

BROWN ARMSTRONG

*Certified Public Accountants*

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES APPLIED TO APPROPRIATION LIMIT WORKSHEETS**

The Honorable Mayor and City Council  
City of Pasadena  
Pasadena, California

We have performed the procedures enumerated below to the accompanying appropriations limit worksheets of the City of Pasadena, California, for the year ended June 30, 2011. These procedures, which were agreed to by the City of Pasadena, California, and the League of California Cities (as presented in the League publication entitled *Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*), were performed solely to assist the City of Pasadena, California, in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution.

The City of Pasadena (City) management is responsible for the appropriations limit worksheets. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets referred to above and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

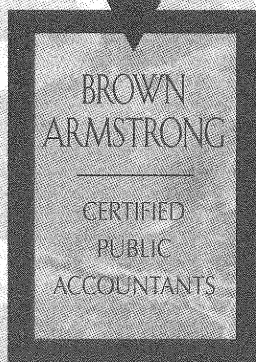
Result: No exceptions were noted as a result of our procedures.

2. We recalculated the mathematical computations reflected in the City worksheets.

Result: No exceptions were noted as a result of our procedures.

3. We compared the current year information used to determine the current year limit and found that it agreed to worksheets prepared by the City and to information provided by the State Department of Finance.

Result: No exceptions were noted as a result of our procedures.



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MEMBER of the American Institute of Certified Public Accountants

4. We compared the prior year appropriations limit presented in the worksheets to the amount adopted by the City Council for the prior year.

Result: The prior year appropriations limit presented in the worksheets did not agree to the amount adopted by the City Council for the prior year. The fiscal year ended June 30, 2010, limit as published in the City of Pasadena, California's 2010 Budget as passed, page 2.7, was \$216,264,931. The amount used in the worksheets as the base amount (before adjustment) for the fiscal year ended June 30, 2011, was \$205,630,268. We noted that this exception provided \$10,634,663 of additional unadjusted budget that the City could have exercised, but did not. That noted, the City is well under its limit as adjusted. We noted this exception to the City's Budget Director and the City's Chief Financial Officer and they have agreed to our results.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying worksheets noted above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII-B Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the information and use of The Honorable Mayor and City Council and management of the City of Pasadena, California, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



By: Eric S. Berman

Pasadena, California  
December 29, 2011

**CITY OF PASADENA  
APPROPRIATIONS LIMIT  
WORKSHEET #6  
FISCAL YEAR 2011**

	<u>AMOUNT</u>
<b>LAST YEAR'S LIMIT</b>	<b>\$ 205,630,268</b>
ADJUSTMENT FACTORS:	
POPULATION	1.29%
INFLATION	-2.54%
TOTAL ADJUSTMENT	-1.28%
ANNUAL ADJUSTMENT	<u>(2,637,755)</u>
<b>TOTAL ADJUSTMENTS</b>	<b><u><u>\$ (2,637,755)</u></u></b>
<b>THIS YEAR'S LIMIT</b>	<b>\$ 202,992,513</b>