water:										
Water mains (miles)	500	500	500	508	508	508	508	508	508	508
Customers	37,933	37,143	37,359	37,135	37,463	37,522	37,602	37,586	38,036	38,069
Average daily consumption (mgd)	32.70	33.09	30.13	29.96	32.97	31.53	29.87	25.62	26.70	25.17

Source: City of Pasadena

