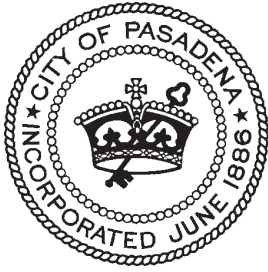


# *City of Pasadena, California*



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2013



Bill Bogaard  
Mayor



Jacque Robinson  
Vice-Mayor  
District 1



Margaret McAustin  
Council Member  
District 2



John J. Kennedy  
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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**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2013**

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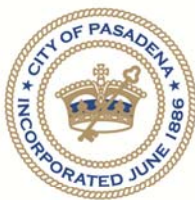


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DEPARTMENT OF FINANCE

November 8, 2013

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, 2013. 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 includes 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, 2013, 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, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition to meeting the requirements set forth in the City Charter, the independent audit was also part of the broader, federally mandated Single Audit Act of 1984, as amended in 1996, and the

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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 the 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 per term.

The City Council is responsible for, among other things, 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 2013 population of 140,020, 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), and the Pasadena Fire and Police Retirement System (FPRS) are reported as part of the City. The Successor Agency to the Pasadena Community Development Commission is shown 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

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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 and Component Units 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**

As the City of Pasadena entered FY 2014 the economy of the United States continued its slow recovery from the 2008 recession. At the national level, the Gross Domestic Product grew 2.2 percent in calendar year 2012 and is projected to increase an average of 1.5 percent per year over the next several years according to the US Department of Commerce. However, actual growth will certainly be influenced by the approach to the Federal budget and the nation's deficit, which continues to be debated in Washington. The Federal sequestration budget reductions have impacted the City's Federally-funded housing, Community Development Block Grant (CDBG), and other programs and serves as a reminder that there are local effects to what occurs at the Federal level.

Although tenuous, the state's fiscal condition has improved as a result of the state's economic recovery, prior budget cuts, pension reform, and the additional, temporary taxes provided by the passage of Proposition 30. The State Department of Finance anticipates a General Fund operating surplus in FY 2013 and FY 2014 with an expected \$1.1 billion reserve at the end of FY 2014.

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Pasadena ended FY 2013 with positive General Fund net income, which was better than anticipated when the City Council adopted the FY 2013 operating budget and the General Fund 5-Year Financial Plan, which was adopted in FY 2009 in order to address the challenges brought on by the City's structural deficit and the recession.

Pasadena's local economy continues to perform well and there are signs of renewed economic activity. Local unemployment, while still trending higher than historical norms, remains 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 2013 Pasadena's unemployment rate was 7.8 percent versus 8.9 percent in neighboring Glendale, 8.3 percent in Burbank, 10.2 percent in Los Angeles County, and 8.9 percent for the state of California.

Recovery of the housing market appears to be well underway. In Los Angeles County, the California Association of Realtors reported that home sales rose 1.3 percent for the September 2012 over September 2013. Home prices are also seeing increases. In Los Angeles County the median home price increased 23.1 percent comparing September 2012 to September 2013. As Pasadena remains a desirable location, both geographically and due to its many cultural amenities, home values locally are expected to remain strong. It's notable that throughout the recession, while real estate market prices dropped, Pasadena's overall assessed property values did not decrease.

From an economic development perspective, the City is seeing renewed interest in numerous projects, particularly multi-unit housing, hotels, and office projects. In addition, a new initiative has been launched to promote Pasadena as a center of innovation – *Innovate Pasadena*. Pasadena is already home to Cal-Tech, JPL/NASA, Art Center College of Design, and over 140 innovation companies.

The City also completed an Economic Development Strategic Plan which assessed Pasadena's comparative advantages, economic strengths, weaknesses, opportunities, and threats to help guide future economic activity. 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 developed an implementation strategy for the Economic Development Strategic Plan.

The Economic Development Strategic Plan goals are:

- Support investment in our community that creates new jobs;
- Enhance commercial districts to create quality shopping and dining experiences
- Cultivate an entrepreneurial and academic environment that fosters innovation; and,
- Encourage activities that attract visitors and conventioners.

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](http://www.cityofpasadena.net/EconomicDevelopment/Economic_Development_Strategy)

## **LONG-TERM FINANCIAL PLANNING AND NEXT YEAR'S BUDGETS AND RATES**

The FY 2014 budget was developed based on the City Council Strategic Plan goals. All Department performance measures are tied to these goals 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

The FY 2014 budget continues the practice of conservative revenue estimates, especially in the General Fund. Overall, the FY 2014 Adopted Budget anticipates modest increases in most revenues.

The FY 2014 Adopted Budget anticipates key City revenues including property tax, sales tax, and utility users' tax will return to pre-recession levels during FY 2014. In some cases, such as Transient Occupancy Tax (TOT) and Construction Tax, revenue growth is expected to be considerably stronger than in recent years, as the economic recovery continues. The FY 2014 Budget anticipates that TOT revenues will be approximately 15.8 percent higher than FY 2013, a full 36 percent higher than FY 2009. Construction Tax is anticipated to grow 63 percent over the FY 2013 budget estimate, from \$1.4 million to \$2.2 million.

Positive economic trends and recovering revenues are signs that the economic shocks of the past several years are fading, however, the impacts remain. Through sound financial planning, prior to the recession, the City's General Fund had built-up a fund balance of \$28 million in excess of the 10 percent designated reserve the City maintains. As part of the General Fund 5-Year Financial Plan, \$25 million was drawn down over the past few years in order to minimize the impact of the recession on City services and employees. Given the cyclical nature of the economy, and the reality that unexpected events can occur at any time, such as the windstorm which struck Pasadena in 2011 leaving over \$14 million of damage in its wake, it is vital that the City rebuild these reserves.

Adding to the challenge are cost increases, particularly the cost of City provided medical benefits and contributions to the state's CalPERS pension system. Between July 2009 and July 2013 the City's pension contribution rates have increased 60 percent for non-safety employees (from 10.855 percent of salaries to 17.377 percent) and 18 percent for public safety employees (22.997 percent of salaries to 27.226 percent). Since FY 2009 the cost of City provided medical benefits have risen 25 percent (\$4.7 million) and actual pension costs have increased 63 percent (\$11.9 million). CalPERS recently advised member agencies to expect additional increases over the next several years as the pension system works to more accurately reflect expected payouts and investment portfolio performance. Working cooperatively with the City's labor groups, a portion of increased pension costs have been partially off-set through agreements whereby non-sworn employees pay the full 8 percent employee CalPERS contribution and some sworn employees have a plan to pay their 9 percent employee

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contribution. The City is currently negotiating similar provisions for remaining employees. These cost drivers are incorporated in the General Fund 5-Year Financial Plan which is summarized in the table below.

**General Fund 5-Year Financial Plan (\$000)\***

	<b>FY 2014 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Projected</b>	<b>FY 2017 Projected</b>	<b>FY 2018 Projected</b>
-----\$'s in thousands-----					
<b>Beginning Amount Available for Appropriations</b>	<b>5,241</b>	<b>5,374</b>	<b>5,723</b>	<b>5,800</b>	<b>7,030</b>
<b>Revenues</b>					
Tax Revenues	132,987	138,794	146,183	152,140	158,350
Other Revenues	69,808	71,318	70,541	72,760	74,734
<b>Total Revenues</b>	<b>202,795</b>	<b>210,112</b>	<b>216,724</b>	<b>224,900</b>	<b>233,084</b>
<b>Expenses</b>					
Personnel	127,368	130,384	135,513	140,068	145,919
Debt Service	13,459	17,377	17,877	17,877	17,877
Contributions to Other Funds/Misc	13,062	12,591	12,944	14,406	15,279
Other Expenses	48,773	49,411	50,313	51,319	52,346
<b>Total Expenses</b>	<b>202,662</b>	<b>209,763</b>	<b>216,647</b>	<b>223,670</b>	<b>231,421</b>
<b>Net Income/(Loss)</b>	<b>133</b>	<b>349</b>	<b>77</b>	<b>1,230</b>	<b>1,663</b>
<b>Ending Amount Available for Appropriations</b>	<b>5,374</b>	<b>5,723</b>	<b>5,800</b>	<b>7,030</b>	<b>8,693</b>

Note \*: 5 Year Financial Plan as of Budget Adoption-June 2013.

For FY 2014, to better recover the full cost of providing services, increases are included to a number of City fees and charges based on a recent cost of service study and Consumer Price Index (CPI) information. Fees and charges that were not analyzed as part of the study are being inflated by an amount equal to the change in the Consumers Price Index (2.22 percent) as prescribed in Section 1.08.060 of the City's Municipal Code.

**Looking to the Future**

Pasadena has a rich history and a bright future. While it is critically important that the City maintain strong fiscal health, the City must also continue to address a wide variety of infrastructure-related issues.

During FY 2014, the City will celebrate some significant milestones including the 125<sup>th</sup> annual Tournament of Roses Parade, the 100<sup>th</sup> Rose Bowl game, followed a week later by the Bowl Championship Series (BCS) game, the 125<sup>th</sup> anniversary of the Pasadena Fire Department, 130<sup>th</sup> year of the Pasadena Library, completion of the Rose Bowl Renovation Project Phase III, completion of the retrofit and renovation of Fire Station 39, preparation of the Environmental Impact Report (EIR)

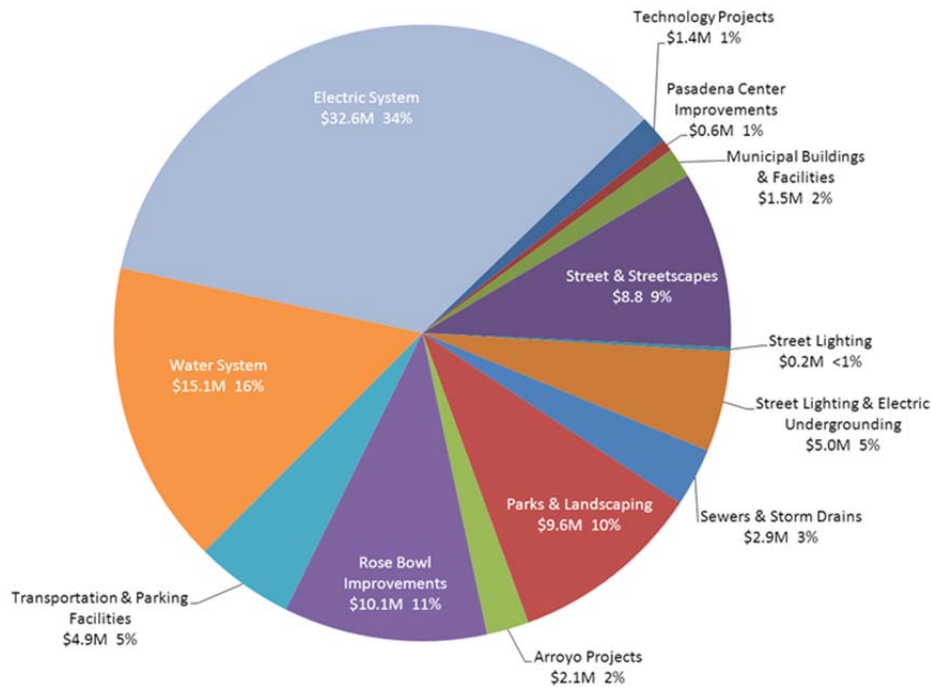


for the recently completed update of the City’s General Plan, and implementation of a new Pasadena Unified School District (PUSD)/City of Pasadena Work Plan to align resources to achieve better student outcomes.

In addition to these major activities the City will continue with both major and minor infrastructure improvements through the City’s FY 2014 – FY 2018 5-Year Capital Improvement Program (CIP) Budget. The CIP is one of the most important ways 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. This 5-year plan contains 224 active projects with a total estimated cost of \$918.3 million.

The FY 2014 CIP Budget includes \$94.8 million in appropriations for 99 projects, of which 19 are new projects. The chart below provides an illustration of the FY 2014 appropriations by major project category.

**FY 2014 CAPITAL IMPROVEMENT PROGRAM APPROPRIATIONS  
 (As of June 30, 2013)**



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.

Of particular note are projects related to the City's water and power utilities. A series of recent increases to the distribution rate have improved the financial health of the Water Fund and positioned the utility to continue to make infrastructure investments as approved in the Water Distribution System Master Plan and the Water Integrated Resources Plan.

These investments will improve water quality, supply, reliability, and well production capacity. The system improvements will also reduce dependency on imported purchased water and meet California's conservation requirements. In FY 2014, completion of the Well Collector Pipeline Project is expected, while focus on the Recycled Water project and the seismic retrofit of reservoirs will be ongoing.

The power utility will continue to explore projects and negotiate contracts to cost-effectively augment its renewable portfolio standard and manage its California Greenhouse Gas (GHG) obligation through participation in the GHG Cap and Trade program. The local Repowering Project, which includes the construction of a 71 megawatt (MW) combined cycle generating unit to replace the Broadway 3 steam unit, is expected to begin in FY 2014. The City Council certified the Environmental Impact Report for the project and the air quality permits were issued in August 2013, followed by major equipment procurement.

Technology upgrades will improve city-wide efficiencies through the integration of numerous current systems and provide the public with better accessibility. A key initiative for FY 2014 is replacing the City's Enterprise Resource Planning (ERP) system. This project, when completed will improve communications between key City support functions (i.e. accounting, payroll, budget, human resources, etc.).

## **ACCOMPLISHMENTS**

The focus in recent years on the City's efforts to overcome financial challenges resulting from the worst economic downturn since the Great Depression tends to obscure many of the City's recent successes over the last five years. For example, since 2009 the City has:

- Resolved structural deficits in the General Fund, Water Fund, Building Fund, Health Fund, and others.
- Completed the \$150 million investment in a new convention center.
- Resolved a \$150 million unfunded pension liability in the now closed Fire and Police Retirement System (FPRS).

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- Invested \$181 million to renovate the Rose Bowl stadium to ensure its future viability.
- Absorbed a 60 percent increase in CalPERS pension rates for non-Safety Employees (18 percent for Safety employees).
- Overcome the elimination of redevelopment, which provided \$26 million per year in tax increment revenues to the City.
- Managed through a 36 percent reduction in federal CDBG and HOME funding for housing and housing related programs.
- Overcame the devastating windstorm in 2011 that resulted in \$14 million in damage to city facilities and infrastructure, and clean-up cost.
- Approved the Glenarm Repowering Project to build a new 71 megawatt combined cycle power-generation unit at the Glenarm Power Plant facility.
- Adopted a General Fund balanced budget, not relying on any reserves.
- Completed significant pension reform covering roughly 70% of all City employees, requiring that they pay their full 8% of pension contributions.
- Formulated a supplemental financing plan, including issuance of \$30 million in new bonds, for the Rose Bowl renovation and completed the Pavilion and other elements of the project as it is presently planned.
- Completed developer selection process for rehabilitation and reuse of historic Julia Morgan YWCA building.
- Rehabilitated Fire Station 32 and began seismic retrofit and extensive renovation of Fire Station.
- Completed Herkimer Gardens and Centennial Square housing projects.
- Took possession of the former Desiderio Army Reserve Center and initiated efforts to convert it to a City park.
- Began analysis and solicitation process to replace the City Financial and Human Resources systems with an integrated Enterprise Resource Planning (ERP) System.
- Became the first library in California (along with Glendale, our partner library) to offer eBooks via the “Cloud”.

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- Purchased and placed in service ten new CNG-fueled 32-foot ARTS buses; bringing the active ARTS fleet to nearly 100% CNG-fueled buses.
- Achieved Renewable Portfolio Standard of 24 percent in calendar year 2012.
- Completed City of Pasadena Michael D. Antonovich Dental Clinic to provide services to underserved segments of the community.
- Installed over 15 miles of water main.
- Invested \$21.2 million in park and landscape improvements.
- Installed 286 miles of electric distribution wires/cables, representing about 38% of total miles of distribution circuits.
- Resurfaced almost 29 miles of streets and slurry sealed over 58 miles.
- Planted approximately 2,000 trees helping to mitigate the 2,100 trees lost during the 2011 windstorm.

**Additionally, in the current year:**

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, 2012. This was the 14th 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 from Standard & Poor which is the highest rating given by Standard and Poor's and an AA+ from Fitch Ratings.

**Conclusion**

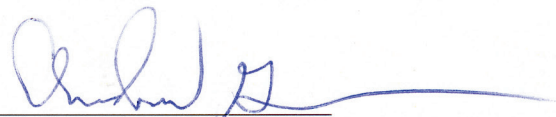
Over the past five years the City of Pasadena faced the daunting challenge of continuing to provide high-quality public services while addressing the most serious fiscal crisis in recent memory. Positive outcomes of these financial challenges have been to reinvigorate the City's emphasis on organizational efficiency, infrastructure investment, and economic development. It also reinforced the City's focus on recognizing the value of our most important resource: the men and women who work for the City and make Pasadena the world-class city that it is. This is a service-oriented organization made up of people serving people.

This FY 2013 Comprehensive Annual Financial Report recognizes the accomplishments and values which make Pasadena unique and 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 maintain its high quality of life.

Respectfully submitted,



Michael J. Beck  
City Manager



Andrew Green  
Director of Finance

**CITY OF PASADENA  
City Officials**

**CITY COUNCIL**

Mayor	Bill Bogaard
Vice-Mayor	Jacque Robinson (District 1)
Councilmember	Margaret McAustin (District 2)
Councilmember	John J. Kennedy (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

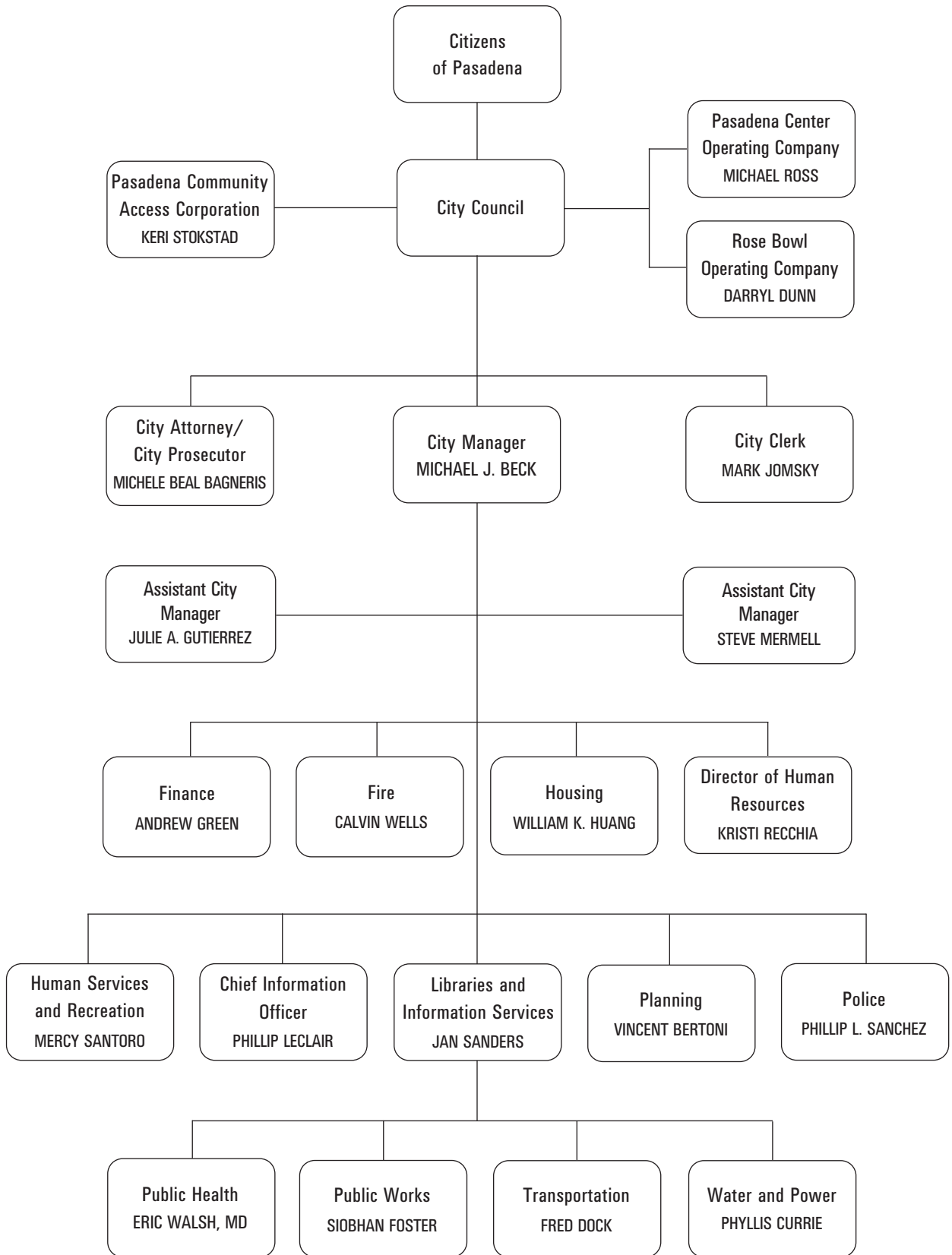
**EXECUTIVE LEADERSHIP TEAM**

Assistant City Manager	Julie Gutierrez
Assistant City Manager	Steve Mermell
Director of Finance	Andrew Green
Fire Chief	Calvin Wells
Director of Housing	William Huang
Director of Human Resources	Kristi Recchia
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
Public Information Officer	William Boyer

**OPERATING COMPANY EXECUTIVES**

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, 2013**



**CITY OF PASADENA**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2013**



Government Finance Officers Association

**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, 2012**

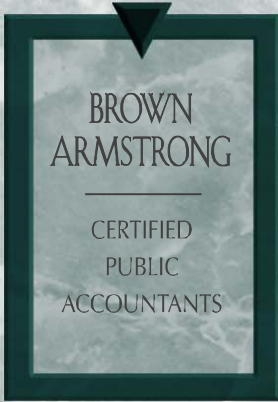
Executive Director/CEO

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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.





# BROWN ARMSTRONG

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Honorable City Council  
City of Pasadena  
Pasadena, California

### Report on the Financial Statements

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, 2013, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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EMAIL info@bacpas.com

#### 560 CENTRAL AVENUE

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FAX 661.746.1218

#### 8050 N. PALM AVENUE

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FAX 559.476.3593

#### 790 E. COLORADO BLVD.

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FAX 626.240.0922

#### 5250 CLAREMENT AVENUE

SUITE 237  
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

## 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 as of June 30, 2013, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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.

### *Other Information*

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 schedules, including schedules for capital assets, 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 and schedules, including schedules for capital assets, 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 combining and individual nonmajor fund financial statements and schedules, including schedules for capital assets, are fairly stated, in all material respects, in relation to the basic 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.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 8, 2013, 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* in considering the City's internal control over financial reporting and compliance.

Bakersfield, California  
November 8, 2013

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

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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, 2013. 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-xix of this report.

### FINANCIAL HIGHLIGHTS

- The primary government assets of the City of Pasadena exceeded liabilities at the close of fiscal year 2013 by \$1,146.2 million (*net position*). Of this amount, \$143.6 million (*unrestricted net position*) is for unrestricted uses in accordance with the City's charter.
- The primary government's total net position increased by \$19.0 million. This is comprised of Governmental Activities which decreased \$9.2 million and Business-Type Activities which increased net position by \$28.2 million.
- As of the close of fiscal year 2013, the City of Pasadena's governmental funds reported combined ending fund balances of \$223.3 million, a decrease of \$9.9 million or 4.2 percent in comparison with the prior year. The majority of this decrease is related to the dissolution of Redevelopment per AB 1X 26 and reduced tax increment being approved for disbursement and the recording of tax increment into the Successor Agency, a Private Purpose Trust Fund. Approximately 27.7 percent of the total amount or \$61.9 million is General Fund fund balance.
- The major components of the General Fund Committed fund balance are \$21.6 million for emergency contingency, \$7.8 million for Capital Projects, \$6.2 million for City/ Successor Agency Advances, and \$2.0 million for an advance to the Pasadena Center Operating Company (PCOC) for the ice rink.
- At the end of 2013, the Committed, Assigned, and Unassigned fund balances of the General Fund total to \$53.6 million or 25.1 percent of 2013 General Fund expenditures and transfers out.
- The City of Pasadena's total long term liabilities had a net decrease of \$21.3 million or 3.6 percent during fiscal year 2013. Business-Type Activity debt decreased \$15.3 million and Governmental Activity debt decreased \$6.0 million.
- On June 27, 2012, the Legislature passed and the Governor signed AB 1484, a 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. Subject to ABx1 26 and AB 1484, the California Department of Finance approved payments to the City under Senate Bill 481 in two Recognized Obligation Payment Schedules and has denied similar payments in subsequent Recognized Payment Obligation Schedules. The City maintains that these payments are enforceable obligations and payable to the City by the successor agency trust under the requirements of the law. Please see notes 23 and 24 on pages 125 to 127 for further information and current status.

### 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 position* presents information on all of the City of Pasadena's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position 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 the most recent fiscal year changes in the City's net position. All changes in net position 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.

It should be noted that recent Statements issued by the Government Accounting Standards Board has resulted in changes to the financial statement format and presentation. One of these, Statement No. 63-Financial Reporting of Deferred Outflows, Deferred Inflows of Resources, and Net Position is especially evident in changes to terminology and presentation. The term net assets has been changed globally to net position and two new categories of deferred inflows and deferred outflows appear in balance sheets. Deferred outflows of resources reflect a consumption of net assets by the government that is applicable to a future reporting period and has a positive effect on net position, similar to assets. Deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period and has a negative effect on net position, similar to liabilities.

The basic government-wide financial statements can be found on pages 16-19 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 thirty seven 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, and the Project Management Capital Project Fund, both of which are considered to be major funds. Data from the other thirty five 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 20-23 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 24-31 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. Last 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 32-33 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 37-127 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 129-131 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 134-177 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position 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 \$1,146.2 million at the close of the most recent fiscal year.

Approximately 69.3 percent or \$794.9 million of the City of Pasadena's net position 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.

City of Pasadena's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012*	2013	2012*	2013	2012*
Current and other assets	\$ 386,741,810	324,749,536	394,850,264	395,002,665	781,592,074	719,752,201
Capital assets	405,601,214	483,253,215	581,228,070	562,222,232	986,829,284	1,045,475,447
<b>Total Assets</b>	<b>792,343,024</b>	<b>802,252,751</b>	<b>976,078,334</b>	<b>961,981,005</b>	<b>1,768,421,358</b>	<b>1,764,233,756</b>
<b>Deferred outflows</b>	<b>74,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,866</b>	<b>-</b>
Long-term debt outstanding	311,673,865	317,652,992	254,032,554	269,334,208	565,706,419	586,987,200
Other liabilities	25,513,573	29,028,018	27,331,408	21,938,548	52,844,981	50,966,566
<b>Total Liabilities</b>	<b>337,187,438</b>	<b>346,681,010</b>	<b>281,363,962</b>	<b>291,272,756</b>	<b>618,551,400</b>	<b>637,953,766</b>
<b>Deferred inflows</b>	<b>3,133,318</b>	<b>-</b>	<b>611,647</b>	<b>-</b>	<b>3,744,965</b>	<b>-</b>
Net position:						
Invested in capital assets, net of debt	430,452,722	382,295,281	364,493,341	332,781,486	794,946,063	715,076,767
Restricted	63,632,273	37,259,042	144,016,340	149,763,176	207,648,613	187,022,218
Unrestricted	(41,987,861)	41,767,418	185,593,044	183,407,479	143,605,183	225,174,897
<b>Total Net Position</b>	<b>\$ 452,097,134</b>	<b>461,321,741</b>	<b>694,102,725</b>	<b>665,952,141</b>	<b>1,146,199,859</b>	<b>1,127,273,882</b>

\* As restated

An additional portion of the City of Pasadena's net position, \$207.6 million or 18.1 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$144.5 million, or 12.6 percent is for unrestricted uses in accordance with finance-related legal requirements.

At the end of the 2013 fiscal year, the City of Pasadena is able to report positive balances in all three categories of net position for the government as a whole.

During the 2013 fiscal year, the primary government's net position increased by \$19.0 million. Approximately \$9.2 million of this is a decrease in the City's Governmental Activities and \$28.2 million of this increase is in the City Business-Type Activities. The decrease in the Governmental activities is largely related to loss of tax increment revenues due to the dissolution of redevelopment. The increase in Business-Type activities is the continuance of

positive trends and an approximately \$13.9 million increase in miscellaneous revenues. The largest components of miscellaneous revenues are an insurance settlement from the City power generating plant fire of \$12.2 million and \$4.5 million cost reimbursements for the state-of-the-art plant to remove perchlorate and volatile organic compounds (VOCs) from the groundwater near NASA-owned JPL.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012*</b>	<b>2013</b>	<b>2012*</b>	<b>2013</b>	<b>2012*</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 64,600,961	61,749,197	274,026,947	264,204,305	338,627,908	325,953,502
Operating and capital grants and contributions	45,466,443	101,715,823	1,933,178	2,317,145	47,399,621	104,032,968
General revenues:						
Taxes:						
Property taxes, levied for general purpose	42,955,491	54,050,955	-	-	42,955,491	54,050,955
Sales taxes	30,870,262	32,239,062	-	-	30,870,262	32,239,062
Utility users' tax	29,530,244	29,317,950	-	-	29,530,244	29,317,950
Other taxes	27,000,277	26,127,856	3,825,841	3,301,199	30,826,118	29,429,055
Other revenues	22,314,964	35,002,039	25,265,672	16,071,980	47,580,636	51,074,019
<b>Total revenues</b>	<b>262,738,642</b>	<b>340,202,882</b>	<b>305,051,638</b>	<b>285,894,629</b>	<b>567,790,280</b>	<b>626,097,511</b>
<b>Expenses:</b>						
General government	54,650,066	35,084,646	-	-	54,650,066	35,084,646
Public safety	105,540,874	103,389,475	-	-	105,540,874	103,389,475
Transportation	45,044,698	63,838,737	-	-	45,044,698	63,838,737
Community development	35,155,290	42,166,098	-	-	35,155,290	42,166,098
Interest and other fiscal charges	4,084,492	41,480,692	-	-	4,084,492	41,480,692
Electric	-	-	183,202,136	173,410,332	183,202,136	173,410,332
Water	-	-	46,483,864	43,772,589	46,483,864	43,772,589
Other expenses	47,374,404	42,765,958	26,240,884	28,761,320	73,615,288	71,527,278
<b>Total expenses</b>	<b>291,849,824</b>	<b>328,725,606</b>	<b>255,926,884</b>	<b>245,944,241</b>	<b>547,776,708</b>	<b>574,669,847</b>
<b>Increase (decrease) in net position before transfers</b>	<b>(29,111,182)</b>	<b>11,477,276</b>	<b>49,124,754</b>	<b>39,950,388</b>	<b>20,013,572</b>	<b>51,427,664</b>
<b>Transfers</b>	<b>22,083,204</b>	<b>19,284,880</b>	<b>(20,974,170)</b>	<b>(19,299,755)</b>	<b>1,109,034</b>	<b>(14,875)</b>
<b>Extraordinary gain</b>	<b>(2,196,629)</b>	<b>150,399,086</b>	<b>-</b>	<b>10,825,000</b>	<b>(2,196,629)</b>	<b>161,224,086</b>
Increase (decrease) in net assets	(9,224,607)	181,161,242	28,150,584	31,475,633	18,925,977	51,412,789
<b>Net position at beginning of year, as restated</b>	<b>461,321,741</b>	<b>274,410,499</b>	<b>665,952,141</b>	<b>639,232,616</b>	<b>1,127,273,882</b>	<b>913,643,115</b>
<b>Net position at end of year</b>	<b>\$ 452,097,134</b>	<b>455,571,741</b>	<b>694,102,725</b>	<b>670,708,249</b>	<b>1,146,199,859</b>	<b>1,126,279,990</b>

\* As restated

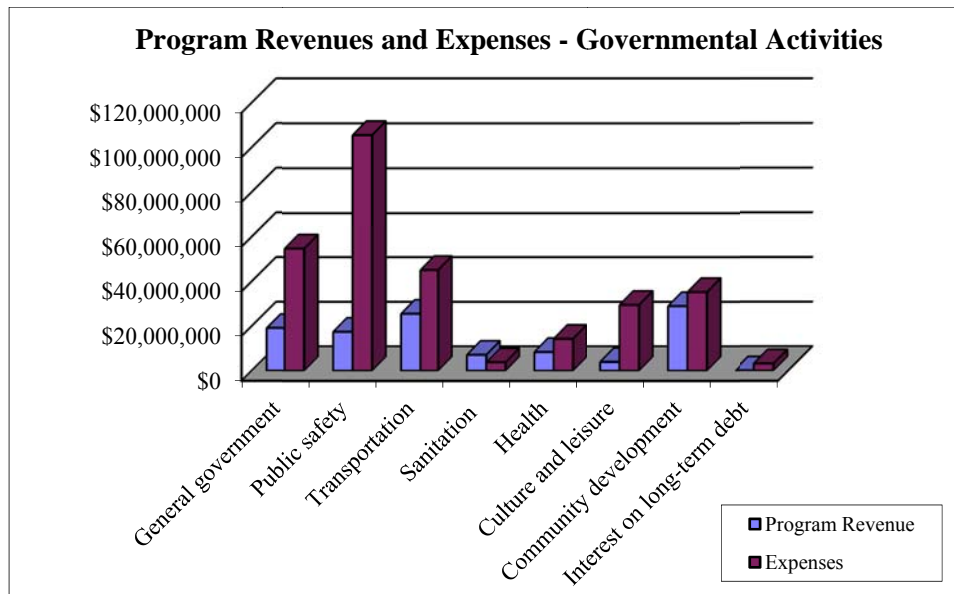
**Governmental Activities**

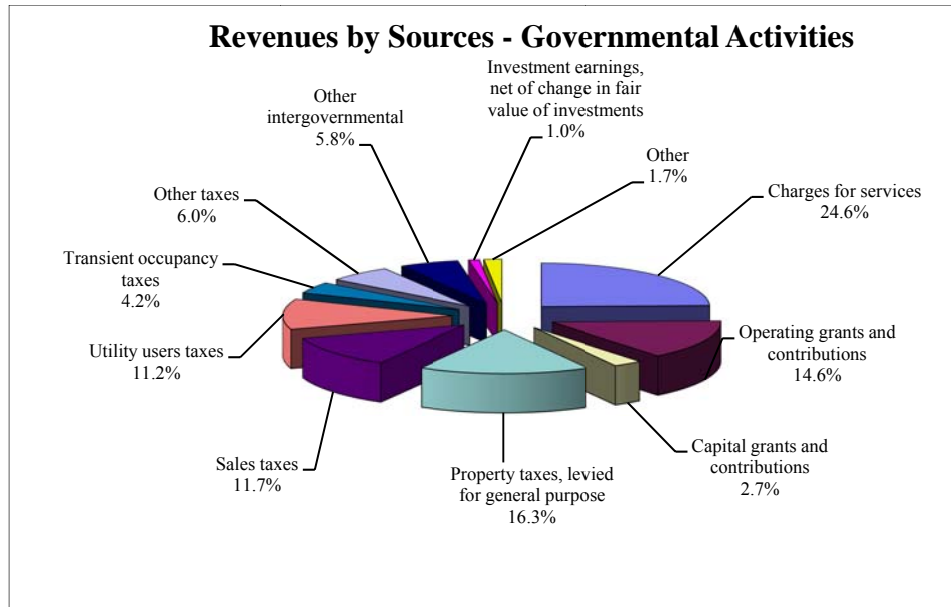
Governmental activities decreased City of Pasadena's net position by \$9.2 million a 2.0 percent decrease in the primary government's net position. Key elements of this decrease are as follows:

- The largest component of this decrease is \$2.2 million extraordinary loss due to the write-off of Successor Agency Advances not approved by State of California Department of Finance reimbursable through tax interment.



- The second largest component is the net decrease in transfers from the Water and Power utilities of the City in the amount of \$1.4 million.
- Charges for services increased \$2.8 million or 4.6 percent, Capital Grants and Contributions decreased \$8.5 million or 54.6 percent, and Operating Grants and Contributions increased \$47.7 million or 55.4 percent. The City continues to seek out grant opportunities. The largest reduction of the Operating Grants and Contributions reflects the prior year recognition of \$47.0 million of Senate Bill (SB) 481 revenue, which has been deferred.
- Tax revenue decreased by \$11.4 million or 8.0 percent decrease from fiscal year 2012 in the Governmental Activities reporting section. \$11.0 million of the decrease related to reduced tax increment after the implementation of ABx1 26 and the dissolution of the Pasadena Community Development Commission. After accounting for this change, property tax revenue of the City increased \$1.8 million or 4.6 percent. The largest increase in tax revenue was transient occupancy tax of \$1.6 million or 16.3%. Other taxes and Utility User tax both showed modest increases of \$.3 million and \$.2 million respectively.
- Sales tax was \$1.3 million less than the prior year reflecting a one-time reduction by the State for an overpayment in the previous year due to the State’s method of making estimated payments.
- 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 decrease \$36.9 million to \$291.8 million from \$328.7 million in fiscal year 2012 with increases in some categories offset by decreases in others. The largest decrease occurred in Interest and other fiscal charges down \$38 million or 1220 percent; last year’s amounts represent a one-time expense related to dissolution of Pasadena Community Development Commission. Transportation capital outlay spending decreased by \$18.8 million or 42 percent compared to the prior year. Community Development operating costs and capital outlay also decreased by \$7 million or 20 percent as there were no adjustments to record related to dissolution of redevelopment agency as in the prior year. General government expenses increased by \$19 million or 36 percent primarily due to increases in net pension obligation, internal service charges and accumulated depreciation. Public Safety internal service charges increased by \$2 million or 2 percent. Health spending increased by \$2.8 million or 20 percent primarily due to the creation of a new Dental Clinic. Culture and leisure expenses increased by \$1 million or 5 percent.

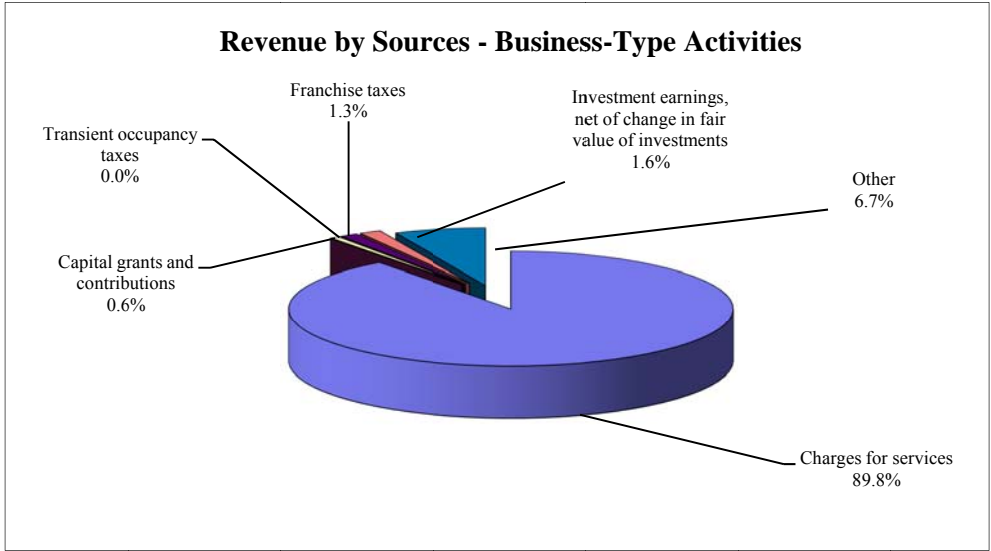
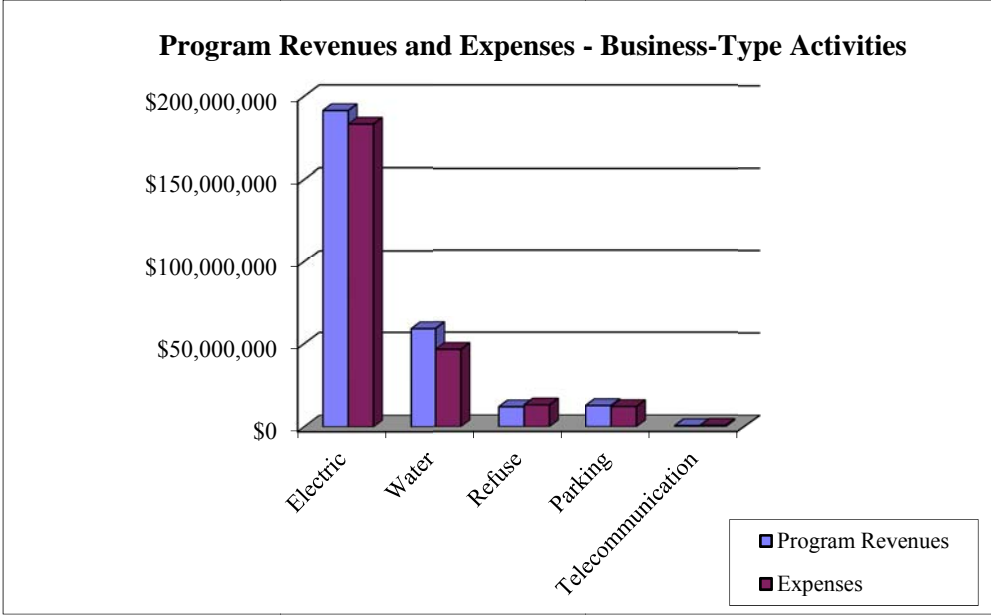




### Business-Type Activities

Business-type activities increased the City of Pasadena's net position by \$28.2 million. The net position of business-type activities increased by \$31.5 million in the prior year. Key elements of this year's increase are as follows:

- Electric revenues increased \$4.1 million or 2.2 percent from the prior year primarily due to a 6.8 percent increase of the Power Distribution and Customer Rate. Revenue from wholesale transactions was about \$6.5 million, a decrease of approximately \$2.4 million or 27.2 percent from prior year. Other Operating Revenues was about \$1.9 million, an increase of \$1.9 million compared to prior year due to new Cap & Trade emission credit auction proceeds received in FY 2013.
- Electric expenses increased \$9.8 million or 5.6 percent from \$173.4 million to \$183.2 million due to higher operating and transmission costs.
- Water revenues increased \$4.2 million or 7.8 percent over the prior year mainly due to increases in total water sold by 7.2 percent and Purchased Water Adjustment Charge (PWAC).
- Water expenses increased \$0.2 million or 0.3 percent from \$46.7 million to \$46.5 million. Purchased water expenses increased by \$0.2 million or 1.2 percent from prior year despite a 6.7 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 decreased by \$0.9 million or 21.0 percent to \$3.4 million.
- Refuse expenses decreased \$3.8 million without the increased expenses related to the November/December 2012 windstorm.
- Investment earnings decreased \$4.7 million or 50.0 percent over the prior year due to lower interest rates and losses on investments.
- Revenue from Franchise taxes increased \$1.0 million or 38.6 percent from the prior year primarily due to an increase of the City's Franchise rates.



**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 2012 when City Council *committed* 10 percent of the General Fund annual appropriations per the adopted City Budget for both fiscal years 2012 and 2013. For fiscal year 2013 this amounted to \$21.6 million.

At the end of the 2013 fiscal year, the City's governmental funds reported combined ending fund balances of \$223.3 million, a decrease of \$9.9 million in comparison with the prior year, as restated. The nonspendable fund balance of \$41.7 million represents assets generated by prepayments, permanent trust fund balances and receivables in funds, net of allowances. The restricted fund balance of \$69.7 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 \$100.0 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 \$4.2 million describes the portion of fund balance that reflects the City's intended use of resources. The unassigned fund balance of \$7.7 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 2013 fiscal year, total fund balance equaled \$61.9 million in comparison to \$59.5 million, as restated, in the prior year.

The fund balance of the City of Pasadena's General Fund increased by \$2.4 million or 4.1 percent, during 2013 fiscal year, after restatement of the FY 2012 fund balance. Key factors in this increase are as follows:

Last year's presentation of the General Fund fund balance categories included an incorrect and conservative approach for treatment of the \$47.2 million advance to the former Pasadena Community Development Corporation from the City. While total fund balance was correct, the Committed Fund Balance was overstated and the Unassigned Fund Balance was understated by \$47.2 million. This resulted in a negative Unassigned Fund Balance of \$40.1 million when it should have been a positive \$7.1 million.

- Total expenditures decreased \$2.7 million or 1.5%. All five of the components decreased as follows: \$1.1 million in Transportation, \$1.0 million in Public safety, \$.25 million in Community development, \$.25 million in Culture and leisure, and \$.1 million in General Government. Transportation decrease reflected the decrease for personnel and service & supplies costs. The Public Safety decrease reflected primarily decreased personnel costs. Culture and leisure, Community development and General Government decreases reflected reduced personnel and costs.
- Miscellaneous revenues decreased \$7.7 million reflecting a \$6.9 million sale of air rights related to a parking structure in the prior year and reduced other miscellaneous revenues.
- Taxes increased by a net \$1.4 million as some revenues show the beginning of recovery. Property tax revenue led the increase, up \$1.8 million, followed by an increase in transient occupancy taxes of \$1.6 million. Sales and construction tax decreased by \$1.3 million and \$0.7 million, respectively.
- Charges for services increased \$2.9 million or 9.7 percent from the prior year largely due to new cost allocation plan rates effective July 1, 2013.
- Fines and forfeitures increased \$0.6 million due parking citation collections.
- General Fund Transfers out increased \$4.3 million and Transfers in increased \$1.6 million for a combined net other financing use of \$3.7 million. The \$4.3 million increase of transfers out was due to transfers to capital improvement projects and a partial payment of benefits settlement.
- General Fund Transfers in had a net increase of \$1.6 million was due to a one time transfer of \$2.7 million from debt service reserves.
- Total Governmental Funds Transfer out increased \$1.9 million and Transfers in increased \$2.8 million. The largest components of these variances relates to the General Fund transfer out for benefits settlement and one time transfer in of debt service reserves.

The Project Management Capital Project Fund has a fund balance of \$1.5 million, which is a decrease of \$0.8 million over the prior year. The key factors contributing to this decrease are as follows:

- A net decrease of \$4.3 million in revenues reflects a \$4.3 million decrease in Intergovernmental Revenues.
- Total expenditures increased \$4.3 million or 21.2 percent due to increase of expenditures incurred on Transportation and Parks and Landscaping projects.
- Other financing sources increased by \$7.5 million or 57.3 percent from \$13.1 million in 2012 to \$20.6 million in 2013. Other financing sources are 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 position of the Light and Power Fund at the end of the year amounted to \$148.6 million and those for the Water, Old Pasadena Parking, and Paseo Colorado Parking Funds amounted to \$28.2 million, \$7.1 million, and (\$3.1) million respectively. The total net income for each fund was \$11.1 million, \$15.9 million, \$.8 million, and \$0.4 million respectively.

Light and Power operating revenues increased \$4.1 million from prior year. Total retail electric energy sold was approximately 1.13 megawatt hours, a 1.2% increase compared to prior fiscal year. Retail energy sales increased \$4.1 million and other revenues increased \$8.6 million, primarily due to an insurance settlement for a fire on GT-2. Total operating expenses increased \$10.2 million or 6.1 percent to \$177.6 million and are attributable to increased utility production costs.

Water Fund revenues increased \$4.2 million due to rate increases implemented during the year. Operating expenses increased \$.7 million. Water Fund purchased water expenses increased \$0.2 million. Other operating expenses, including source of supply, water treatment, pumping maintenance and transmission, and distribution expenses decreased \$0.4 million due to higher operating costs.

Old Pasadena Parking Fund net income decreased \$12.4 million to \$0.8 million due to an extraordinary gain of \$10.8 million which resulted from the writing off of an advance made to the former PCDC in the prior year, operating income of \$1.3 million, and \$0.2 million of non-operating expenses.

Paseo Colorado Parking Funds net income increased \$.4 million from a net loss of \$8,668 in 2012 to a net income of \$0.4 million in 2013. Net income increased primarily due to \$0.5 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, 2013 amounts to \$1,078.5 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 3.2 percent (a 1.6 percent increase for governmental activities and a 4.5 percent increase for business-type activities).

Major capital asset related events during the 2013 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 \$2.3 million was spent on these projects during fiscal year 2013.

- In the area of technology upgrade project, the City spent \$0.3 million in the implementation of a video surveillance system in the Jail and \$0.4 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 City-wide. Some of the major projects in these categories this fiscal year include: Preventative Maintenance-Asphalt Streets, Improvement of Alley and Concrete Streets, Replacement of Medium Duty Transit Vehicles, South Access Pedestrian Corridor Improvements at the Sierra Madre Villa Light Rail Station. Work on these projects during the 2013 fiscal year reached \$13.2 million. Construction in Progress for the governmental activities as of June 30, 2013 is \$27.0 million.
- As of June 30, 2013, the Water and Power utility plant amounted to \$536.3 million, net of accumulated depreciation, an increase of 5.0 percent or \$27.0 million. During the fiscal year, the City spent \$50.4 million on various water and power projects and capitalized \$13.5 million for projects completed. Some of the major power projects completed are related to power supply, power distribution line operation and sub-station maintenance service, GT-1 & GT-2 generator renewals & repairs, switchgear upgrade, installation of sub-transmission lines and GIS data management system. Lining of reservoirs, recycle water, well and booster pump upgrade install new and replace distribution pipe lines are some of the major Water projects completed during FY 2013.

**City of Pasadena's Capital Assets  
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 58,273,512	58,273,512	6,315,288	6,315,288	64,588,800	64,588,800
Buildings and improvements	172,114,402	177,409,285	85,492,076	86,877,662	257,606,478	264,286,947
Machinery and equipment	29,022,784	25,887,817	360,747,950	370,897,515	389,770,734	396,785,332
Infrastructure	204,464,028	203,223,456	-	-	204,464,028	203,223,456
Construction in progress	27,041,250	18,459,145	134,988,044	98,131,767	162,029,294	116,590,912
Totals	\$ 490,915,976	483,253,215	587,543,358	562,222,232	1,078,459,334	1,045,475,447

Additional information on the City of Pasadena's capital assets can be found in note 7 on pages 70-71 of this report.

**Long-Term Debt**

At year-end, the City has a number of debt issues outstanding. These include \$133.9 million of taxable pension bonds, \$246.4 million of revenue bonds, \$95.6 million of certificates of participation, \$2.0 million of notes payable and \$8.6 million of capitalized lease obligations. Long-term debt decreased by a net amount of \$21.1 million as a result of new debt issuance, normal scheduled principal maturities, decreased compensated absences, increased Other Post-Employment Benefits (OPEB), increased insurance claims payable, and increased net pension obligation. The City was assigned an AAA GO rating by Standard and Poor's and AA+ rating by Fitch Rating Agency.

The new issues are:

- Notes Payable-Rose Bowl Operating Company, \$575,642,
- 2012 Electric Revenue Bonds, \$11,780,000
- 2013 Equipment Lease-Dental Clinic \$265,187

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Long-term debt:</b>						
Notes payable	\$ 925,642	685,000	1,139,066	1,283,965	2,064,708	1,968,965
Bonds	140,605,000	150,920,000	239,665,000	251,565,000	380,270,000	402,485,000
Certificates of participation	85,772,925	94,920,443	9,837,075	13,764,557	95,610,000	108,685,000
Capitalized lease obligations	8,532,705	9,494,610	44,626	78,828	8,577,331	9,573,438
Unamortized premium □(discount)	(999,347)	(1,378,788)	3,346,787	2,641,858	2,347,440	1,263,070
<b>Total long-term debt</b>	<b>234,836,925</b>	<b>254,641,265</b>	<b>254,032,554</b>	<b>269,334,208</b>	<b>488,869,479</b>	<b>523,975,473</b>
<b>Operational Liabilities:</b>						
Derivative instrument	539,912	630,643	-	-	539,912	630,643
Compensated absences	10,011,243	10,220,044	-	-	10,011,243	10,220,044
OPEB	14,912,018	12,144,215	-	-	14,912,018	12,144,215
Insurance Claims Payable	35,577,767	31,459,825	-	-	35,577,767	31,459,825
Net pension obligation	15,796,000	8,557,000	-	-	15,796,000	8,557,000
<b>Total operational liabilities</b>	<b>76,836,940</b>	<b>63,011,727</b>	<b>-</b>	<b>-</b>	<b>76,836,940</b>	<b>63,011,727</b>
<b>Totals</b>	<b>\$ 311,673,865</b>	<b>317,652,992</b>	<b>254,032,554</b>	<b>269,334,208</b>	<b>565,706,419</b>	<b>586,987,200</b>

Additional information on the City of Pasadena's long-term debt can be found in note 9 on pages 73 to 84 of this report. Information on Insurance Claims Payable can be found in note 16 on pages 105 to 107 and Other Post-Employment Benefits can be found in note 21 on pages 118 to 123.

The City reports three items of significant economic importance in its subsequent event note 24 on pages 126 to 127. Also note 23 on pages 125 to 126 describes another item of significance related to the dissolution of Redevelopment in California and the legal uncertainty as relates to the City.

## 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 Position**  
**June 30, 2013**

	<b>Primary Government</b>		<b>Total Primary Government</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>Assets</b>			
Cash and investments (note 2)	\$ 182,086,368	156,481,768	338,568,136
Accounts receivable, net (note 3)	28,025,587	33,409,028	61,434,615
Notes receivable (note 4)	55,090,917	52,742,084	107,833,001
Inventories	220,458	19,980,765	20,201,223
Prepays and other assets	446,885	29,328,271	29,775,156
Advances to other funds (note 6)	44,819,450	284,319	45,103,769
Advances to component units (note 6)	1,841,417	-	1,841,417
Allowance for uncollectible long-term receivables (notes 4 and 6)	(30,314,725)	-	(30,314,725)
Restricted assets - cash and investments (note 2)	25,000	96,308,741	96,333,741
Derivative instrument asset	-	-	-
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	27,041,250	134,988,044	162,029,294
Other capital assets, net	405,601,214	446,240,026	851,841,240
Total assets	<u>792,343,024</u>	<u>976,078,334</u>	<u>1,768,421,358</u>
<b>Deferred outflow of resources</b>			
Accumulated decrease in fair value of hedging derivatives (note 10)	74,866	-	74,866
Accounts payable and accrued liabilities	19,923,908	23,286,575	43,210,483
Deposits	2,643,732	4,044,833	6,688,565
Interest payable	2,385,162	-	2,385,162
Due to primary government	-	-	-
Due to other governments	560,771	-	560,771
Advances from primary government (note 6)	-	-	-
Derivative instrument liability (note 10)	-	-	-
Noncurrent liabilities (note 9):			
Due within one year	41,840,116	14,264,803	56,104,919
Due in more than one year	269,833,749	239,767,751	509,601,500
Total liabilities	<u>337,187,438</u>	<u>281,363,962</u>	<u>618,551,400</u>
<b>Deferred inflow of resources</b>			
Deferred refunding charge (note 10)	1,362,441	-	1,362,441
Deferred inflow of resources (note 8)	1,770,877	611,647	2,382,524
Service concession agreement (note 10)	-	-	-
Total deferred inflow of resources	<u>3,133,318</u>	<u>611,647</u>	<u>3,744,965</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	430,452,722	364,493,341	794,946,063
Restricted:			
Expendable:			
Culture and leisure	1,665,116	-	1,665,116
Capital projects	-	-	-
Community development	19,550,203	-	19,550,203
Contribution	-	17,946,812	17,946,812
Debt service	31,126,374	-	31,126,374
Stranded investments (notes 12 and 19)	-	124,951,046	124,951,046
Transportation	8,854,505	-	8,854,505
Other purposes	-	1,118,482	1,118,482
Nonexpendable	2,436,075	-	2,436,075
Unrestricted	(41,987,861)	185,593,044	143,605,183
Total net position	<u>452,097,134</u>	<u>694,102,725</u>	<u>1,146,199,859</u>

See accompanying notes to the basic financial statements.



Component Units	Totals	
	2013	2012
19,105,717	357,673,853	344,505,073
2,704,226	64,138,841	68,724,132
-	107,833,001	108,742,397
-	20,201,223	20,788,869
6,134,644	35,909,800	34,575,374
-	45,103,769	57,312,820
-	1,841,417	2,056,631
-	(30,314,725)	(25,718,765)
50,763,243	147,096,984	200,914,911
2,319,838	2,319,838	-
-	19,185,691	19,185,691
2,423,473	67,012,273	67,012,273
143,457,622	305,486,916	205,800,128
181,874,185	1,033,715,425	1,052,720,807
<u>408,782,948</u>	<u>2,177,204,306</u>	<u>2,156,620,341</u>
<u>19,199,388</u>	<u>19,274,254</u>	<u>82,311,354</u>
5,304,025	48,514,508	51,854,756
1,201,578	7,890,143	7,436,385
3,802,130	6,187,292	6,471,824
1,015,048	1,015,048	-
-	560,771	589,090
4,551,778	4,551,778	2,056,631
18,899,923	18,899,923	75,091,264
4,091,280	60,196,199	60,868,136
<u>383,084,552</u>	<u>892,686,052</u>	<u>887,699,475</u>
<u>421,950,314</u>	<u>1,040,501,714</u>	<u>1,092,067,561</u>
7,545,131	8,907,572	-
519,574	2,902,098	4,665,734
566,629	566,629	-
<u>8,631,334</u>	<u>12,376,299</u>	<u>4,665,734</u>
175,287	795,121,350	738,549,597
-	1,665,116	3,599,884
53,938,214	53,938,214	94,493,366
-	19,550,203	20,720,515
-	17,946,812	17,259,775
-	31,126,374	-
-	124,951,046	130,573,776
-	8,854,505	10,487,196
-	1,118,482	1,929,625
-	2,436,075	2,451,447
(56,712,813)	86,892,370	122,133,219
<u>(2,599,312)</u>	<u>1,143,600,547</u>	<u>1,142,198,400</u>

**CITY OF PASADENA**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2013**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 54,650,066	17,562,667	312,126	1,188,233
Public safety	105,540,874	13,369,847	4,004,343	-
Transportation	45,044,698	13,784,374	6,770,367	4,892,926
Sanitation	3,743,615	7,082,748	-	-
Health	14,228,310	740,989	7,577,013	-
Culture and leisure	29,402,479	2,975,161	935,100	-
Community development	35,155,290	9,085,175	18,751,596	1,034,739
Interest and other fiscal charges	4,084,492	-	-	-
Total governmental activities	<u>291,849,824</u>	<u>64,600,961</u>	<u>38,350,545</u>	<u>7,115,898</u>
<b>Business-type activities:</b>				
Electric	183,202,136	190,070,905	-	1,322,317
Water	46,483,864	58,535,502	-	610,861
Refuse	13,184,967	12,056,606	-	-
Parking	12,228,715	12,783,500	-	-
Telecommunication	827,202	580,434	-	-
Total business-type activities	<u>255,926,884</u>	<u>274,026,947</u>	<u>-</u>	<u>1,933,178</u>
Total primary government	<u>\$ 547,776,708</u>	<u>338,627,908</u>	<u>38,350,545</u>	<u>9,049,076</u>
<b>Component units</b>	<u>\$ 46,642,553</u>	<u>21,413,899</u>	<u>-</u>	<u>958,271</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/(loss)**

Change in net assets

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

**Net position - end of year**

See accompanying notes to the basic financial statements.

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

<b>Primary Government</b>					
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>	<b>Component Units</b>	<b>Totals</b>	
				<b>2013</b>	<b>2012</b>
(35,587,040)	-	(35,587,040)	-	(35,587,040)	27,356,443
(88,166,684)	-	(88,166,684)	-	(88,166,684)	(87,362,079)
(19,597,031)	-	(19,597,031)	-	(19,597,031)	(34,146,533)
3,339,133	-	3,339,133	-	3,339,133	3,703,599
(5,910,308)	-	(5,910,308)	-	(5,910,308)	(3,573,309)
(25,492,218)	-	(25,492,218)	-	(25,492,218)	(23,983,334)
(6,283,780)	-	(6,283,780)	-	(6,283,780)	(5,774,681)
(4,084,492)	-	(4,084,492)	-	(4,084,492)	(41,480,692)
<b>(181,782,420)</b>	<b>-</b>	<b>(181,782,420)</b>	<b>-</b>	<b>(181,782,420)</b>	<b>(165,260,586)</b>
-	8,191,086	8,191,086	-	8,191,086	14,180,444
-	12,662,499	12,662,499	-	12,662,499	11,205,426
-	(1,128,361)	(1,128,361)	-	(1,128,361)	(5,491,694)
-	554,785	554,785	-	554,785	279,826
-	(246,768)	(246,768)	-	(246,768)	403,207
-	20,033,241	20,033,241	-	20,033,241	20,577,209
<b>(181,782,420)</b>	<b>20,033,241</b>	<b>(161,749,179)</b>	<b>-</b>	<b>(161,749,179)</b>	<b>(144,683,377)</b>
-	-	-	(24,270,383)	(24,270,383)	(32,949,739)
42,955,491	-	42,955,491	-	42,955,491	54,050,955
30,870,262	-	30,870,262	-	30,870,262	32,239,062
29,530,244	-	29,530,244	-	29,530,244	29,317,950
11,109,306	-	11,109,306	6,267,505	17,376,811	15,791,465
2,066,459	-	2,066,459	-	2,066,459	2,818,988
5,230,009	-	5,230,009	-	5,230,009	5,478,863
2,062,860	3,825,841	5,888,701	-	5,888,701	4,774,878
6,531,643	-	6,531,643	2,626,962	9,158,605	8,654,341
15,186,751	-	15,186,751	138,871	15,325,622	14,918,948
2,680,928	4,743,926	7,424,854	(1,306,723)	6,118,131	15,667,614
424,170	(92,072)	332,098	-	332,098	5,396,034
4,023,115	20,613,818	24,636,933	3,828,945	28,465,878	23,108,040
22,083,204	(20,974,170)	1,109,034	-	1,109,034	(14,875)
<b>174,754,442</b>	<b>8,117,343</b>	<b>182,871,785</b>	<b>11,555,560</b>	<b>194,427,345</b>	<b>212,202,263</b>
(2,196,629)	-	(2,196,629)	-	(2,196,629)	161,224,086
(9,224,607)	28,150,584	18,925,977	(12,714,823)	6,211,154	195,793,233
461,321,741	665,952,141	1,127,273,882	10,115,511	1,137,389,393	946,405,167
<b>\$ 452,097,134</b>	<b>694,102,725</b>	<b>1,146,199,859</b>	<b>(2,599,312)</b>	<b>1,143,600,547</b>	<b>1,142,198,400</b>

**CITY OF PASADENA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

	<u>General</u>	<u>Project Management Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Totals</u>	
				<u>2013</u>	<u>2012</u>
<b>Assets:</b>					
Cash and investments (note 2)	\$ 35,468,139	2,363,724	127,917,420	165,749,283	168,638,249
Accounts receivable, net (note 3)	16,036,315	2,003,018	9,542,888	27,582,221	31,671,293
Notes receivable (note 4)	51,508	-	55,039,409	55,090,917	51,254,480
Due from other funds (note 5)	4,214,228	-	-	4,214,228	5,509,340
Prepays and other assets	-	-	4,638	4,638	31,162
Restricted cash and investments	25,000	-	-	25,000	-
Advances to other funds (note 6)	45,919,450	-	-	45,919,450	50,833,501
Advances to component units (note 6)	1,841,417	-	-	1,841,417	2,056,631
Allowance for uncollectible long-term receivables (note 3 and 6)	-	-	(30,314,725)	(30,314,725)	(25,718,765)
Property held for resale	8,300,000	-	7,171,300	15,471,300	15,471,300
Total assets	<u>111,856,057</u>	<u>4,366,742</u>	<u>169,360,930</u>	<u>285,583,729</u>	<u>299,747,191</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	6,811,667	2,464,354	3,472,203	12,748,224	12,536,447
Deposits	2,279,530	-	364,202	2,643,732	2,570,980
Due to other funds (note 5)	-	-	2,774,077	2,774,077	3,756,684
Due to other governments	-	-	560,771	560,771	579,534
Advances from other funds (note 6)	1,100,000	-	-	1,100,000	-
Capitalized lease obligations - long-term	-	-	-	-	-
Total liabilities	<u>10,191,197</u>	<u>2,464,354</u>	<u>7,171,253</u>	<u>19,826,804</u>	<u>19,443,645</u>
Deferred inflow of resources (note 8)	<u>39,718,600</u>	<u>397,406</u>	<u>2,298,493</u>	<u>42,414,499</u>	<u>52,762,334</u>
<b>Fund balances:</b>					
Nonspendable	8,351,508	-	33,355,622	41,707,130	44,663,282
Restricted	-	4,475,108	65,201,013	69,676,121	85,250,443
Committed	37,380,218	1,278,955	61,350,382	100,009,555	91,871,308
Assigned	4,249,148	-	-	4,249,148	5,509,340
Unassigned	11,965,386	(4,249,081)	(15,833)	7,700,472	246,839
Total fund balances	<u>61,946,260</u>	<u>1,504,982</u>	<u>159,891,184</u>	<u>223,342,426</u>	<u>227,541,212</u>
Total liabilities and fund balances	<u>\$ 111,856,057</u>	<u>4,366,742</u>	<u>169,360,930</u>	<u>285,583,729</u>	<u>299,747,191</u>

See accompanying notes to the basic financial statements.

**CITY OF PASADENA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2013**

Fund balances of governmental funds \$ 223,342,426

Amounts reported for governmental activities in the Statement of Net Position are difference because:

Capital assets net of depreciation have not been included as financial resources in governmental fund activity. 474,852,613

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

Notes payable	\$	(925,642)	
Pension bonds		(133,905,000)	
Revenue bonds		(6,700,000)	
Certificates of participation		(85,772,925)	
Capitalized lease obligations		(5,167,472)	
Other post employment benefits liability		(14,912,018)	
Net pension obligation		(15,796,000)	
Derivative instrument deferred borrowing		(539,912)	
Unamortized premium (discount)		999,347	
Net adjustment			(262,719,622)

Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. (2,385,162)

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

Revenues not available			
General Fund		38,838,935	
Project Management Capital Project Fund		40,120	
Non-Major Governmental Funds		1,764,567	
Total revenues not available			40,643,622

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 Position.

Fair value of interest rate swap		74,866	
Deferred amount related to the hedgeable portion of the derivative instrument		(1,362,441)	
			(1,287,575)

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 Position and Liabilities of the Internal Service Funds must be added to the Statement of Net Position

			(20,349,168)
Net position of governmental activities			\$ 452,097,134

See accompanying notes to the basic financial statements.

**CITY OF PASADENA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**

	General	Project Management Capital Projects	Non-Major Governmental Funds	Totals	
				2013	2012
<b>Revenues:</b>					
Taxes	\$ 122,014,755	-	8,341,519	130,356,274	141,735,823
Licenses and permits	3,046,516	-	6,149,818	9,196,334	9,525,279
Intergovernmental revenues	14,709,095	2,781,580	41,497,202	58,987,877	64,714,780
Charges for services	32,475,987	86,873	9,442,656	42,005,516	38,938,944
Fines and forfeits	7,452,899	-	-	7,452,899	6,796,482
Investment earnings	9,874,106	-	1,166,679	11,040,785	11,745,449
Rental income	1,602,381	-	2,752,964	4,355,345	4,462,370
Miscellaneous revenues	2,644,508	-	3,527,522	6,172,030	13,617,622
Contributions	-	497,935	1,035,761	1,533,696	5,279,858
Total revenues	193,820,247	3,366,388	73,914,121	271,100,756	296,816,607
<b>Expenditures:</b>					
Current:					
General government	30,945,835	-	31,359	30,977,194	77,896,683
Public safety	96,012,393	-	3,667,540	99,679,933	100,264,697
Transportation	22,804,610	-	11,614,772	34,419,382	35,274,994
Sanitation	-	-	3,743,615	3,743,615	3,516,602
Health	-	-	13,479,818	13,479,818	10,899,113
Culture and leisure	14,470,287	-	13,769,964	28,240,251	27,195,317
Community development	6,808,301	-	25,639,253	32,447,554	37,845,264
Capital outlay	-	24,812,845	94,245	24,907,090	20,645,329
Debt service:					
Principal retirement	-	-	20,414,902	20,414,902	20,303,154
Interest	-	-	10,782,846	10,782,846	16,486,457
Total expenditures	171,041,426	24,812,845	103,238,314	299,092,585	350,327,610
Excess (deficiency) of revenues over (under) expenditures	22,778,821	(21,446,457)	(29,324,193)	(27,991,829)	(53,511,003)
<b>Other financing sources (uses):</b>					
Issuance of long-term debt	-	-	840,829	840,829	51,097,131
Other financing source (use)-bond premium (discount)	-	-	-	-	(459,219)
Transfers in (note 15)	21,783,098	21,083,872	41,577,250	84,444,220	81,634,651
Transfers out (note 15)	(42,141,527)	(429,408)	(22,474,442)	(65,045,377)	(63,130,410)
Total other financing sources (uses)	(20,358,429)	20,654,464	19,943,637	20,239,672	69,142,153
<b>Extraordinary gain (loss)</b>	-	-	(2,196,629)	(2,196,629)	152,582,102
Change in fund balances	2,420,392	(791,993)	(11,577,185)	(9,948,786)	168,213,252
<b>Fund balances at beginning of year, as restated (note 22)</b>	59,525,868	2,296,975	171,468,369	233,291,212	59,327,960
<b>Fund balances at end of year</b>	\$ 61,946,260	1,504,982	159,891,184	223,342,426	227,541,212

See accompanying notes to the basic financial statements.

**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, 2013**

Net change in fund balances - total governmental funds \$ (9,948,786)

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	24,907,090
Depreciation	(7,946,862)
Capital Projects Completed	(4,186,104)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (3,940,054)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, 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 Position.

Debt issued:	
Notes Payable	\$ (575,642)
Capitalized lease obligations	(265,187)
Repayments:	
Changes in net pension obligations	(7,239,000)
To bond, certificate, and note holders	<u>20,442,336</u>
Net adjustment	12,362,507

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. (9,603,604)

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. (2,310,330)

Interest payable related to debt services or long-term liabilities. This is the net change in interest payable expense for the current period. 249,435

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, worker's compensation general liability printing services and mail services, to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities. (8,807,899)

Change in net position of governmental activities \$ (9,224,607)

See accompanying notes to the basic financial statements.

**CITY OF PASADENA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	<b>Light and Power</b>	<b>Water</b>	<b>Old Pasadena Parking</b>	<b>Paseo Colorado Parking</b>
<b>Assets</b>				
<b>Current assets:</b>				
Cash and investments (note 2)	\$ 129,111,241	17,741,948	4,382,825	922,136
Accounts receivable, net (note 3)	20,393,551	9,802,443	406,742	244,382
Notes receivable (note 4)	4,989,583	-	-	-
Due from other funds (note 5)	-	-	436,081	-
Inventories	10,151,361	9,829,404	-	-
Prepays and other assets	2,084,602	369,507	228,248	250,888
Total current assets	<u>166,730,338</u>	<u>37,743,302</u>	<u>5,453,896</u>	<u>1,417,406</u>
<b>Noncurrent assets:</b>				
To finance stranded investments (note 12)	65,326,204	-	-	-
Other restricted cash and investments	6,234,234	20,363,811	2,380,672	2,003,820
Advances to other funds (note 6)	1,100,000	-	9,280,000	-
Notes receivable (note 4)	47,752,501	-	-	-
Property held for resale	-	-	-	-
Prepaid long-term assets	24,247,137	1,386,267	513,483	248,139
Capital assets (note 7)	696,298,301	237,483,352	25,053,546	30,830,486
Less accumulated depreciation	<u>(322,006,630)</u>	<u>(75,479,933)</u>	<u>(10,237,985)</u>	<u>(7,341,302)</u>
Net property, plant and equipment	<u>374,291,671</u>	<u>162,003,419</u>	<u>14,815,561</u>	<u>23,489,184</u>
Total noncurrent assets	<u>518,951,747</u>	<u>183,753,497</u>	<u>26,989,716</u>	<u>25,741,143</u>
Total assets	<u>685,682,085</u>	<u>221,496,799</u>	<u>32,443,612</u>	<u>27,158,549</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	14,413,157	7,348,555	653,187	344,558
Deposits	912,158	164,864	316,354	15,230
Insurance claims payable - current (note 16)	-	-	-	-
Due to other funds (note 5)	-	-	-	-
Due to other governments	-	-	-	-
Compensated absences	-	-	-	-
Notes payable - current (note 9)	-	-	152,262	-
Revenue bonds - current (note 9)	8,695,000	3,070,000	-	600,000
Certificates of participation - current (note 9)	-	-	1,712,011	-
Capitalized lease obligations - current (note 9)	-	-	-	-
Total current liabilities	<u>24,020,315</u>	<u>10,583,419</u>	<u>2,833,814</u>	<u>959,788</u>
<b>Long-term liabilities:</b>				
Insurance claims payable - long-term (note 16)	-	-	-	-
OPEB liability - long-term (notes 9 and 21)	-	-	-	-
Advances from other funds (note 6)	-	-	7,136,545	4,381,838
Notes payable - long-term (note 9)	-	-	986,804	-
Revenue bonds - long-term (note 9)	128,741,470	76,622,313	75,260	25,207,744
Certificates of participation - long-term (note 9)	-	-	8,125,064	-
Capitalized lease obligations - long-term (note 9)	-	-	-	-
Total long-term liabilities	<u>128,741,470</u>	<u>76,622,313</u>	<u>16,323,673</u>	<u>29,589,582</u>
Total liabilities	<u>152,761,785</u>	<u>87,205,732</u>	<u>19,157,487</u>	<u>30,549,370</u>
<b>Deferred inflow of resources:</b>				
Deferred inflow of resources (note 8)	611,647	-	-	-
<b>Net Position</b>				
Invested in capital assets, net of related debt	243,089,435	102,674,917	6,144,832	(314,740)
Restricted:				
Contribution	14,543,862	3,402,950	-	-
Stranded investments (notes 12 and 19)	124,951,046	-	-	-
Other purposes	1,118,482	-	-	-
Unrestricted	<u>148,605,828</u>	<u>28,213,200</u>	<u>7,141,293</u>	<u>(3,076,081)</u>
Total net position	<u>\$ 532,308,653</u>	<u>134,291,067</u>	<u>13,286,125</u>	<u>(3,390,821)</u>

See accompanying notes to the basic financial statements.



Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds	Totals	
			2013	2012
4,323,618	156,481,768	16,337,085	172,818,853	163,861,237
2,561,910	33,409,028	443,366	33,852,394	33,674,753
-	4,989,583	-	4,989,583	4,745,833
-	436,081	862,777	1,298,858	1,057,816
-	19,980,765	220,458	20,201,223	20,788,869
-	2,933,245	363,579	3,296,824	2,079,212
<u>6,885,528</u>	<u>218,230,470</u>	<u>18,227,265</u>	<u>236,457,735</u>	<u>226,207,720</u>
-	65,326,204	-	65,326,204	65,514,825
-	30,982,537	-	30,982,537	39,893,462
4,381,838	14,761,838	-	14,761,838	15,371,129
-	47,752,501	-	47,752,501	52,742,084
-	-	3,714,391	3,714,391	3,714,391
-	26,395,026	78,668	26,473,694	29,403,376
27,781,390	1,017,447,075	38,313,930	1,055,761,005	1,004,909,315
(14,837,867)	(429,903,717)	(22,250,567)	(452,154,284)	(425,452,412)
<u>12,943,523</u>	<u>587,543,358</u>	<u>16,063,363</u>	<u>603,606,721</u>	<u>579,456,903</u>
<u>17,325,361</u>	<u>772,761,464</u>	<u>19,856,422</u>	<u>792,617,886</u>	<u>786,096,170</u>
<u>24,210,889</u>	<u>990,991,934</u>	<u>38,083,687</u>	<u>1,029,075,621</u>	<u>1,012,303,890</u>
527,118	23,286,575	7,175,684	30,462,259	24,689,788
2,636,227	4,044,833	-	4,044,833	4,162,005
-	-	10,764,226	10,764,226	11,010,939
436,081	436,081	2,302,928	2,739,009	2,810,472
-	-	-	-	9,556
-	-	10,011,243	10,011,243	10,220,044
-	152,262	-	152,262	144,898
-	12,365,000	-	12,365,000	11,865,000
-	1,712,011	-	1,712,011	3,927,482
35,530	35,530	587,265	622,795	616,476
<u>3,634,956</u>	<u>42,032,292</u>	<u>30,841,346</u>	<u>72,873,638</u>	<u>69,456,660</u>
-	-	24,813,541	24,813,541	20,448,886
-	-	14,912,018	14,912,018	12,144,215
2,959,136	14,477,519	-	14,477,519	8,891,810
-	986,804	-	986,804	1,139,067
-	230,646,787	-	230,646,787	239,700,000
-	8,125,064	-	8,125,064	12,478,933
9,096	9,096	2,777,968	2,787,064	3,409,859
<u>2,968,232</u>	<u>254,245,270</u>	<u>42,503,527</u>	<u>296,748,797</u>	<u>298,212,770</u>
<u>6,603,188</u>	<u>296,277,562</u>	<u>73,344,873</u>	<u>369,622,435</u>	<u>367,669,430</u>
-	611,647	-	611,647	379,498
12,898,897	364,493,341	12,698,130	377,191,471	346,068,650
-	17,946,812	-	17,946,812	17,259,775
-	124,951,046	-	124,951,046	130,573,776
-	1,118,482	-	1,118,482	1,929,625
4,708,804	185,593,044	(47,959,316)	137,633,728	148,423,136
<u>17,607,701</u>	<u>694,102,725</u>	<u>(35,261,186)</u>	<u>658,841,539</u>	<u>644,254,962</u>

**CITY OF PASADENA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<b>Light and Power</b>	<b>Water</b>	<b>Old Pasadena Parking</b>	<b>Paseo Colorado Parking</b>
<b>Operating revenues:</b>				
Utilities	\$ 190,070,905	58,535,502	-	-
Plaza Las Fuentes parking	-	-	-	-
Refuse collection	-	-	-	-
Old Pasadena parking	-	-	4,841,613	-
Paseo Colorado parking	-	-	-	5,236,389
Telecommunication	-	-	-	-
Del Mar Goldline Parking Garage	-	-	-	-
Computing and communication services	-	-	-	-
Building maintenance	-	-	-	-
Fleet maintenance	-	-	-	-
Employee benefits	-	-	-	-
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating revenues	<u>190,070,905</u>	<u>58,535,502</u>	<u>4,841,613</u>	<u>5,236,389</u>
<b>Operating expenses:</b>				
Utility production	118,870,158	26,450,699	-	-
Utility transmission and distribution	14,948,087	4,434,017	-	-
Utility commercial and general	25,532,976	6,814,713	-	-
Plaza Las Fuentes parking	-	-	-	-
Refuse collection	-	-	-	-
Old Pasadena parking	-	-	2,953,620	-
Paseo Colorado parking	-	-	-	3,636,410
Telecommunications	-	-	-	-
Del Mar Goldline Parking Garage	-	-	-	-
Computing and communication services	-	-	-	-
Building maintenance	-	-	-	-
Fleet maintenance	-	-	-	-
Depreciation	18,294,971	5,370,352	582,256	677,370
Benefits	-	-	-	-
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating expenses	<u>177,646,192</u>	<u>43,069,781</u>	<u>3,535,876</u>	<u>4,313,780</u>
Operating income (loss)	<u>12,424,713</u>	<u>15,465,721</u>	<u>1,305,737</u>	<u>922,609</u>
<b>Non-operating revenues (expenses):</b>				
Taxes	-	-	-	-
Intergovernmental revenues	37,563	1,005,218	-	-
Charges for services	-	-	-	-
Investment earnings	3,329,566	303,172	899,390	5,926
Miscellaneous expense	-	-	(72,866)	(18,368)
Interest expense	(5,555,944)	(3,414,083)	(1,066,585)	(474,337)
Gain (loss) on disposal of assets	(68,427)	(38,487)	-	-
Miscellaneous revenues	13,711,926	5,706,909	-	-
Total nonoperating revenues (expenses)	<u>11,454,684</u>	<u>3,562,729</u>	<u>(240,061)</u>	<u>(486,779)</u>
Income (loss) before transfers and contributions	<u>23,879,397</u>	<u>19,028,450</u>	<u>1,065,676</u>	<u>435,830</u>
Capital contributions	1,322,317	610,861	-	-
Transfers in (note 15)	18,987	-	-	-
Transfers out (note 15)	(14,092,965)	(3,706,810)	(238,863)	-
Extraordinary gain	-	-	-	-
Net income (loss)	<u>11,127,736</u>	<u>15,932,501</u>	<u>826,813</u>	<u>435,830</u>
<b>Net position (deficit) at beginning of year, as restated (note 22)</b>	<u>521,180,917</u>	<u>118,358,566</u>	<u>12,459,312</u>	<u>(3,826,651)</u>
<b>Net position (deficit) at end of year</b>	<u>\$ 532,308,653</u>	<u>134,291,067</u>	<u>13,286,125</u>	<u>(3,390,821)</u>

See accompanying notes to the basic financial statements.

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds	Totals	
			2013	2012
-	248,606,407	-	248,606,407	240,251,646
2,257,780	2,257,780	-	2,257,780	2,163,983
12,056,606	12,056,606	-	12,056,606	11,291,409
-	4,841,613	-	4,841,613	4,743,194
-	5,236,389	-	5,236,389	4,701,534
580,434	580,434	-	580,434	670,421
447,718	447,718	-	447,718	382,118
-	-	11,571,041	11,571,041	10,355,102
-	-	10,660,712	10,660,712	10,515,922
-	-	8,716,257	8,716,257	9,198,594
-	-	29,828,869	29,828,869	31,771,611
-	-	12,502,038	12,502,038	12,561,539
-	-	1,032,783	1,032,783	1,140,092
-	-	425,088	425,088	431,679
15,342,538	274,026,947	74,736,788	348,763,735	340,178,844
-	145,320,857	-	145,320,857	133,408,768
-	19,382,104	-	19,382,104	20,340,304
-	32,347,689	-	32,347,689	32,985,458
2,114,195	2,114,195	-	2,114,195	1,836,639
12,330,295	12,330,295	-	12,330,295	16,123,859
-	2,953,620	-	2,953,620	3,064,333
-	3,636,410	-	3,636,410	3,469,420
802,039	802,039	-	802,039	258,692
275,633	275,633	-	275,633	266,868
-	-	10,996,054	10,996,054	10,436,142
-	-	10,024,935	10,024,935	10,043,942
-	-	7,424,798	7,424,798	7,732,174
1,324,395	26,249,344	2,601,554	28,850,898	27,474,408
-	-	36,418,271	36,418,271	34,926,955
-	-	17,339,673	17,339,673	14,688,390
-	-	1,430,540	1,430,540	1,398,419
-	-	296,027	296,027	374,685
16,846,557	245,412,186	86,531,852	331,944,038	318,829,456
(1,504,019)	28,614,761	(11,795,064)	16,819,697	21,349,388
3,825,841	3,825,841	-	3,825,841	3,301,199
76,836	1,119,617	-	1,119,617	798,862
-	-	42,449	42,449	-
205,872	4,743,926	106,593	4,850,519	9,530,417
-	(91,234)	-	(91,234)	195,847
(3,749)	(10,514,698)	(86,642)	(10,601,340)	(11,830,942)
14,842	(92,072)	-	(92,072)	2,943,068
166,600	19,585,435	240,404	19,825,839	5,993,761
4,286,242	18,576,815	302,804	18,879,619	10,932,212
2,782,223	47,191,576	(11,492,260)	35,699,316	32,281,600
-	1,933,178	-	1,933,178	2,317,145
135,000	153,987	3,307,924	3,461,911	1,843,474
(3,089,519)	(21,128,157)	(623,563)	(21,751,720)	(20,362,590)
-	-	-	-	8,641,984
(172,296)	28,150,584	(8,807,899)	19,342,685	24,721,613
17,779,997	665,952,141	(26,453,287)	639,498,854	619,533,349
17,607,701	694,102,725	(35,261,186)	658,841,539	644,254,962

**CITY OF PASADENA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2013**

	<b>Light and Power</b>	<b>Water</b>	<b>Old Pasadena Parking</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 192,550,123	56,448,171	4,968,446
Cash payments to suppliers for goods and services	(112,182,081)	(22,161,354)	(2,461,972)
Cash payments to employees for services	(34,144,023)	(12,421,557)	(118,391)
Cash payments to other funds for services	(5,914,004)	(1,423,070)	(19,670)
Cash payments from other funds for services	187,650	89,870	-
Miscellaneous revenues (expenses)	13,524,276	5,617,039	(72,866)
Net cash provided by (used for) operating activities	<u>54,021,941</u>	<u>26,149,099</u>	<u>2,295,547</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers from other funds	18,987	-	-
Transfers to other funds	(14,092,965)	(3,706,810)	(238,863)
Cash received (paid) on loans from other funds	-	-	1,108,919
Cash received (paid) on loans to other funds	(1,100,000)	-	-
Taxes received	-	-	-
Intergovernmental revenues	37,563	1,005,218	-
Net cash provided by (used for) noncapital financing activities	<u>(15,136,415)</u>	<u>(2,701,592)</u>	<u>870,056</u>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from long-term debt	11,780,000	-	-
Acquisition and construction of capital assets	(35,698,800)	(15,166,605)	(673,224)
Proceeds/(loss) from sale of capital assets	19,528	(9,935)	-
Cash received from developers	1,322,317	610,861	-
Principal paid on debt	(20,195,000)	(2,985,000)	(1,772,381)
Interest paid on debt	(4,841,946)	(3,507,902)	(1,066,585)
Net cash used for capital and related financing activities	<u>(47,613,901)</u>	<u>(21,058,581)</u>	<u>(3,512,190)</u>
<b>Cash flows from investing activities:</b>			
Purchase of investments	(98,947,550)	492,476	-
Proceeds from sale of investments	76,940,279	-	-
Investment earnings	3,336,670	303,172	902,328
Payments received from loans made to suppliers	4,745,833	-	-
Net cash provided by (used for) investing activities	<u>(13,924,768)</u>	<u>795,648</u>	<u>902,328</u>
Net increase (decrease) in cash and cash equivalents	(22,653,143)	3,184,574	555,741
<b>Cash and cash equivalents at beginning of year</b>	<u>152,075,664</u>	<u>28,858,252</u>	<u>6,207,756</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 129,422,521</u>	<u>32,042,826</u>	<u>6,763,497</u>

**Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:**

Cash and investments	\$ 129,111,241	17,741,948	4,382,825
Stranded investments	65,326,204	-	-
Other restricted cash and investments	6,234,234	20,363,811	2,380,672
Less non-cash equivalents	(71,249,158)	(6,062,933)	-
Cash and cash equivalents at end of year	<u>\$ 129,422,521</u>	<u>32,042,826</u>	<u>6,763,497</u>

Paseo Colorado Parking	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental	Totals	
			Activities-Internal Service Funds	2013	2012
5,250,084	15,076,776	274,293,600	-	274,293,600	261,377,248
(3,224,113)	(8,028,994)	(148,058,514)	(21,508,399)	(169,566,913)	(166,273,137)
(149,724)	(5,334,585)	(52,168,280)	(53,809,709)	(105,977,989)	(101,012,109)
(93,930)	(2,274,250)	(9,724,924)	(2,409,712)	(12,134,636)	(7,086,007)
-	-	277,520	74,680,124	74,957,644	76,167,913
(18,368)	166,600	19,216,681	240,404	19,457,085	22,851,467
<u>1,763,949</u>	<u>(394,453)</u>	<u>83,836,083</u>	<u>(2,807,292)</u>	<u>81,028,791</u>	<u>86,025,375</u>
-	135,000	153,987	3,307,924	3,461,911	1,843,474
-	(3,089,519)	(21,128,157)	(623,563)	(21,751,720)	(20,362,590)
(164,291)	-	944,628	-	944,628	(157,972)
-	412,132	(687,868)	-	(687,868)	(3,788)
-	3,825,841	3,825,841	-	3,825,841	3,301,199
-	76,836	1,119,617	-	1,119,617	798,862
<u>(164,291)</u>	<u>1,360,290</u>	<u>(15,771,952)</u>	<u>2,684,361</u>	<u>(13,087,591)</u>	<u>(14,580,815)</u>
-	-	11,780,000	-	11,780,000	30,507,633
-	(139,288)	(51,677,917)	(1,431,253)	(53,109,170)	(39,691,733)
-	-	9,593	43,457	53,050	3,082,355
-	-	1,933,178	-	1,933,178	2,317,145
(500,000)	(2,334,202)	(27,786,583)	(582,274)	(28,368,857)	(45,584,870)
<u>(474,340)</u>	<u>(3,749)</u>	<u>(9,894,522)</u>	<u>(86,642)</u>	<u>(9,981,164)</u>	<u>(12,091,249)</u>
<u>(974,340)</u>	<u>(2,477,239)</u>	<u>(75,636,251)</u>	<u>(2,056,712)</u>	<u>(77,692,963)</u>	<u>(61,460,719)</u>
-	-	(98,455,074)	-	(98,455,074)	(52,129,971)
-	-	76,940,279	-	76,940,279	72,450,991
11,200	199,050	4,752,420	105,796	4,858,216	9,445,158
-	-	4,745,833	-	4,745,833	4,516,250
<u>11,200</u>	<u>199,050</u>	<u>(12,016,542)</u>	<u>105,796</u>	<u>(11,910,746)</u>	<u>34,282,428</u>
636,518	(1,312,352)	(19,588,662)	(2,073,847)	(21,662,509)	44,266,269
<u>2,289,438</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>
<u>2,925,956</u>	<u>4,323,618</u>	<u>175,478,418</u>	<u>16,337,085</u>	<u>191,815,503</u>	<u>213,478,012</u>
922,136	4,323,618	156,481,768	16,337,085	172,818,853	163,861,237
-	-	65,326,204	-	65,326,204	65,514,825
2,003,820	-	30,982,537	-	30,982,537	39,893,462
-	-	(77,312,091)	-	(77,312,091)	(55,791,512)
<u>2,925,956</u>	<u>4,323,618</u>	<u>175,478,418</u>	<u>16,337,085</u>	<u>191,815,503</u>	<u>213,478,012</u>

(continued)

**CITY OF PASADENA**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**Year Ended June 30, 2013**

	<u>Light and Power</u>	<u>Water</u>	<u>Old Pasadena Parking</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 12,424,713	15,465,721	1,305,737
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	18,294,971	5,370,352	582,256
Amortization of prepaid long term assets	2,566,713	-	-
Amortization of premium and discount	-	-	(31,906)
Miscellaneous revenues (expenses)	13,711,926	5,706,909	(72,866)
(Increase) decrease in accounts receivable	2,268,460	(1,910,911)	158,739
Increase (decrease) in allowance for uncollectible accounts	(21,391)	(176,420)	-
(Increase) decrease in other deferred debits	-	-	-
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in inventories	474,977	1,105,712	-
(Increase) decrease in prepaids and other assets	(1,188,305)	(685)	(317)
(Increase) decrease in prepaid long term assets	-	111,802	222,638
Increase (decrease) in accounts payable and accrued liabilities	5,209,891	485,217	134,627
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	232,149	-	-
Increase (decrease) in OPEB liability	-	-	-
Increase (decrease) in compensated absences	-	-	-
Increase (decrease) in deposits payable	47,837	958	(3,361)
Total adjustments	<u>41,597,228</u>	<u>10,683,378</u>	<u>989,810</u>
Net cash provided by (used for) operating activities	<u>\$ 54,021,941</u>	<u>26,149,099</u>	<u>2,295,547</u>
Non-cash changes in fair value of investments	<u>\$ (2,249,677)</u>	<u>(229,639)</u>	<u>(23,563)</u>

See accompanying notes to the basic financial statements

Paseo Colorado Parking	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds	Totals	
				2013	2012
922,609	(1,504,019)	28,614,761	(11,795,064)	16,819,697	21,349,388
677,370	1,324,395	26,249,344	2,601,554	28,850,898	27,474,408
-	-	2,566,713	-	2,566,713	1,395,776
27,783	-	(4,123)	-	(4,123)	(4,124)
(18,368)	166,600	19,494,201	-	19,494,201	6,189,604
13,695	(265,762)	264,221	240,404	504,625	17,559,647
-	-	(197,811)	-	(197,811)	(2,624,663)
-	-	-	-	-	-
-	-	-	(251,703)	(251,703)	96,336
-	-	1,580,689	564,757	2,145,446	1,105,184
19,200	-	(1,170,107)	850	(1,169,257)	(168,992)
10,375	-	344,815	(29,351)	315,464	142,485
122,137	36,087	5,987,959	(126,661)	5,861,298	6,706,884
-	-	-	(689,022)	(689,022)	673,226
-	-	(9,556)	-	(9,556)	9,556
-	-	-	4,117,942	4,117,942	3,776,334
-	-	232,149	-	232,149	(695,655)
-	-	-	2,767,803	2,767,803	2,536,470
-	-	-	(208,801)	(208,801)	228,450
(10,852)	(151,754)	(117,172)	-	(117,172)	275,061
841,340	1,109,566	55,221,322	8,987,772	64,209,094	64,675,987
1,763,949	(394,453)	83,836,083	(2,807,292)	81,028,791	86,025,375
(7,384)	(24,442)	(2,534,704)	749,227	(1,785,477)	1,096,354

**CITY OF PASADENA**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>	<b>Private Purpose Trust Funds</b>
<b>Assets</b>			
Cash and cash equivalents (note 2)	\$ 209,582,096	10,678,278	7,422,488
Receivables:			
Accounts receivable	-	803,260	-
Interest	269,374	-	-
Notes receivable	-	-	7,331,498
Advances to other funds	-	-	2,959,136
Allowance for uncollectible long-term receivables	-	-	(7,331,501)
Total receivables	<u>269,374</u>	<u>803,260</u>	<u>2,959,133</u>
Other assets	-	990,442	31,780
Investments, at fair value (note 2)			
Government and agencies	25,808,780	-	-
Corporate obligations	32,688,276	-	-
Real estate	14,604,925	-	-
Real estate investment trust (REIT)	241,809	-	-
Corporate stocks	<u>66,894,615</u>	<u>-</u>	<u>-</u>
Total investments	<u>140,238,405</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u><u>350,089,875</u></u>	<u><u>12,471,980</u></u>	<u><u>10,413,401</u></u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	69,192	861,257	118,438
Due to other governments	-	2,853,924	-
Due to bondholders	-	8,756,799	-
Advances from other funds	-	-	48,062,905
Bonds payable	-	-	3,194,000
Unamortized premium (discount)	-	-	(33,455)
Pending purchases	<u>6,796,907</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u><u>6,866,099</u></u>	<u><u>12,471,980</u></u>	<u><u>51,341,888</u></u>
<b>Net Position held in trust</b>	<u><u>\$ 343,223,776</u></u>	<u><u>-</u></u>	<u><u>(40,928,487)</u></u>

See accompanying notes to the basic financial statements.



**CITY OF PASADENA**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<b>Pension Trust Funds</b>	<b>Private Purpose Trust Funds</b>
<b>Additions:</b>		
Contributions:		
Plan members	\$ 16,125,642	-
Property taxes	-	9,537,230
Total contributions	16,125,642	9,537,230
Net investment income:		
Investment earnings	33,300,172	-
Dividends	1,305,036	-
Gross investment income	34,605,208	-
Less investment expenses	(373,953)	-
Net investment income	34,231,255	-
Total additions	50,356,897	9,537,230
<b>Deductions:</b>		
Benefits paid to participants	38,007,682	-
Fiscal agency expenses	-	13,387
Interest expense	-	1,219,124
Statutory pass-through expenses	-	4,130,930
Lease expense	-	37,469
Fire and Police Retirement System Pension Trust	462,007	-
County administrative expenses	-	747,254
Successor agency administrative cost allowance	-	636,574
Total deductions	38,469,689	6,784,738
<b>Transfers:</b>		
Transfers in	-	21,003,121
Transfers out	-	(22,112,156)
Change in net assets before extraordinary items	11,887,208	1,643,457
<b>Extraordinary items:</b>		
Assets of Pasadena Community Development Agency	-	2,196,628
Total extraordinary items	-	2,196,628
Change in net position	11,887,208	3,840,085
<b>Net Position held in trust - beginning</b>	331,336,568	(44,768,572)
<b>Net Position held in trust - ending</b>	\$ 343,223,776	(40,928,487)

See accompanying notes to the basic financial statements.

**CITY OF PASADENA**  
**Discretely Presented Component Units**  
**Combining Statement of Net Position**  
**June 30, 2013**

	Rose Bowl Operating Company	Pasadena Center Operating Company	Pasadena Community Access Corp.	Totals	
				2013	2012
<b>Assets</b>					
<b>Current assets:</b>					
Cash and investments (note 2)	\$ 12,876,964	5,491,238	737,515	19,105,717	12,005,587
Cash and investments restricted (note 2)	40,244,679	-	-	40,244,679	76,966,529
Accounts receivable, net	2,040,082	542,456	121,688	2,704,226	3,378,086
Prepays and other assets	41,581	134,068	3,585	179,234	177,582
Total current assets	55,203,306	6,167,762	862,788	62,233,856	92,527,784
<b>Noncurrent assets:</b>					
Restricted assets - cash and investments (note 2)	-	10,518,564	-	10,518,564	18,540,095
Other receivable	575,642	755,369	-	1,331,011	-
Unamortized bond issuance costs	2,186,181	2,438,218	-	4,624,399	2,884,042
Derivative instrument asset	2,319,838	-	-	2,319,838	-
Capital assets (note 7):					
Land	-	2,423,473	-	2,423,473	2,423,473
Construction in progress	143,051,103	406,519	-	143,457,622	89,209,216
Other capital assets, net	31,036,895	150,722,173	115,117	181,874,185	188,425,072
Total noncurrent assets	179,169,659	167,264,316	115,117	346,549,092	301,481,898
<b>Total assets</b>	<b>234,372,965</b>	<b>173,432,078</b>	<b>977,905</b>	<b>408,782,948</b>	<b>394,009,682</b>
<b>Deferred outflow of resources</b>					
Accumulated decrease in fair value of hedging derivatives (note 10)	299,465	18,899,923	-	19,199,388	80,688,257
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	4,512,646	750,635	40,744	5,304,025	14,628,521
Deposits	289,452	912,126	-	1,201,578	703,400
Interest payable	3,258,877	543,253	-	3,802,130	3,837,227
Due to primary government	749,867	265,181	-	1,015,048	-
Advances from primary government-current (note 6)	4,551,778	-	-	4,551,778	215,213
Current portion of compensated absences	50,217	-	-	50,217	48,841
Current portion of long-term debt (note 9)	1,035,000	3,006,063	-	4,041,063	3,534,898
Total current liabilities	14,447,837	5,477,258	40,744	19,965,839	22,968,100
<b>Noncurrent liabilities:</b>					
Compensated absences	123,603	-	-	123,603	120,215
Derivative instrument liability (note 10)	-	18,899,923	-	18,899,923	74,202,211
Advances from primary government-long-term (note 6)	-	-	-	-	1,841,418
Long-term debt (note 9)	214,642,711	168,318,238	-	382,960,949	358,304,720
Unamortized premium (discount)	-	-	-	-	(428,263)
Total noncurrent liabilities	214,766,314	187,218,161	-	401,984,475	434,040,301
<b>Total liabilities</b>	<b>229,214,151</b>	<b>192,695,419</b>	<b>40,744</b>	<b>421,950,314</b>	<b>457,008,401</b>
<b>Deferred outflow of resources</b>					
Deferred refunding charge (note 10)	-	7,545,131	-	7,545,131	-
Deferred inflow of resources (note 8)	-	-	519,574	519,574	1,771,128
Service concession agreement (note 10)	-	566,629	-	566,629	-
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>8,111,760</b>	<b>519,574</b>	<b>8,631,334</b>	<b>1,771,128</b>
<b>Net Position</b>					
Invested in capital assets, net of related debt	17,832,306	(17,772,136)	115,117	175,287	23,472,830
Restricted	39,474,461	13,944,179	519,574	53,938,214	94,493,366
Unrestricted	(51,848,488)	(4,647,221)	(217,104)	(56,712,813)	(102,047,786)
<b>Total net position</b>	<b>\$ 5,458,279</b>	<b>(8,475,178)</b>	<b>417,587</b>	<b>(2,599,312)</b>	<b>15,918,410</b>

See accompanying notes to the basic financial statements.

**CITY OF PASADENA**  
**Discretely Presented Component Units**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2013**

	Rose Bowl Operating Company	Pasadena Center Operating Company	Pasadena Community Access Corp.	Totals	
				2013	2012
<b>Operating revenues:</b>					
Charges for services:					
Golf course	\$ 2,010,790	-	-	2,010,790	2,041,038
Rose Bowl	10,956,255	-	-	10,956,255	9,507,435
Pasadena Center Operating Company	-	7,613,873	-	7,613,873	6,679,918
Pasadena Community Access Corporation	-	-	832,981	832,981	813,035
Total operating revenues	<u>12,967,045</u>	<u>7,613,873</u>	<u>832,981</u>	<u>21,413,899</u>	<u>19,041,426</u>
<b>Operating expenses:</b>					
Golf course	473,931	-	-	473,931	504,446
Rose Bowl	8,953,648	-	-	8,953,648	17,031,197
Pasadena Center Operating Company	-	8,982,301	-	8,982,301	7,667,108
Pasadena Community Access Corporation	-	-	906,098	906,098	774,098
Depreciation	2,654,569	4,374,161	7,275	7,036,005	7,172,781
Total operating expenses	<u>12,082,148</u>	<u>13,356,462</u>	<u>913,373</u>	<u>26,351,983</u>	<u>33,149,630</u>
Operating income	<u>884,897</u>	<u>(5,742,589)</u>	<u>(80,392)</u>	<u>(4,938,084)</u>	<u>(14,108,204)</u>
<b>Nonoperating revenues (expenses):</b>					
Transient occupancy taxes, net	-	6,267,505	-	6,267,505	5,697,466
Tourism business improvement district tax	-	2,626,962	-	2,626,962	2,392,014
Facility restoration fee	-	138,871	-	138,871	-
Investment earnings	(1,825,331)	515,213	3,395	(1,306,723)	3,089,053
Net changes in fair value of investments	-	-	-	-	-
Interest expense	(12,139,047)	(7,828,191)	-	(19,967,238)	(19,358,995)
Loss on disposal of assets	-	-	-	-	-
Public, education, and government(PEG) revenue	-	-	191,358	191,358	50,000
PEG expense	-	-	(75,120)	(75,120)	(50,000)
Other nonoperating revenues	3,828,945	-	-	3,828,945	4,927,564
Total nonoperating revenues	<u>(10,135,433)</u>	<u>1,720,360</u>	<u>119,633</u>	<u>(8,295,440)</u>	<u>(3,252,898)</u>
Income (loss) before operating transfers	<u>(9,250,536)</u>	<u>(4,022,229)</u>	<u>39,241</u>	<u>(13,233,524)</u>	<u>(17,361,102)</u>
Contribution to City	-	(439,570)	-	(439,570)	(443,870)
Capital contributions	809,750	148,521	-	958,271	961,330
Total transfers from (to) other funds	<u>809,750</u>	<u>(291,049)</u>	<u>-</u>	<u>518,701</u>	<u>517,460</u>
Change in net position	<u>(8,440,786)</u>	<u>(4,313,278)</u>	<u>39,241</u>	<u>(12,714,823)</u>	<u>(16,843,642)</u>
<b>Net position at beginning of year, as restated</b>	<u>13,899,065</u>	<u>(4,161,900)</u>	<u>378,346</u>	<u>10,115,511</u>	<u>32,762,052</u>
<b>Net position at end of year</b>	<u>\$ 5,458,279</u>	<u>(8,475,178)</u>	<u>417,587</u>	<u>(2,599,312)</u>	<u>15,918,410</u>

See accompanying notes to the basic financial statements.

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**CITY OF PASADENA**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2013**

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# CITY OF PASADENA

## Notes to the Basic Financial Statements

Year Ended June 30, 2013

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

# CITY OF PASADENA

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

Year Ended June 30, 2013

### (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, 2013

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

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

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

###### Pasadena Public Financing Authority (PPFA)

The Pasadena Public Financing Authority 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, and the City became the successor agency to the PCDC to perform all of PCDC's continuing obligations. Please see Note 23 for additional information. The PPFA's final financial report can be obtained from the 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 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.



**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

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

**Blended Component Units, (Continued)**

**Successor Agency to Pasadena Community Development Commission (Successor Agency)**

The Successor Agency to Pasadena Community Development Commission was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Pasadena Community Development Commission (PCDC). The Successor Agency operates under the auspices of a legislatively formed oversight board who has authority over its financial affairs and supervises its operations and timely dissolution. Its assets are held in trust for the benefit of the taxing entities within the former PCDC boundaries and as such are not available for City use. The accompanying financial statements include the Successor Agency under the statutorily required Private-Purpose Trust Fund.

**Discretely Presented Component Units**

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

**Rose Bowl Operating Company (RBOC)**

RBOC was incorporated on January 18, 1994, as a legally separate entity with the primary purpose of returning economic and civic value to the City of Pasadena by managing a world class stadium and a professional quality golf course complex in a residential open-space environment. RBOC is governed by a thirteen-member board. Eleven members are appointed by the City Council, while the University of California, Los Angeles (UCLA) and the Tournament of Roses appoint one each. RBOC operations are discretely presented in the accompanying financial statements since neither of the two criteria for a blended component unit, as described above, have been met. RBOC's budget is reviewed and approved by the City Council. RBOC is presented as an Enterprise Fund Type. Separate component unit financial statements of RBOC are issued and available upon request from the RBOC Administration Office at 1001 Rose Bowl Drive, Pasadena, California 91103. RBOC was audited in accordance with Generally Accepted Governmental Auditing Standards. Additional information is available at [www.rosebowlstadium.com](http://www.rosebowlstadium.com).

# CITY OF PASADENA

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

Year Ended June 30, 2013

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

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

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

###### *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](http://www.pasadenacenter.com).

###### *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](http://www.pasadenamedia.webs.com).

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

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

**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](http://www.burbankairport.com).

**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.

**Foothill Air Support Team**

On July 31, 2000, the cities of Monrovia, Arcadia, Azusa, Covina, West Covina, and Pasadena formed a Joint Powers Agreement (JPA) for police helicopter services known as the Foothill Air Support Team (FAST). Currently, the cities of Alhambra, Arcadia, Covina, Glendora, Monrovia, Pasadena, Pomona, San Marino, Sierra Madre, and South Pasadena are parties to the JPA. This arrangement provides police helicopter support to a number of neighboring cities on an hourly cost reimbursement basis. The City of Pasadena operates a fleet of police helicopters which it has made available for a limited set number of weekend hours and then on an on call basis. Cities are billed for their actual utilization. FAST does not own or operate helicopters, has not issued debt, and cannot levy taxes. The City of Pasadena bears the burden of purchasing, operating, maintaining, and providing helicopter support. It does so under the City's General Fund.

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

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

**Jointly Governed Organizations (Continued)**

**Rose Bowl Aquatics Center**

On December 11, 1987, the City and the Rose Bowl Aquatics Center (RBAC) entered into an Operating and License Agreement for RBAC to build and operate swimming facilities owned by the City in the designated area of Brookside Park. The most recent Operating and License Agreement has a 15-year term with 3 five-year extensions and was executed on June 3, 2008. The City leases the property to the RBAC for \$1 per year and provides various financial and operational supports to the community aquatics facility. In return RBAC operates as a year- round community aquatics facility, is responsible for capital improvements and repairs, and provides scholarship assistance and community services. The City Council and Mayor appoint 5 of the 21 member of the RBAC Board of Directors.

**(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, 2013

### (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, 2013

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

#### (b) Basis of Accounting and Measurement Focus, (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 are 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.

# CITY OF PASADENA

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

Year Ended June 30, 2013

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

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

##### Governmental Funds, (Continued)

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 non-spendable 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 *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, 2013**

**(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 position.

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 expense. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements. Amounts paid to reduce long-term liability of the proprietary funds are reported as a reduction of the related liability.

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, 2013

### (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.

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.

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.

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

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

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.

**(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.

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

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

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, 2013.

**(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.

# CITY OF PASADENA

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

Year Ended June 30, 2013

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

#### **(i) Prepays**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets. The City utilizes the consumption method to record its prepaids. 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 Position, deferred compensation and all cash and investments belonging to Pension Trust and Agency Funds which are held by trustees.

#### **(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.

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

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

**(l) Capital Assets, (Continued)**

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.

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

<b>Light and Power Fund</b>		<b>Water Fund</b>	
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 Distribution Plant	10 to 80 years
Equipment	4 to 10 years	General Plant	6 to 50 years
		Equipment	4 to 10 years
<b>Governmental Activities</b>		<b>All Other Business-Type Activities</b>	
Building and Improvements	20 to 50 years	Building and Improvements	20 to 45 years
Machinery and Equipment	2 to 10 years	Machinery and 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, 2013

### **(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 can be converted at retirement from the City for PERS Service Credit. Consistent with this policy, the City does not accrue sick pay benefits.

#### **(n) Compensated Absences**

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 FY2013 and FY2012 were 85% and 92% of prior year accruals, respectively.

#### **(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*.

# CITY OF PASADENA

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

Year Ended June 30, 2013

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

#### **(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:

- Non-spendable fund balance is the portion of fund balance that cannot be spent due to form. Examples include inventories, prepaid amounts, long-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 non-spendable 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 City Council resolutions, 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 through the Fund Balance Policy.

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

**(r) Fund Balance. (Continued)**

- 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.

**(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



**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

**(t) Property Taxes, (Continued)**

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.

**(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.

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**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

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

GASB Statements Nos. 65 to 70 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):

<b>Statement No.</b>	<b>Title</b>	<b>Effective for Fiscal Year Beginning On or After</b>
65	<i>Items Previously Reported as Assets and Liabilities</i>	December 15, 2012
66	<i>Technical Corrections 2012 an amendment of GASB Statement 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
69	<i>Government Combinations and Disposals of Government Operations</i>	December 15, 2013
70	<i>Accounting and Financial Reporting for Nonexchange Financial Guarantees</i>	June 15, 2013

Management is in the process of evaluating the impact of the statements to be implemented for the fiscal year ended June 30, 2014 and beyond. For the fiscal year ended June 30, 2014, management does not anticipate any significant impact from the new statements on the financial statements.

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(2) Cash and Investments**

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

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 338,568,136
Restricted cash and investments	96,333,741
Fiduciary funds:	
Cash and cash equivalents	<u>221,151,772</u>
Total cash and investments	<u><u>\$ 656,053,649</u></u>

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand	\$ 108,273
Deposits with financial institutions	6,393,311
Investments	<u>649,552,065</u>
Total cash and investments	<u><u>\$ 656,053,649</u></u>

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# CITY OF PASADENA

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

Year Ended June 30, 2013

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

#### Primary Government (excluding FPRS Cash and Investments), (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.

Investment Types Authorized by State Law	Authorized By Investment Policy	* Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issue
Local Agency Bonds +	Yes	5 years	None	None
US Treasury Obligations +	Yes	5 years	None	None
US Agency Securities +	Yes	5 years	None	None
Banker's Acceptance	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	5 years	25%	None
Repurchase Agreement	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
Corporate Bonds	Yes	5 years	20%	10%
County Pooled Investment Fund	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
Registered State Warrants	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 type of investment can be held for more than five years

# CITY OF PASADENA

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

Year Ended June 30, 2013

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

#### Primary Government, (Continued)

#### Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the 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.

Authorized Investment Type	Maximum Maturity
US Treasury Obligations	None
US Agency Securities	None
Banker's Acceptance	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

#### 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 fair value of the investment is more susceptible 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.

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

**Primary Government, (Continued)**

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

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

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Corporate Bonds	\$ 95,725,594	13,536,329	15,949,668	66,239,597	-
Federal Agency Securities	166,095,312	2,973,557	-	135,117,985	28,003,770
Municipal Bond	53,751,147	21,993,180	9,236,321	19,992,497	2,529,149
Money Market Funds	68,876,132	68,876,132	-	-	-
State Investment Pool	34,195,302	34,195,302	-	-	-
Negotiable Certificates of Deposit	717,216	-	717,216	-	-
Held by Bond Trustee:					
Federal Agency Securities	17,091,674	1,999,060	-	12,143,284	2,949,330
Corporate Bonds	2,210,277	2,210,277	-	-	-
Money Market Funds	2,994,475	2,994,475	-	-	-
Investment Contracts	4,843,930	-	-	-	4,843,930
Deferred Compensation Plan:	-				
Mutual Fund	203,051,006	203,051,006	-	-	-
Total	\$ 649,552,065	351,829,318	25,903,205	233,493,363	38,326,179

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# CITY OF PASADENA

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

Year Ended June 30, 2013

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

Investment Type		Minimum Legal Rating	Rating as of Year-End			Not Rated
			AAA	Aa	A	
Corporate Bonds	\$ 95,725,594	A	7,096,816	14,923,244	73,705,534	-
Federal Agency Securities	166,095,312	N/A	166,095,312	-	-	-
Municipal Bond	53,751,147	N/A	4,493,180	27,065,620	21,561,281	631,066
Money Market Funds	68,876,132	N/A	-	-	-	68,876,132
State Investment Pool	34,195,302	N/A	-	-	-	34,195,302
Negotiable CDs	717,216	N/A	-	-	-	717,216
Held by Bond Trustee:						
Federal Agency Securities	17,091,674	N/A	17,091,674	-	-	-
Corporate Bonds	2,210,277	A	2,210,277	-	-	-
Money Market Funds	2,994,475	A	2,994,475	-	-	-
Investment Contracts	4,843,930	N/A	3,514,863	-	-	1,329,067
Deferred Compensation Plan:						
Mutual Fund	203,051,006	N/A	-	203,051,006	-	-
Total	<u>\$ 649,552,065</u>		<u>203,496,597</u>	<u>245,039,870</u>	<u>95,266,815</u>	<u>105,748,783</u>

N/A Not Applicable

#### 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 City investments are as follows:

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

**Concentration of Credit Risk, (Continued)**

Issuer	Investment Type	Reported Amount
Federal National Mortgage Assn.	Federal Agency Securities	\$ 76,061,494
Federal Home Loan Bank	Federal Agency Securities	56,885,651
Federal Farm Credit Bank	Federal Agency Securities	36,778,040
Local Agency Investment Fund	State Investment Pool	35,472,291
East West Bank	Money Market Funds	32,274,561
Bank of the West	Money Market Funds	24,173,680

**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, 2013, \$0 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in uncollateralized accounts.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.



# CITY OF PASADENA

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

Year Ended June 30, 2013

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

#### 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.

### (3) Accounts Receivable

As of June 30, 2013, the accounts receivable are categorized as follows:

	<b>General</b>	<b>Project Management Capital Project</b>	<b>Non-Major Governmental Funds</b>	<b>Internal Service</b>	
Governmental activities:					
Accounts receivable	\$ 2,515,637	1,643,265	1,570,098	152,966	
Accrued revenue					
receivable	10,013,339	359,753	7,087,187	255,482	
Interest receivable	137,934	-	315,084	34,918	
Paramedics receivable	4,335,572	-	-	-	
Utility receivable	1,327,391	-	602,770	-	
	<u>18,329,873</u>	<u>2,003,018</u>	<u>9,575,139</u>	<u>443,366</u>	
Less: allowance for un-					
collectible amounts	<u>(2,293,558)</u>	<u>-</u>	<u>(32,251)</u>	<u>-</u>	
Total	<u>\$ 16,036,315</u>	<u>2,003,018</u>	<u>9,542,888</u>	<u>443,366</u>	
	<b>Light and Power</b>	<b>Water</b>	<b>Old Pasadena Parking</b>	<b>Paseo Colorado Parking</b>	<b>Non-Major Proprietary</b>
Business-type activities:					
Accounts receivable	\$ 28,143	1,853,541	161,398	31,217	98,185
Accrued revenue					
receivable	10,020,580	4,676,609	234,341	208,442	1,557,667
Interest receivable	761,661	34,385	11,003	4,723	25,240
Utility receivable	10,183,593	3,433,530	-	-	930,200
	<u>20,993,977</u>	<u>9,998,065</u>	<u>406,742</u>	<u>244,382</u>	<u>2,611,292</u>
Less: allowance for un-					
collectible amounts	<u>(600,426)</u>	<u>(195,622)</u>	<u>-</u>	<u>-</u>	<u>(49,382)</u>
Total	<u>\$ 20,393,551</u>	<u>9,802,443</u>	<u>406,742</u>	<u>244,382</u>	<u>2,561,910</u>

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

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

The notes receivable in the Governmental Funds amounted to \$55,090,917 at June 30, 2013. \$40,165,484 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, 2013, the City has recorded an allowance for uncollectible long-term receivables of \$30,314,725.

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, 2013 is \$52,742,084.

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

Current interfund receivable and payable balances at June 30, 2013 are as follows:

**Primary Government**

Due to other funds	Due from other funds			Total
	General Fund	Old Pasadena Parking Fund	Internal Service Fund	
Non-Major Governmental Funds	\$ 2,774,077	-	-	2,774,077
Non-Major Business-Type Funds	-	436,081	-	436,081
Internal Service Funds	1,440,151	-	862,777	2,302,928
Total	\$ 4,214,228	436,081	862,777	5,513,086

**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.

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

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

**Primary Government**

Long-term interfund receivable and payable balances at June 30, 2013 are as follows:

Advances from other funds	Advances to other funds					Total
	General Fund	Light and Power Fund	Old Pasadena Parking Fund	Non-Major Enterprise Fund	Private Purpose Trust Funds	
General Fund	\$ -	1,100,000	-	-	-	1,100,000
Old Pasadena Parking Fund	7,136,545	-	-	-	-	7,136,545
Paseo Colorado Parking Fund	-	-	-	4,381,838	-	4,381,838
Non-Major Enterprise Funds	-	-	-	-	2,959,136	2,959,136
Private Purpose Trust Funds	38,782,905	-	9,280,000	-	-	48,062,905
<b>Total</b>	<b>\$ 45,919,450</b>	<b>1,100,000</b>	<b>9,280,000</b>	<b>4,381,838</b>	<b>2,959,136</b>	<b>63,640,424</b>

**Outstanding at  
June 30, 2013**

**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. The advance increase was due to the corrected and revised application of how the principal and interest were calculated to this advance from 1996 to 2013.

\$7,136,545

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. For further information on the status of SB481, please refer to Note 23.

38,782,905

# CITY OF PASADENA

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

Year Ended June 30, 2013

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

#### Primary Government (Continued)

##### **Light and Power**

On May 14, 2012, City Council authorized a loan from Power Fund of Pasadena Water and Power (PWP) to Public Works Department (Public Works) and appropriated it to the Fiscal Year 2013 Capital Improvement Program Budget for the repair and/or replacement of existing street lighting systems CIP Project. Public Works agreed to repay the loan to PWP in ten equal annual installments of \$110,000 each on January 31 of each year starting on January 31, 2014 and ending on January 31, 2023.

1,100,000

##### **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.

9,280,000

##### **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.

4,381,838

##### **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

Total advances between City funds

\$63,640,424

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(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, 2013 are as follows:

Advances To Component Units	Advances From the City	Amount
General Fund	Pasadena Center Operating Company	\$ 1,841,417

**Outstanding at  
June 30, 2013**

**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.

\$612,541

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<sup>th</sup> year of operation of the new rink over a 10-year period.

1,228,876

Total advances between City and discretely presented component units

\$1,841,417

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# CITY OF PASADENA

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

**Year Ended June 30, 2013**

### (7) Capital Assets

#### Primary Government

Capital asset activity for the year ended June 30, 2013 is as follows:

<b>Governmental activities</b>	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
Depreciable assets:				
Buildings and improvements	\$ 278,766,072	1,110,815	(2,730)	279,874,157
Machinery and equipment	57,612,613	7,381,106	(3,253,629)	61,740,090
Infrastructure	317,147,350	1,533,436	(408,181)	318,272,605
Total cost of depreciable assets	<u>653,526,035</u>	<u>10,025,357</u>	<u>(3,664,540)</u>	<u>659,886,852</u>
Less accumulated depreciation:				
Buildings and improvements	(101,356,787)	(6,405,698)	2,730	(107,759,755)
Machinery and equipment	(31,724,796)	(4,017,052)	3,024,542	(32,717,306)
Infrastructure	(113,923,894)	(175,857)	291,174	(113,808,577)
Total accumulated depreciation	<u>(247,005,477)</u>	<u>(10,598,607)</u>	<u>3,318,446</u>	<u>(254,285,638)</u>
Net depreciable assets	406,520,558	(573,250)	(346,094)	405,601,214
Capital assets not depreciated:				
Land	58,273,512	-	-	58,273,512
Construction in progress	18,459,145	12,140,439	(3,558,334)	27,041,250
Total cost of non-depreciable assets	<u>76,732,657</u>	<u>12,140,439</u>	<u>(3,558,334)</u>	<u>85,314,762</u>
Capital assets, net	<u>\$ 483,253,215</u>	<u>11,567,189</u>	<u>(3,904,428)</u>	<u>490,915,976</u>

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

General government	\$ 5,845,119
Public safety	1,320,470
Transportation	893,409
Health	365,759
Culture and leisure	383,859
Community development	1,789,991
	<u>\$ 10,598,607</u>

# CITY OF PASADENA

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

Year Ended June 30, 2013

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

#### Primary Government, (Continued)

<b>Business-type activities</b>	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
Depreciable assets:				
Buildings and improvements	\$ 118,097,849	1,347,959	(249,438)	119,196,370
Utility lines, machinery and equipment	<u>744,821,052</u>	<u>13,545,977</u>	<u>(1,419,656)</u>	<u>756,947,373</u>
Total cost of depreciable assets	<u>862,918,901</u>	<u>14,893,936</u>	<u>(1,669,094)</u>	<u>876,143,743</u>
Less accumulated depreciation:				
Buildings and improvements	(31,220,187)	(2,733,526)	249,419	(33,704,294)
Utility lines, machinery and equipment	<u>(373,923,537)</u>	<u>(23,515,818)</u>	<u>1,239,932</u>	<u>(396,199,423)</u>
Total accumulated depreciation	<u>(405,143,724)</u>	<u>(26,249,344)</u>	<u>1,489,351</u>	<u>(429,903,717)</u>
Net depreciable assets	457,775,177	(11,355,408)	(179,743)	446,240,026
Capital assets not depreciated:				
Land	6,315,288	-	-	6,315,288
Construction in progress	<u>98,131,767</u>	<u>50,380,856</u>	<u>(13,524,579)</u>	<u>134,988,044</u>
Total cost of non-depreciable assets	<u>104,447,055</u>	<u>50,380,856</u>	<u>(13,524,579)</u>	<u>141,303,332</u>
Capital assets, net	<u>\$ 562,222,232</u>	<u>39,025,448</u>	<u>(13,704,322)</u>	<u>587,543,358</u>

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

Electric	\$ 18,294,971
Water	5,370,352
Refuse	852,360
Parking	1,706,498
Telecommunication	<u>25,163</u>
	<u>\$ 26,249,344</u>

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(8) Deferred Inflow of Resources**

Deferred inflow of resources consists of the following at June 30, 2013:

	General Fund	Project Management Capital Project	Non-Major Governmental	Total Governmental	Light and Power
(a) Revenues not "available"	\$ 38,838,935	40,120	1,764,567	40,643,622	-
(b) Rental income	240,833	-	-	240,833	-
(c) Miscellaneous revenue collected	9,282	357,286	533,926	900,494	611,647
(d) Interest Rate Swap	629,550	-	-	629,550	-
	<u>\$ 39,718,600</u>	<u>397,406</u>	<u>2,298,493</u>	<u>42,414,499</u>	<u>611,647</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: \$346,025 of Health grants, \$40,120 of Project Management fund, \$781,080 of Fire grants, \$637,462 of Housing grants, \$56,030 of miscellaneous revenues, false alarms and RBOC invoices, and \$38,782,905 of the Successor Agency (formerly PCDC) obligation due to the City in accordance with Senate Bill (SB) 481.
- (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 \$240,833.
- (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 \$629,550.



# CITY OF PASADENA

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

Year Ended June 30, 2013

### (9) Long-Term Debt and Other Liabilities

#### Primary Government

Changes in long-term debt and other liabilities for the year ended June 30, 2013 are as follows:

<b>Governmental Activities:</b>	Balance at June 30, 2012	Additions	Reductions	Balance at June 30, 2013	Due Within One Year
Notes payable	\$ 685,000	575,642	(335,000)	925,642	363,969
Pension bonds:					
1999 Taxable Pension Funding Bonds	67,195,000	-	(6,775,000)	60,420,000	7,630,000
2004 Taxable Pension Funding Bonds	28,405,000	-	(2,360,000)	26,045,000	2,354,148
2012 Taxable Pension Obligation Bonds	47,440,000	-	-	47,440,000	-
Total Pension Bonds	<u>143,040,000</u>	<u>-</u>	<u>(9,135,000)</u>	<u>133,905,000</u>	<u>9,984,148</u>
Certificates of participation:					
1993 COP	10,740,000	-	(5,225,000)	5,515,000	5,515,000
2008 COP Series B Refunding 2004 A&B	19,210,443	-	(2,477,518)	16,732,925	2,162,989
2008 COP Series C Refunding 2003 COP	64,970,000	-	(1,445,000)	63,525,000	1,505,000
Total certificates of participation	<u>94,920,443</u>	<u>-</u>	<u>(9,147,518)</u>	<u>85,772,925</u>	<u>9,182,989</u>
Revenue Bonds:					
2006 Revenue Bonds	7,880,000	-	(1,180,000)	6,700,000	520,000
Total Revenue Bonds	<u>7,880,000</u>	<u>-</u>	<u>(1,180,000)</u>	<u>6,700,000</u>	<u>520,000</u>
Capitalized lease obligations	9,494,610	265,187	(1,227,092)	8,532,705	1,307,751
Derivative Instrument Deferred Borrowing	630,643	-	(90,731)	539,912	85,243
Unamortized issuance premium (discount)	(1,378,788)	-	379,441	(999,347)	(379,453)
Other:					
Compensated absences	10,220,044	8,432,353	(8,641,154)	10,011,243	10,011,243
Other Post Employment Benefits Liability (OPEB)	12,144,215	3,266,389	(498,586)	14,912,018	-
Insurance claims payable	31,459,825	12,015,632	(7,897,690)	35,577,767	10,764,226
Net pension obligation	8,557,000	7,239,000	-	15,796,000	-
Total governmental activity long-term liabilities	<u>\$ 317,652,992</u>	<u>31,794,203</u>	<u>(37,773,330)</u>	<u>311,673,865</u>	<u>41,840,116</u>

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**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

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

**Primary Government, (Continued)**

<b>Business-Type Activities:</b>	Balance at June 30, 2012	Additions	Reductions	Balance at June 30, 2013	Due Within One Year
Notes payable	\$ 1,283,965	-	(144,899)	1,139,066	152,262
Revenue bonds:					
1998 Electric Revenue/Refunding Bonds	5,000	-	-	5,000	-
2002 Electric Revenue Bonds	9,155,000	-	(5,620,000)	3,535,000	-
2003 Electric Revenue Bonds	6,010,000	-	(6,010,000)	-	-
2003 Water Revenue Bonds	2,480,000	-	(2,480,000)	-	-
2007 Water Revenue Bonds	19,415,000	-	(480,000)	18,935,000	500,000
2008 Power Revenue Bonds	53,975,000	-	(1,260,000)	52,715,000	1,315,000
2008 Paseo Colorado Taxable Revenue Bonds	27,000,000	-	(500,000)	26,500,000	600,000
2009 Electric Revenue Refunding Bonds	38,030,000	-	(3,290,000)	34,740,000	2,955,000
2010 Electric Revenue Refunding Bonds	35,725,000	-	(185,000)	35,540,000	3,950,000
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	585,000
2011A Water Revenue Bonds (Refunding Bonds)	29,770,000	-	(25,000)	29,745,000	1,985,000
2012A Electric Revenue Refunding Bonds	-	11,780,000	(3,830,000)	7,950,000	475,000
Total revenue bonds	<u>251,565,000</u>	<u>11,780,000</u>	<u>(23,680,000)</u>	<u>239,665,000</u>	<u>12,365,000</u>
Certificates of participation:					
1987 COP(Los Robles)	2,300,000	-	(2,300,000)	-	-
1993 Refunding COP (Old Pasadena)	10,825,000	-	(1,545,000)	9,280,000	1,640,000
2008 COP Series B Refunding 2004A&B	639,557	-	(82,482)	557,075	72,011
Total certificates of participation	<u>13,764,557</u>	<u>-</u>	<u>(3,927,482)</u>	<u>9,837,075</u>	<u>1,712,011</u>
Capitalized lease obligations	78,828	-	(34,202)	44,626	35,530
Unamortized issuance premium (discount)	2,641,858	1,159,200	(454,271)	3,346,787	-
Total business-type activity long-term liabilities	<u>\$ 269,334,208</u>	<u>12,939,200</u>	<u>(28,240,854)</u>	<u>254,032,554</u>	<u>14,264,803</u>

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**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(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, \$3,365,233 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, 2013 are as follows:

<b>Discretely Presented Component Units</b>	Balance at June 30, 2012	Additions Including Accretion	Reductions	Balance at June 30, 2013	Due Within One Year
Certificates of participation:					
2006 COP (CONFERENCE CENTER PROJECT 2008 Refunding COP Series 2008A (Conference Center Project)	\$ 32,117,536	1,471,648	(1,365,000)	32,224,184	2,560,000
	134,720,000	-	-	134,720,000	-
Total Certificates of participation	166,837,536	1,471,648	(1,365,000)	166,944,184	2,560,000
Revenue Bonds:					
2006 Revenue Bonds	28,120,000	-	(28,120,000)	-	-
2010A Revenue Bonds-Tax Exempt	38,100,428	875,603	-	38,976,031	-
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	7,400,000	-	-	7,400,000	-
2013A Revenue Bonds-Refunding-Tax Exempt	-	34,900,000	-	34,900,000	-
2013B Revenue Bonds-Refunding-Taxable Fixed Rate	-	19,065,000	-	19,065,000	1,035,000
Total Revenue Bonds (Rose Bowl Renovation)	185,285,428	54,840,603	(28,120,000)	212,006,031	1,035,000
Unamortized issuance premium (discount)	398,314	-	56,383	454,697	-
Derivative Instrument Deferred Borrowing	2,250,323	1,656,591	(2,352,161)	1,554,753	-
Arbitrage rebate liability	15,413	(15,413)	-	-	-
Energy Conservation Loan	2,753,599	-	(214,898)	2,538,701	223,471
Compensated absences	169,056	109,121	(104,357)	173,820	50,217
Total discretely presented component units long- term liabilities	\$ 357,709,669	58,062,550	(32,100,033)	383,672,186	3,868,688

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

**Fiduciary Funds – Private Purpose Trust Fund**

	Balance at June 30, 2012	Additions	Reductions	Balance at June 30, 2013	Due Within One Year
<b>Successor Agency to Pasadena Community Development Commission (PCDC):</b>					
Tax allocation bonds:					
2000 Tax Allocation Refunding Revenue Bonds (Orange Grove)	\$ 546,000	-	(264,000)	282,000	282,000
2000 Tax Allocation Refunding Revenue Bonds (Villa Parke)	353,000	-	(171,000)	182,000	182,000
2006 Tax Allocation Refunding Bonds (Fair Oaks)	1,820,000	-	(145,000)	1,675,000	155,000
2006 Tax Allocation Refunding Bonds (Villa Parke)	190,000	-	(90,000)	100,000	100,000
2006 Tax Allocation Refunding Bonds (Lake/Washington)	485,000	-	(75,000)	410,000	75,000
Total tax allocation bonds	3,394,000	-	(745,000)	2,649,000	794,000
Advances Payable-City	60,271,956	263,219	(12,472,270)	48,062,905	1,640,000
Total Successor Agency to PCDC long-term liabilities	\$ 63,665,956	263,219	(13,217,270)	50,711,905	2,434,000
<b>Housing Successor:</b>					
2006 Tax Allocation Revenue Bonds (Housing Set-Aside Revenues - Townhouse Project Refunding)	\$ 800,000	-	(255,000)	545,000	270,000
Notes Payable	2,420,722	-	(2,420,722)	-	-
Total Housing Successor long-term liabilities	\$ 3,220,722	-	(2,675,722)	545,000	270,000

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**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

	<b>Issue Date</b>	<b>Purpose</b>	<b>Original Amount</b>	<b>Coupon Interest Rate</b>	<b>Final Principal Payment Date</b>	<b>Outstanding at June 30, 2013</b>
<b><u>Detail of Long-Term Debts</u></b>						
<b>Governmental Activities:</b>						
Notes payable						
Notes Payable-HUD Section 108	8/7/2003	a	\$ 2,735,000	1.21% to 4.83%	8/1/2013	\$ 350,000
Notes Payable-RBOC	1/15/2013	v	575,642	2.10%	1/7/2043	575,642
<b>Total Notes Payable</b>						<b><u>\$ 925,642</u></b>
Pension bonds:						
1999 Taxable Pension Funding Bonds	8/5/1999	b	\$ 101,940,000	6.26% to 7.28%	5/15/2022	\$ 60,420,000
2004 Taxable Pension Funding Bonds	8/1/2004	b	40,750,000	2.0% to 4.687%	5/15/2015	26,045,000
2012 Taxable Pension Obligation Bonds	3/15/2012	b	47,440,000	1.757%	5/15/2015	47,440,000
<b>Total Pension Bonds</b>						<b><u>\$ 133,905,000</u></b>
Certificates of Participation:						
1993 COP (Refunding and Capital Projects)	1/1/1994	c	\$ 79,835,000	5.350%	2/1/2014	\$ 5,515,000
2008 COP Series B Refunding 2004A&B	5/15/2008	d	26,759,131	3.0% to 5.25%	2/1/2019	16,732,925
2008 COP Series C Refunding 2003 COP	7/16/2008	e	71,450,000	4.0% to 5.0%	2/1/2038	63,525,000
<b>Total Certificates of Participation</b>						<b><u>\$ 85,772,925</u></b>
Revenue Bonds:						
2006 Revenue Bonds	2/1/2006	f	\$ 10,355,000	variable	12/1/2023	\$ 6,700,000
Capitalized Lease Obligations						
2001 Property Lease 965 N Fair Oaks	12/27/2000	g	\$ 4,000,000	variable	12/27/2020	\$ 1,614,623
2006 Equipment Lease	7/1/2006	h	180,172	3.496%	8/10/2014	35,794
2011 Equipment Lease-ARTS Buses	12/23/2011	h	2,072,805	3.560%	1/15/2022	1,900,918
2012 Equipment Lease-Helicopter	6/18/2012	h	1,584,326	1.873%	11/20/2018	1,350,950
2012 Equipment Lease -911 System	6/18/2012	h	3,947,507	1.814%	11/20/2018	3,365,233
2013 Equipment Lease-Dental Clinic	6/28/2013	h	265,187	1.95%	6/28/2018	265,187
<b>Total Capitalized Lease Obligations</b>						<b><u>\$ 8,532,705</u></b>

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**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

**Business-Type Activities:**

	Issue Date	Purpose	Original Amount	Coupon Interest Rate	Final Principal Payment Date	Outstanding at June 30, 2013
<b><u>Detail of Long-Term Debts</u></b>						
<b><u>Business-Type Activities:</u></b>						
Notes payable						
Notes Payable-Marriott Parking Garage	8/18/1999	i	2,600,000	4.950%	12/19/2019	\$ 1,139,066
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	3,535,000
2007 Water Revenue Bonds	4/23/2007	n	21,550,000	3.5% to 4.44%	6/1/2036	18,935,000
2008 Power Revenue Bonds	1/28/2008	o	58,555,000	4.0% to 5.0%	6/1/2037	52,715,000
2008 Paseo Colorado Taxable Revenue Bonds	9/17/2008	p	28,800,000	variable	6/1/2038	26,500,000
2009 Electric Revenue/Refunding Bonds	11/24/2009	q	40,655,000	4.0% to 5.0%	8/1/2024	34,740,000
2010 Electric Revenue/Refunding Bonds	8/3/2010	r	36,320,000	2.0% to 4.0%	6/1/2021	35,540,000
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	29,745,000
2012A Electric Revenue Refunding Bonds	10/4/2012	r	11,780,000	1.0% to 4.0%	6/1/2022	7,950,000
Total Revenue Bonds						<b>\$ 239,665,000</b>
Certificates of Participation:						
1987 COP (Los Robles)	12/2/1987	t	20,300,000	variable	11/1/2012	\$ -
1993 Refunding COP (Old Pasadena)	7/01/1993	u	28,050,000	2.75% to 5.25%	1/1/2018	9,280,000
2008 COP Series B Refunding 2004A&B	5/15/2008	d	890,869	3.0% to 5.25%	2/1/2019	557,075
Total Certificates of Participation						<b>\$ 9,837,075</b>
Capital Lease Obligations						
2006 Equipment Lease	7/1/2006	h	224,630	3.496%	8/10/2014	\$ 44,626

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**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

**Business-Type Activities (Continued):**

	<b>Issue Date</b>	<b>Purpose</b>	<b>Original Amount</b>	<b>Coupon Interest Rate</b>	<b>Final Principal Payment Date</b>	<b>Outstanding at June 30, 2013</b>
<b><u>Detail of Long-Term Debts</u></b>						
<b><u>Discretely Presented Component Units</u></b>						
Certificates of Participation						
2006 COP (Conference Center Project)	8/23/2006	CC1	27,139,972	3.85% to 4.81%	2/1/2023	\$ 32,224,183
2008 Refunding COP, Series 2008A (Conference Center Project)	4/15/2008	CC2	134,720,000	variable	2/1/2035	134,720,000
Total Certificates of Participation (PCOC)						<b><u>\$ 166,944,183</u></b>
Revenue Bonds						
2006 Revenue Bonds	2/1/2006	RB1	36,945,000	variable	12/1/2023	\$ -
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	13,756,031
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	7,400,000
2013A Revenue Bonds-Refunding-Tax Exempt	1/15/2013	RB2/RB3	34,900,000	0.888% to 2.091%	12/1/2042	34,900,000
2013B Revenue Bonds-Refunding-Taxable Fixed Rate	1/15/2013	RB2	19,065,000	1.9% to 5.2%	12/1/2027	19,065,000
Total Revenue Bonds (RBOC)						<b><u>\$ 212,006,031</u></b>

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**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(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, 2013</u>
<b><u>Fiduciary Funds</u></b>						
<b>Successor Agency to Pasadena Community Development Commission (PCDC):</b>						
Tax Allocation bonds:						
2000 Tax Allocation Refunding (Orange Grove)	6/1/2000	T1	2,801,000	4.35% to 5.50%	6/1/2014	\$ 282,000
2000 Tax Allocation Refunding(Villa Parke)	6/1/2000	T2	1,814,000	4.35% to 5.50%	6/1/2014	182,000
2006 Tax Allocation Refunding Bond (Fair Oaks)	5/17/2006	T3	2,470,000	3.8% to 4.9%	7/1/2021	1,675,000
2006 Tax Allocation Refunding Bond (Villa Parke)	5/17/2006	T4	710,000	3.8% to 4.5%	6/1/2014	100,000
2006 Tax Allocation Refunding Bond (Lake/Washington)	5/17/2006	T5	805,000	3.8% to 4.7%	7/1/2017	<u>410,000</u>
Total tax allocation bonds						2,649,000
Advances Payable – City	various		-	1.25% to 10.00%	various	<u>48,062,905</u>
Total Successor Agency to PCDC long-term liabilities			8,600,000			<b><u>\$ 50,711,905</u></b>
<b>Housing Successor Debt Service</b>						
2006 Tax Allocation Revenue Bonds (Housing Set-Aside)	5/17/2006	T6	1,935,000	3.8% to 4.3%	8/1/2014	\$ 545,000
Total Housing Successor long-term liabilities						<b><u>\$ 545,000</u></b>

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**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(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, assets purchased collateralizes debt
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 2002/2003 Electric Bonds
s	Refund partial 2003 Water Bonds
t	Los Robles Parking Improvements
u	Refund 1986 Certificates of Participation
v	Refund 2006 Revenue Bonds
CC1	Conference Center Improvements
CC2	Refund 2006B Certificates of Participation
RB1	Rose Bowl Stadium Improvements
RB2	Rose Bowl Stadium Renovation
RB3	Refund 2006 Rose Bowl Variable Rate Lease Revenue Bonds
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, 2013**

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

The annual requirements to amortize as of June 30, 2013, are as follows:

#### Governmental Activities:

Year Ending June 30	Notes Payable		Pension Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 363,969	20,541	9,984,148	5,403,552	9,182,989	4,035,072
2015	14,262	11,795	72,715,852	4,834,904	4,240,913	3,582,485
2016	14,561	11,496	5,860,000	3,753,326	4,422,047	3,399,469
2017	14,867	11,190	6,285,000	3,323,789	4,613,342	3,206,287
2018	15,179	10,878	6,745,000	2,863,098	4,799,475	3,021,754
2019-2023	80,815	49,470	32,315,000	6,131,179	13,379,159	12,495,541
2024-2028	89,664	40,622	-	-	12,805,000	9,768,100
2029-2033	99,483	30,802	-	-	16,230,000	6,341,250
2034-2038	110,376	19,909	-	-	16,100,000	2,723,702
2039-2043	122,466	7,821	-	-	-	-
<b>Total Payment</b>	<b>\$ 925,642</b>	<b>214,524</b>	<b>133,905,000</b>	<b>26,309,848</b>	<b>85,772,925</b>	<b>48,573,660</b>

Year Ending June 30	Revenue Bonds		Capitalized Lease	
	Principal	Interest	Principal	Interest
2014	\$ 520,000	58,689	1,307,751	154,549
2015	540,000	54,134	1,320,568	130,964
2016	560,000	49,404	1,348,207	107,669
2017	560,000	44,499	1,384,669	83,897
2018	580,000	39,593	1,422,146	59,563
2019-2023	3,220,000	118,255	1,749,364	79,287
2024-2028	720,000	6,307	-	-
<b>Total Payment</b>	<b>\$ 6,700,000</b>	<b>370,881</b>	<b>8,532,705</b>	<b>615,929</b>

#### Business-Type Activities

Year Ending June 30	Notes Payable		Certificates of Participation		Revenue Bonds		Capitalized Leases	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 152,262	55,280	1,712,011	604,345	12,365,000	9,736,250	35,530	1,202
2015	159,999	47,542	1,824,087	498,605	12,735,000	9,284,395	9,096	87
2016	168,028	39,514	1,942,953	386,158	13,245,000	8,776,340	-	-
2017	176,669	30,873	2,066,658	266,815	14,095,000	8,266,485	-	-
2018	185,646	21,894	2,185,525	139,823	13,905,000	7,751,880	-	-
2019-2023	296,462	15,008	105,841	4,234	64,865,000	30,531,846	-	-
2024-2028	-	-	-	-	35,310,000	20,310,469	-	-
2029-2033	-	-	-	-	36,780,000	13,377,624	-	-
2034-2038	-	-	-	-	32,630,000	5,358,306	-	-
2039-2040	-	-	-	-	3,735,000	412,081	-	-
<b>Total Payment</b>	<b>\$ 1,139,066</b>	<b>210,111</b>	<b>9,837,075</b>	<b>1,899,980</b>	<b>239,665,000</b>	<b>113,805,676</b>	<b>44,626</b>	<b>1,289</b>

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

Fiduciary Funds

Year Ending June 30	Tax Allocation Bonds	
	Principal	Interest
2014	\$ 1,064,000	144,564
2015	510,000	88,021
2016	250,000	71,070
2017	265,000	59,159
2018	275,000	46,535
2019-2022	830,000	83,081
Total Payment	\$ 3,194,000	492,430

**New Debts Issued FY2013**

**2012A Electric Revenue Refunding Bonds**

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 fully 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%.

**2013 Equipment Lease-Dental Clinic**

On June 28, 2013, the City entered into a Master Lease Purchase Agreement in the amount of \$265,187 with JP Morgan Chase Bank for the financing of Dental Clinic Equipment, which is then leased to the City of Pasadena. Lease payments will be budgeted in the Public Health Department. Principal and interest of \$27,961.41 are due semi-annually. The rate of interest is 1.95%. Principal installments range from \$25,376 to \$27,691 commencing December 28, 2013 and ending June 28, 2018.

# CITY OF PASADENA

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

Year Ended June 30, 2013

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

#### **2013AB Rose Bowl Lease Revenue Bonds**

On January 15, 2013, the City issued two 2013 Lease Revenue Bonds (Rose Bowl Renovation Project), Series 2013A and 2013B in the aggregate amount of \$53,965,000. The bonds were issued to refund the 2006 Variable Rate Demand Lease Revenue Bonds (Rose Bowl Refinancing and Improvement Projects) and to finance improvements to the Rose Bowl Stadium. Series A contained \$23,865,000 of refunding bonds for the 2006 variable rate bonds and \$11,035,000 of tax-exempt bonds. Series B contained \$19,065,000 of taxable fixed rate lease revenue bonds. The rates of interest vary from 0.888% to 2.091% for Series A and 1.9% to 5.2% for Series B. Principal is payable in annual installments ranging from \$1,035,000 to \$2,540,000 commencing December 1, 2013 and ending December 1, 2042.

### (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.

#### 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, 2013, along with the credit rating of the associated counterparty.

# CITY OF PASADENA

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

Year Ended June 30, 2013

### (10) Derivative Instruments, (Continued)

#### Primary Government, (Continued)

#### Governmental activities, (Continued)

Cash Flow Hedge	Objective	Notational Amount	Effective Date	Maturity Date	Term	Counterparty Credit Rating
Pay-fixed interest rate swaps	Hedge of changes in cash flows on the 2006 Bonds	\$ 7,333,150	2/23/2006	12/1/2023	Pays 3.285%; receive 65% of LIBOR index	A2/A+

On May 3, 2011, the City restructured the 2006 Bonds in order to take advantage of a more attractive interest rate adjustment mode than the 2006 previously had. As a result, pursuant to GASB 53, the hedging relationship terminated and the value of the swap was re-characterized as a deferred amount upon a refunding and a new hedging relationship was established between the remaining on-market swap (the 2011 On-Market Swap) and the restructured 2006 bonds. The deferred amount is amortized over the life of the swap using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year as follows:

June 30	Beginning Balance	Accrued Interest	Payment	Ending Balance
2014	\$ 493,295	11,849	(89,732)	415,412
2015	415,412	9,893	(82,347)	342,958
2016	342,958	8,082	(74,684)	276,356
2017	276,356	6,427	(66,881)	215,902
2018	215,902	4,935	(58,939)	161,898
2019	161,898	3,615	(50,718)	114,795
2020	114,795	2,479	(42,219)	75,055
2021	75,055	1,540	(33,440)	43,155
2022	43,155	811	(24,384)	19,582
2023	19,582	304	(14,909)	4,977
2024	4,977	38	(5,015)	-

On January 15, 2013, a portion of the restructured 2006 Bonds were refunded by the City's Lease Revenue Bonds (Rose Bowl), Series 2013A (the 2013A Bonds). As a result, pursuant to GASB Statement No. 53, a portion of the hedging relationship established in 2011 terminated and the value of that portion of the 2011 On-Market Swap was re-characterized as a deferred amount upon a refunding and a new hedging relationship was established between the remaining on-market swap (the 2013 On-Market Swap) and the 2013A Bonds. The deferred amount is amortized over the life of the swap using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year as follows:

# CITY OF PASADENA

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

Year Ended June 30, 2013

### (10) Derivative Instruments, (Continued)

#### Primary Government, (Continued)

#### Governmental activities, (Continued)

June 30	Beginning Balance	Accrued Interest	Payment	Ending Balance
2014	\$ 310,951	676	(51,822)	259,805
2015	259,805	560	(47,557)	212,808
2016	212,808	454	(43,131)	170,131
2017	170,131	358	(38,625)	131,864
2018	131,864	273	(34,038)	98,099
2019	98,099	198	(29,291)	69,006
2020	69,006	135	(24,382)	44,759
2021	44,759	83	(19,313)	25,529
2022	25,529	43	(14,082)	11,490
2023	11,490	16	(8,610)	2,896
2024	2,896	2	(2,898)	-

The remaining portion of the 2011 On-Market Swap and the 2013 On-Market Swap were deemed to be "effective" under GASB 53. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2013, classified by type, and the change in fair value of such derivative instruments for the year then ended are as follows:

Cash Flow Hedge	Changes in Fair Value		Fair Value at June 30, 2013		Notional
	Classification	Amount	Classification	Amount	
Pay-fixed interest rate swaps	Deferred Inflow	\$ 512,004	Asset	\$ 74,866	\$ 7,333,150

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.

*Credit risk:* The City is exposed to credit risk on hedging derivative instruments to the extent the value of the swap is positive from the City's perspective. The aggregate fair value of hedging derivative instruments was negative as of June 30, 2013 and therefore the City had no credit risk exposure.

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(10) Derivative Instruments, (Continued)**

**Primary Government, (Continued)**

**Governmental activities, (Continued)**

*Interest rate risk:* The purpose of the swap is to eliminate interest rate risk on the associated hedged bonds and therefore the swap, in combination with related bonds does not create interest rate risk for the City.

*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, 2013, the weighted-average interest rate on the City's hedged variable-rate debt is 0.24% while 65 percent of LIBOR is 0.18%.

*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. 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.

*Hedging derivative instruments and hedged debt.* The aggregate debt service payments for the City's hedged debt and net receipts/payments on associated derivative instruments 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.

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(10) Derivative Instruments, (Continued)**

**Primary Government, (Continued)**

**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 position 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, 2013 and the changes in fair value of the derivative instrument for the year then ended are as follows:

Cash Flow Hedge	Changes in Fair Value		Fair Value at June 30, 2013		Notional
	Classification	Amount	Classification	Amount	
Pay-fixed interest rate swaps	Deferred inflow	\$ 2,048,015	Asset	\$ 299,465	\$ 26,166,850

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, 2013**

**(10) Derivative Instruments, (Continued)**

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

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

**Objective and Terms of Hedging Derivative Instruments**

The following table displays the objective and terms of RBOC's hedging derivative instrument outstanding at June 30, 2013, along with the credit rating of the associated counterparty.

Cash Flow Hedge	Objective	Notational Amount	Effective Date	Maturity Date	Term	Counterparty Credit Rating
Pay-fixed interest rate swaps	Hedge of changes in cash flows on the 2006 Bonds	\$ 26,166,850	2/23/2006	12/1/2023	Pays 3.285%; receive 65% of LIBOR index	A2/A+

*Credit risk:* RBOC is exposed to credit risk on hedging derivative instruments. The aggregate fair value of hedging derivative instruments in asset positions at June 30, 2013, was \$2,251,769. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

*Interest rate risk:* RBOC 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, RBOC's net payment on the swap increases.

*Basis risk:* RBOC is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payments received by RBOC on these hedging derivative instruments are based on a rate or index other than interest rates RBOC pays on its hedged variable-rate debt, which is remarketed every 30 days. As of June 30, 2013, the weighted-average interest rate on RBOC's hedged variable-rate debt is 0.24%, while 65 percent of LIBOR is .018%.

*Termination risk:* RBOC 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, RBOC would be liable to the counterparty for a payment equal to the liability.

# CITY OF PASADENA

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

Year Ended June 30, 2013

### (10) Derivative Instruments, (Continued)

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

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

*Rollover risk:* RBOC 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, RBOC 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, 2013, the balance was \$1,973,181.

The annual amortization and balance of the borrowing as of June 30, 2013 are as follows:

June 30	Beginning Balance	Accrued Interest	Payment	Ending Balance
2014	\$ 1,973,181	47,397	(358,927)	1,661,651
2015	1,661,651	39,571	(329,388)	1,371,834
2016	1,371,834	32,327	(298,734)	1,105,427
2017	1,105,427	25,709	(267,523)	863,613
2018	863,613	19,738	(235,755)	647,596
2019	647,596	14,458	(202,872)	459,182
2020	459,182	9,917	(168,874)	300,225
2021	300,225	6,162	(133,762)	172,625
2022	172,625	3,242	(97,534)	78,333
2023	78,333	1,214	(59,635)	19,912
2024	19,912	151	(20,063)	-

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(10) Derivative Instruments, (Continued)**

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

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

On January 15, 2013, a portion of the restructured 2006 Bonds were refunded by the City’s Lease Revenue Bonds (Rose Bowl), Series 2013A (the 2013A Bonds). As a result, pursuant to GASB Statement No. 53, a portion of the hedging relationship established in 2011 terminated and the value of that portion of the 2011 On-Market Swap was re-characterized as a deferred amount upon a refunding and a new hedging relationship was established between the remaining on-market swap (the 2013 On-Market Swap) and the 2013A Bonds. The deferred amount is amortized over the life of the swap using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year as follows:

June 30	Beginning Balance	Accrued Interest	Payment	Ending Balance
2014	\$ 1,243,802	2,703	(207,288)	1,039,217
2015	1,039,217	2,239	(190,229)	851,227
2016	851,227	1,815	(172,526)	680,516
2017	680,516	1,432	(154,500)	527,448
2018	527,448	1,090	(136,154)	392,384
2019	392,384	793	(117,162)	276,015
2020	276,015	539	(97,528)	179,026
2021	179,026	333	(77,250)	102,109
2022	102,109	174	(56,328)	45,955
2023	45,955	65	(34,441)	11,579
2024	11,579	8	(11,587)	-

*Hedging derivative instruments and hedged debt.* The aggregate debt service payments for the RBOC’s hedged debt and net receipts/payments on associated derivative instruments 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.

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(10) Derivative Instruments, (Continued)**

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

**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.

**Objective and Terms of Hedging Derivative Instruments**

The following table displays the objective and terms of PCOC’s hedging derivative instruments outstanding at June 30, 2013, along with the credit rating of the associated counterparty:

Cash Flow Hedge	Objective	Notational Amount	Effective Date	Maturity Date	Term	Counterparty Credit Rating
Pay-fixed interest rate swaps	Hedge of changes in cash flows on the 2008A COP’s	\$ 133,000,000	9/18/2006	2/1/2034	Pays 3.536%; receive 64% of LIBOR index	Aa3/AA-

Note in 2011, due to its declining credit ratings, DEPFA was replaced by RBC as the counterparty for the swap. Pursuant to GASB 64, the replacement did not require any change in accounting treatment.

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 position and recorded as a deferred amount upon a refunding.

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(10) Derivative Instruments, (Continued)**

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

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

**Objective and Terms of Hedging Derivative Instruments, (Continued)**

During the fiscal year ending June 30, 2011, PCOC 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 \$8,935,612.84. As of the year ended June 30, 2013, the balance was \$7,545,131.

<u>June 30</u>	<u>Beginning Balance</u>	<u>Accrued Interest</u>	<u>Payment</u>	<u>Ending Balance</u>
2014	7,545,131	335,170	(646,380)	7,233,921
2015	7,233,921	320,786	(646,380)	6,908,327
2016	6,908,327	305,736	(646,380)	6,567,683
2017	6,567,683	289,991	(646,380)	6,211,294
2018	6,211,294	273,518	(646,380)	5,838,432
2019	5,838,432	256,284	(646,380)	5,448,336
2020	5,448,336	238,252	(646,380)	5,040,208
2021	5,040,208	219,387	(646,380)	4,613,215
2022	4,613,215	199,651	(646,380)	4,166,486
2023	4,166,486	179,003	(646,380)	3,699,109
2024	3,699,109	157,461	(635,404)	3,221,166
2025	3,221,166	136,068	(601,344)	2,755,890
2026	2,755,890	115,332	(563,760)	2,307,462
2027	2,307,462	95,454	(522,409)	1,880,507
2028	1,880,507	76,649	(477,171)	1,479,985
2029	1,479,985	59,154	(427,721)	1,111,418
2030	1,111,418	43,226	(373,774)	780,870
2031	780,870	29,157	(315,009)	495,018
2032	495,018	17,258	(251,140)	261,136
2033	261,136	7,877	(181,805)	87,208
2034	87,208	1,487	(88,695)	-

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(10) Derivative Instruments, (Continued)**

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

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

**Derivative Instrument Liability**

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2013, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows:

Cash Flow Hedge	Changes in Fair Value		Fair Value at June 30, 2013		Notional
	Classification	Amount	Classification	Amount	
Pay-fixed interest rate swaps	Deferred Inflow	\$ 13,667,559	Debt	\$ (18,899,923)	\$ 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.

*Credit risk:* PCOC is exposed to credit risk on hedging derivative instruments to the extent that value of the swap is position from PCOC's perspective. The aggregate fair value of hedging derivative instruments was negative as of June 30, 2013 and therefore PCOC had no credit risk exposure.

*Interest rate risk:* The purpose of the swap is to eliminate interest rate risk on the associated hedged bonds and therefore the swap, in combination with related bonds does not create interest rate risk for PCOC.

*Basis risk:* PCOC is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payments received by PCOC on these hedging derivative instruments are based on a rate or index other than interest rates PCOC pays on its hedged variable-rate debt, which is typically remarketed every 7 days. As of June 30, 2013, the weighted-average interest rate on the PCOC's hedged variable-rate debt is 0.1040%, while 64 percent of LIBOR is 0.124576%.

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(10) Derivative Instruments, (Continued)**

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

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

**Derivative Instrument Liability, (Continued)**

*Termination risk:* PCOC 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, PCOC may optionally terminate the agreement on any date. If at the time of a termination, PCOC may be required to make a termination payment to its counterparty. If PCOC had to terminate the Swap for any reason on June 30, 2013, the maximum exposure/loss would have been \$27,611,680.

*Rollover risk:* PCOC 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 prior to the maturity of the related debt, PCOC will be re-exposed to the risks being hedged by the hedging derivative instrument.

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# CITY OF PASADENA

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

Year Ended June 30, 2013

### (11) Fund Balance and Net Position

#### Fund balances, Governmental Funds

On the Governmental Balance Sheet, 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, 2013, were as follows:

	General Fund	Project Management Capital Project	Non-Major Governmental Funds
Fund Balances			
Nonspendable:			
Notes Receivable	\$ 51,508	-	24,724,684
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	-	4,475,108	3,040,941
Community Development	-	-	4,194,274
Debt Service	-	-	40,552,366
Health	-	-	1,667,020
Housing Successor	-	-	5,242,698
Other purposes	-	-	1,808,783
Public Safety	-	-	478,996
Transportation	-	-	8,854,505
Committed to:			
Capital Projects	7,772,344	1,278,955	13,932,213
City/Agency Advances	6,200,850	-	-
Component Unit/PCOC	1,841,417	-	618,148
General Government	21,565,607	-	-
Libraries	-	-	2,348,278
Parking	-	-	1,545,782
Sewer Construction and Maintenance	-	-	5,979,158
Underground Utilities	-	-	36,926,803
Assigned to:			
Planning Fees	34,919	-	-
General Government	2,653,994	-	-
Public Safety	745,683	-	-
Transportation	814,552	-	-
Unassigned:	11,965,386	(4,249,081)	(15,833)
Total fund balances	\$ 61,946,260	1,504,982	160,547,028



**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(11) Fund Balance and Net Position, (Continued)**

Net Position

On the government-wide Statement of Net Position, the net position are reported in one of three classifications; Investment in capital assets, net of related debt, Restricted, or Unrestricted. Net position by classifications as of June 30, 2013 is:

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total Primary Government	Total Component Units
Invested in capital assets, net of related debt	\$ 430,452,722	364,493,343	794,946,065	175,287
Restricted:				
Expendable:				
Cultural and leisure	1,665,116	-	1,665,116	-
Capital projects	-	-	-	53,938,214
Community development	19,550,203	-	19,550,203	-
Contributions	-	17,946,812	17,946,812	-
Debt service	31,126,374	-	31,126,374	-
Low and Moderate Income Housing	-	-	-	-
Stranded investments (notes 12 and 19)	-	124,951,046	124,951,046	-
Transportation	8,854,505	-	8,854,505	-
Other purposes	-	1,118,482	1,118,482	-
Nonexpendable:	2,436,075	-	2,436,075	-
Unrestricted:	(41,046,066)	185,593,038	144,546,972	(55,050,583)
Total net assets	\$ 453,038,929	694,102,721	1,147,141,650	(937,082)

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# CITY OF PASADENA

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

**Year Ended June 30, 2013**

### **(12) Restricted Net Position – 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 Reserves, 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, 2013, the Stranded Investment Reserve balance was \$125.0 million. The details of the additions and subtractions from the Reserve that occurred during fiscal year 2013 are shown below.

#### Restricted Cash and Investment

Beginning balance	\$	65,514,825
Interest earnings		1,107,229
Market gain/losses		<u>(1,295,850)</u>
Restricted cash and investment ending balance	\$	<u>65,326,204</u>

#### IPA Subordinated Notes

	Balance at June 30, 2012	Reduction	Balance at June 30, 2013
Notes Receivable	\$ 57,487,917	(4,745,833)	52,742,084
Premium Discount	7,415,343	(674,122)	6,741,221
Cost of Issuance	<u>155,691</u>	<u>(14,154)</u>	<u>141,537</u>
Total IPA Subordinated Notes	<u>\$ 65,058,951</u>	<u>(5,434,109)</u>	<u>59,624,842</u>
Restricted for Stranded Investments at June 30, 2013			<u>\$ 124,951,046</u>

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(13) Accumulated Fund Deficits**

The following funds reported accumulated deficits in their respective fund balances / net position at June 30, 2013:

	<u>Accumulated Deficit</u>
<b>Governmental Activities:</b>	
Special Revenue Funds:	
Building Services	\$ (15,833)
Internal Service Funds:	
Building Maintenance	(1,040,652)
Benefits	(28,700,123)
Workers Compensation	(10,189,544)
General Liability	(9,325,818)
Printing Services	(1,202,804)
<b>Business-type Activities:</b>	
Del Mar Gold Line Parking Garage	(381,914)
Paseo Colorado Parking	(3,390,824)

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 2014 budget changes are consistent with the plan goals of eliminating the deficit.

# CITY OF PASADENA

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

Year Ended June 30, 2013

### (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 as low as possible. A portion of the increased deficit is attributable to the one time withdrawal penalty paid to a supplemental pension plan which was 100% employee funded by the PACTE/LIUNA bargaining unit. This City paid cost is being recouped over time through salary savings.

#### 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, there is a cash balance of \$9,283,526 in the fund, representing 47.84% of the claims payable liability which is generally consistent with the position of the fund last year.

#### 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. It should be noted, that although there is a deficit in fund balance, there is a cash balance of \$3,120,760 in the fund, representing 19.30% 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, 2013**

**(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, revenue will recover as city departments increase their printing services requests. In anticipation of a slowing trend in income, as well as added expenses, Printing Services has reduced its budget by approximately \$200,000 by eliminating three full-time positions in FY2012. A 53% (\$139,779) increase in the cost of IS-DoIt services and the CAP Allocation Expense (\$55,290) have exacerbated a negative budgetary trend, creating a cost to the division that is challenging to absorb. In order to mitigate losses, and establish a profitable business model, a plan has been drafted for operations in Printing Services. As a result of the changes suggested in this plan, it is anticipated that additional revenues will be generated, and costly practices will be addressed. Management will continue to explore ways to provide additional services to non-profit businesses in the community.

Del Mar Gold Line Parking Garage

In June 2007, the City of Pasadena and the Multi-Modal Operation and Development Entity entered into a conveyance agreement for the purchase of 600 parking spaces located in the existing parking structure at the Del Mar Gold Line Station. The 600 spaces are available to Gold Line patrons to the extent demand is present. They also serve as a resource for monthly and transient parking in both the Old Pasadena and Civic Center/Mid-town districts, but because the distance from these districts is long enough, many users are reluctant to use the garage in spite of reduced rates. The Developer is looking to fill the vacant space and traffic to the current businesses is increasing. 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 added to the Zoning Parking Credit program, and this is expected to have a positive impact on revenue as credits are purchased.

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, 2013**

**(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.

Of the total pledge revenues reported under the Fiduciary Funds, \$13,872,000 was received and recorded in June 2012, per Department of Finance guideline, it is not to be spend until next fiscal year.

<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>
<b><i>Primary Government</i></b>			
Light and Power Revenues	\$ 34,049	14,945	44%
Water Revenues	21,140	7,173	34%
<b><i>Fiduciary Funds</i></b>			
Tax Increment (Downtown SB481)	\$ 9,531 (a)	8,731	92%
Tax Increment (Other Projects)	8,993 (b)	5,889	65%

Note:

(a) \$9,531,000 of pledge revenue was received and recorded in June 2012 to be spent during the period of July 2012 - December 2012

(b) \$4,341,000 of \$8,993,000 of pledge revenue was received and recorded in June 2012 to be spent during the period of July 2012 - December 2012

**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

**(15) Transfers**

**Primary Government**

The following is a summary of transfers in and out for the year ended June 30, 2013:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	Internal Service Funds	\$ 2,818,921
	Non-Major Governmental Funds	35,491,798 A
	Project Management Fund	3,745,808
	Non-Major Enterprise Funds	85,000
		<u>42,141,527</u>
Project Management Fund	Light and Power Fund	18,987
	Non-Major Enterprise	50,000
	Internal Service Funds	310,421
	Non-Major Governmental	50,000
		<u>429,408</u>
Old Pasadena Parking Fund	Non-Major Governmental Funds	<u>238,863</u>
Light and Power Fund	General Fund	<u>14,092,965 B</u>
Water Fund	General Fund	<u>3,706,810</u>
Non-Major Governmental Funds	General Fund	1,084,806
	Non-Major Governmental Funds	1,932,683
	Project Management Fund	16,702,081 C
	Other City Government	2,754,872
		<u>22,474,442</u>
Non-Major Enterprise Funds	General Fund	2,898,517
	Project Management Fund	12,420
	Internal Service Funds	178,582
		<u>3,089,519</u>
Internal Service Funds	Project Management Fund	<u>623,563</u>
Total		<u>\$ 86,797,097</u>

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(15) Transfers, (Continued)**

**Fiduciary Funds**

The following is a summary of transfers in and out for the year ended June 30, 2013:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	
Redevelopment Obligation Retirement Fund	Successor Agency Debt Service Funds	\$ 17,551,194	D
Redevelopment Obligation Retirement Fund	Successor Agency Administrative Fund	697,056	
Redevelopment Obligation Retirement Fund	Other City Government	3,063,906	E
Successor Agency Debt Service Funds	Other City Government	800,000	
Total		<u>\$ 22,112,156</u>	

**Primary Government**

(A) Transfers from the General Fund to Non-Major Governmental Funds consist of:

- \$22,494,295 to pay for General Fund’s debt service obligations on the 1999 Pension Bonds and other Certificates of Participation.
- \$10,372,999 to support the Library Services Fund.
- \$1,076,268 to the Health Fund to support the City’s animal control services.
- \$1,548,236 to Housing and Community Development and various Transportation and Parking funds to support their operations.

(B) Light and Power contributed \$14,092,965 to the General Fund for the payment of interest and principal on City bonds, municipal improvements and other purposes.

(C) Transfers from Non-Major Governmental Funds include:

- \$16,702,081 was transferred to the Project Management Fund to fund various capital improvement projects; including, \$12,548,628 from various Special Revenue Funds, \$2,079,495 from Debt Service Funds and \$2,073,958 from various Capital Funds.
- \$5,772,361 was transferred to various other funds; including \$2,754,872 to Other City Government to pay for Housing Successor debt service, \$1,932,683 to various debt service and special revenue funds, and \$1,084,806 to the General Fund.



# CITY OF PASADENA

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

Year Ended June 30, 2013

### **(15) Transfers, (Continued)**

#### **Fiduciary Funds**

(D) The Redevelopment Obligation Retirement Fund transferred approximately \$17,551,194 to pay Successor Agency debt service obligations.

(E) The Redevelopment Obligation Retirement Fund transferred \$3,863,906 to other City Government to support Housing Successor obligations.

### **(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 July 1, 2012 to June 30, 2013 excess liability insurance has been purchased with limits of \$20 million excess of a \$3 million self-insured retention. No excess insurance for worker's compensation has been purchased.

Four workers' compensation claims from prior years, when the retention was \$500,000, have exceeded the excess level. Six workers' compensation claims from prior years, when the retention was \$250,000, have exceeded the excess level. One workers' compensation claim from prior years, when the retention was \$100,000, has exceeded the excess level. 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 City operations. During FY13, for Liability Claims occurring in FY13, the City paid approximately \$70,877 (loss payments), which is below the historical expectation of payments on the type of incidents tracked. The overall total incurred for Liability Claims occurring in FY13 is \$1,595,799 (losses plus expenses). Liability Claims against public entities tend to yield a defense verdict or settlement at a fraction of the exposure. 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. There were two (2) claims related to the windstorm event of November 30/December 1, 2011 that have high value losses associated: 1) \$600,000 reserves for tree falling onto a house, expected to settle in 2014; 2) a \$30,000 reserve for damages sustained by property owner alleging private trees were cut-down by City contractor immediately following windstorm event, expected to settle in 2014. 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

# CITY OF PASADENA

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

Year Ended June 30, 2013

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

the head by a golf ball on the street near Brookside Golf Course which an attorney has presented as a possible brain damage claim. One claim alleges discrimination by the Fire Department following the death of a young man who was shot by another person. Claim alleges responding City personnel failed to provide proper and adequate first responder life saving measures. 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 with 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 hull-coverage claims during the past three years.

The City bought All Risk Property Insurance on all its buildings, and a separate policy for production facilities at the power plant, with a combined total scheduled insured value in excess of \$1.3 billion. The basic “all-risk” deductible is \$25,000. Exclusions include earthquake, pollution clean-up, and mold. The City had a major Fire claim at the power plant in FY13, to GT 2 unit, which had a capitated loss value of \$7.8 million; as a result of the this and the prior fire loss at the power plant (GT1), the power plant production facilities are excluded from the All Risk/Boiler & Machinery policy, and is insured under a separate Property and Boiler & Machinery policy with Lloyds of London syndicates.

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. The City has no claims pending.

PCOC is entitled to indemnity from the City; however, PCOC purchases a Special Liability Insurance Program (SLIP) for general liability and employment practice coverage. The City manages the PCOC claims and tenders to the insurance carrier third party administrator. 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

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(16) Self-Insurance, (Continued)**

the ice rink. There are lawsuits pending that are being defended by an insurance company without a reservation of rights.

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 essentially completed most of its major restoration and construction, and its separate course of construction policy has been cancelled according to the construction scope of work.

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, 2013, liability claims payable amounted to \$16,170,631 of which \$4,225,799 is estimated to be paid within one year. Workers’ Compensation claims payable amounted to \$19,407,136, of which \$6,538,427 is estimated to be paid within one year.

	<b>Current Beginning Liability</b>	<b>Year Claims and Prior Year Changes Fiscal Year in Estimates</b>	<b>Claim Payments</b>	<b>Ending Fiscal Year Liability</b>
2011-12	27,683,491	10,696,461	6,920,127	31,459,825
2012-13	31,459,825	12,015,632	7,897,690	35,577,767

**(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

# CITY OF PASADENA

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

Year Ended June 30, 2013

### (17) Deferred Compensation Plan, (Continued)

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>2013</u>	<u>2012</u>
Assets, beginning of year (market value)	\$ 192,200,488	\$ 188,463,209
Deferrals of compensation	16,125,642	13,250,572
Earnings and adjustments to market value	18,410,313	1,498,438
Payments to eligible employees	<u>(23,685,437)</u>	<u>(11,011,731)</u>
Assets, end of year (market value)	<u>\$ 203,051,006</u>	<u>192,200,488</u>

### (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, except for those who elected to transfer to CalPERS when FPRS closed to new member in June 2004. In June 2004, active members were provided a one-time opportunity to transfer from FPRS to CalPERS as provided by an agreement with the City. Once

# CITY OF PASADENA

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

Year Ended June 30, 2013

### (18) Pension Plans, (Continued)

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

##### Plan Description, (Continued)

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, 3<sup>rd</sup> 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.

##### 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

# CITY OF PASADENA

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

Year Ended June 30, 2013

### (18) Pension Plans, (Continued)

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

##### Funding Policy, (continued)

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.

##### Annual Pension Cost

For fiscal year 2013, the City's annual pension cost was \$7,239,000 for FPRS. There was no contribution required for the City due to the bonds that were issued as a result of Agreement No. 20,823. 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, 2012 actuarial valuation for the fiscal year ending June 30, 2013: (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 payrolls 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, 2013.

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(18) Pension Plans, (Continued)**

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

Annual Pension Cost, (Continued)

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

Fiscal Year	Annual Pension Cost (APC)	Actual Contributed	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 5,175	8,036	155.30%	46,457
6/30/2012	8,700	46,600	535.60%	8,557
6/30/2013	7,239	-	0.00%	15,796

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

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll
6/30/2011	\$ 105,811	179,284	73,473	59.0%	-	N/A
6/30/2012	136,272	174,249	39,977	78.2%	-	N/A
6/30/2013	127,985	168,781	40,796	75.8%	-	N/A

As of June 30, 2013, no active employees are in the closed plan.

Changes in the Net Pension Obligation (NPO) during the fiscal year ended June 30, 2013 are as follows:

<b>Beginning of year net pension obligation</b>	\$ 8,557,000
Pension Cost:	
Annual Required Contribution (ARC)	8,757,000
Interest on beginning of year NPO less interest on mid year City contribution	513,000
Amortization of beginning of year NPO	(2,031,000)
Total pension costs	7,239,000
Less: City contribution	-
<b>End of year net pension obligation</b>	<b>\$ 15,796,000</b>

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(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. On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and smoothing policies. Beginning with the June 30, 2013 valuations that will set the 2015-16 rates, CalPERS will employ an amortization and rate smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.

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

**Employer Contribution Rate (Five-Year Plan)**

<b><u>Fiscal Year</u></b>	<b><u>Safety</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Superfunded?</u></b>
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	29.321% (projected)	19.219% (projected)	No
6/30/2016	30.9% (projected)	20.6% (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, 2012 to June 30, 2013 has been determined by an actuarial valuation of the plan as of June 30, 2010. The contribution rate indicated for the period is 25.621% of payroll for the safety plan and 16.227% of payroll for the miscellaneous plan. In order to calculate the dollar value of the ARC for inclusion in financial



# CITY OF PASADENA

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

Year Ended June 30, 2013

### (18) Pension Plans, (Continued)

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

statements prepared as of June 30, 2013, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2012 to June 30, 2013.

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

	Retirement Program	1959 Survivor Program	
		Misc. Plan	Safety Plan
Valuation Date	June 30, 2010	N/A	June 30, 2010
Actuarial Cost Method	Entry Age Normal Cost Method		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 (22 years for the Safety Plan)	N/A	Rolling 5 Years
Asset Valuation Method	15 Year Smoothed Market	N/A	3 Year Smoothed Market
Actuarial Assumptions			7.75% (net of admin. expenses)
Investment Rate of Return	7.75% (net of admin. expenses)	N/A	
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 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

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(18) Pension Plans, (Continued)**

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

about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Defined Benefit Pension Plan (CalPERS), (Continued)**

*Three-Year Trend Information (in thousands)*

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Valuation of Assets (AVA)	Unfunded Liability (UL)	Funded Ratio		Annual Covered Payroll	UL as a % of Payroll
				AVA	Market Value		
<i>Retirement Program - Safety</i>							
6/30/2010	\$ 373,670	307,056	66,614	82.2%	64.7%	45,643	145.9%
6/30/2011	403,626	331,603	72,023	82.2%	73.6%	44,058	163.5%
6/30/2012	429,718	355,015	74,703	82.6%	69.5%	42,612	175.3%
<i>Retirement Program - Miscellaneous</i>							
6/30/2010	\$ 773,302	635,455	137,847	82.2%	64.4%	115,289	119.6%
6/30/2011	819,327	666,290	153,037	81.3%	72.3%	110,571	138.4%
6/30/2012	852,217	695,108	157,109	81.6%	81.6%	105,201	149.3%

**Annual Pension Cost (Employer Contribution)**

Fiscal Year	Safety	Miscellaneous	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 12,518	10,346	100.00%	-
6/30/2012	16,744	11,370	100.00%	-
6/30/2013	17,439	10,993	100.00%	-

**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.

## CITY OF PASADENA

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

Year Ended June 30, 2013

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

##### **Defined Contribution Plan (PARS), (Continued)**

The City's payroll for employees covered by PARS for the year ended June 30, 2013, was \$3,343,079. Both the City and the covered employees made the total required 7.5% contributions of \$133,723 from the City and \$117,008 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, 2013 is \$345 million.

Additional financial information on the 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.

##### **Stranded Investments**

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 \$124.9 million in 2013. 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 Water and Power Department's website or may be obtained by contacting the department at 150 South Los Robles, Suite 200, Pasadena, CA 91101.

## CITY OF PASADENA

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

Year Ended June 30, 2013

#### **(19) Commitments and Contingencies (Continued)**

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

##### **SB481**

California Department of Finance denied Senate Bill 481 which requires all tax increment monies (excluding 20% for low and moderate income housing) to pay the debt service on Pension Obligation Bonds. For detailed information, please see Note 23.

##### **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.

##### **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.

#### **(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.

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**CITY OF PASADENA**  
**Notes to the Basic Financial Statements, (Continued)**  
**Year Ended June 30, 2013**

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

<b>Entity</b>	<b>Date of Issuance</b>	<b>Aggregate or Not to Exceed Amount</b>	<b>Purpose</b>
Maranatha High School	October 2011	\$27.9 million	To finance public improvements related to Civic Center West Project.
Colorado Educational & Cultural Facilities Authority	January 2011	\$60.0 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	\$25.0 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	\$202.0 million	To finance the expansion of hospital facilities and advance refunding of 1996 Hospital Association Certificates of Participation.

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**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

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

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, 2013 the outstanding balance on the CFD Special Tax Bonds is \$8,865,000.

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, 2013 the number of employees covered by the subsidy follows:

	<b>Partial Benefit Group</b>	<b>Full Benefit Group</b>	<b>Total</b>
Active Participants	954	749	1,703
Participants receiving subsidy	280	287	567
	1,234	1,036	2,270

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# CITY OF PASADENA

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

Year Ended June 30, 2013

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

#### Plan Description

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

Service Retirement: Employees retiring directly from active status receive medical benefits commencing at retirement. Employee must be age 50 or older with 5 or more years of service.

Disability Retirement: Employees retiring directly from active status due to disability receive medical benefits commencing at retirement. Employees are eligible for Industrial Disability retirement at hire and for Non-Industrial Disability retirement after 5 years of CalPERS service.

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.

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

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

**Benefits:**

Medical Benefit: Eligible retirees are provided a subsidy for medical benefits through PEHMCA. For the calendar year 2013, this monthly amount is \$115.00 for certain classes of employees and \$40.25 for remaining employees.

**Funding Policy and Annual OPEB Cost.** The City contribution requirements have been established at the individual retiree levels of \$115.00 or \$40.25 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:

	<b>Partial Benefit Group</b>	<b>Full Benefit Group</b>	<b>Total</b>
Annual Required Contribution (ARC)	\$ 1,625,815	1,640,574	3,266,389
Interest on Net OPEB Obligation	197,587	288,182	485,769
Adjustment to ARC	(309,062)	(450,770)	(759,832)
Annual OPEB Cost	1,514,340	559,448	2,073,788
Contributions made	247,392	251,194	498,586
Increase in net OPEB obligation	1,378,423	1,389,380	2,767,803
Net OPEB obligation – beginning of year	4,939,668	7,204,547	12,144,215
Net OPEB obligation – end of year	<u>\$ 6,318,091</u>	<u>\$ 8,593,927</u>	<u>\$ 14,912,018</u>

\*UAAL is amortized over an initial 30 years using the level-dollar method on a closed basis. The remaining period at June 30, 2013 is assumed to be 25 years.



# CITY OF PASADENA

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

Year Ended June 30, 2013

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

Annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for FY 2013 and the two preceding years are as follows:

Year Ended	Amount Groups Receiving Per Month Benefit	Annual OPEB Cost	Percentage OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	108.00	1,523,960	12.08%	1,339,934
6/30/2011	27.00	1,529,525	15.18%	1,297,375
6/30/2011 Total		3,053,485	27.26%	2,637,309
6/30/2012	112.00	1,481,740	24.43%	1,119,795
6/30/2012	33.60	1,519,774	6.78%	1,416,675
6/30/2012 Total		3,001,514	31.21%	2,536,470
6/30/2013	115.00	1,502,497	16.72%	1,251,303
6/30/2013	40.25	1,489,829	16.60%	1,242,437
6/30/2013 Total		2,992,326	33.32%	2,493,740

**Funded Status and Funding Progress.** The funded status of the plan as of June 30, 2013 follows:

	Partial Benefit Group	Full Benefit Group	Total
Actuarial accrued liability	14,957,507	17,279,382	32,236,889
Actuarial value of plan assets	-	-	-
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.

# CITY OF PASADENA

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

Year Ended June 30, 2013

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

**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
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.

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

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

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

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

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

**Actuarial Methods:**

Funding Method: Entry Age Normal – Level Dollar.

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

**Schedule of Funding Progress**

Actuarial Valuation Fiscal Year	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll
6/30/2008	\$ -	23,745,129	23,745,129	0.0%	154,261,000	15.4%
6/30/2009	-	23,321,751	23,321,751	0.0%	162,467,648	14.4%
6/30/2010	-	30,819,908	30,819,908	0.0%	160,705,028	19.2%
6/30/2011	-	31,678,052	31,678,052	0.0%	153,898,526	20.6%
6/30/2012	-	32,236,889	32,236,889	0.0%	150,943,707	21.4%

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**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(22) Restatement of Beginning Net Position and Fund Balances**

**Primary Government**

The accompanying financial statements reflect adjustments that resulted in the restatement of beginning fund balance of the General Fund, and Net Position of the Governmental Activities of the Primary Government. The adjustments occurred due to a prepayment of an Advance from the Old Pasadena Parking Fund. The adjustment in the Water Fund was due to an Inventory adjustment.

The following schedule summarizes the effect of the prior period adjustment to the beginning fund balance/net position as of July 1, 2012:

	<u>Governmental Activities</u>		<u>General Fund</u>
Net Position at July 1, 2012	\$ 455,571,741	Fund Balance at July 1, 2012	\$ 53,775,868
Record pre-payment for Advances	<u>5,750,000</u>		<u>5,750,000</u>
Net Position, as restated	<u>\$ 461,321,741</u>	Fund Balance, as restated	<u>\$ 59,525,868</u>

	<u>Business-Type Activities</u>	<u>Water Fund</u>	<u>Old Pasadena Pasadena Parking</u>
Net Position at July 1, 2012	\$ 670,708,249	\$ 117,364,674	\$ 18,209,312
Water Inventory Adjustment	993,892	993,892	-
Record pre-payment for Advances	<u>(5,750,000)</u>	<u>-</u>	<u>(5,750,000)</u>
Net Position at July 1, 2012, as restated	<u>\$ 665,952,141</u>	<u>\$ 118,358,566</u>	<u>\$ 12,459,312</u>

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## CITY OF PASADENA

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

Year Ended June 30, 2013

#### **(23) State Assembly Bill 1484, Clean-Up Legislation**

On June 27, 2012, the California Legislature passed, and the Governor signed, Assembly Bill 1484 ("AB 1484"). AB 1484 makes several substantive and technical amendments to ABx1 26, the bill enacted in late June 2011 that directed the dissolution of all of California's redevelopment agencies. As a budget "trailer bill," a bill providing appropriations related to the Budget Bill, AB 1484 took immediate effect upon signature by the Governor.

AB 1484 requires those involved in the redevelopment unwind process to learn and implement significant new rules of conduct just as they were beginning to adapt to and implement the already complex rules mandated by last year's ABx1 26. Although AB 1484 establishes a separate legal status of the Successor Agency, several provisions expose the dissolved RDA's sponsoring community city and/or county ("Sponsoring Community") to penalties and liabilities for the actions and inactions of the separate entity that is the Successor Agency.

In particular, AB 1484 has added many new or modified actions and deadlines such as the Due Diligence Review (DDR) report that details the fund balances for both of the Housing and Non-Housing Funds. Additionally, AB 1484 established a "meet and confer" process that provides the Successor Agency a formalized means of communication with the California Department of Finance over matters related to disputes regarding an enforceable obligation or a dispute within the DDR. The Successor Agency has successfully met all of the new deadlines and procedures imposed by AB 1484

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.

#### **Senate Bill 481**

On December 18, 2012, the Department of Finance of the State of California (DOF) notified the City of Pasadena and its former redevelopment agency's Successor Agency that Items 1 (Senate Bill 481 Pension Payment Obligations) and 14 (Senate Bill 481 Affordable Housing Set Aside Obligations) from Recognized Obligation Payment Schedule III have been determined by DOF to not be enforceable obligations under the redevelopment dissolution act (commonly known as AB 26) and to not be eligible for payment from former tax increment generated by the redevelopment projects (known as Redevelopment Property Tax Trust Fund, or RPTTF, funding). Previously the DOF, by letter dated June 29, 2012 had found both such items to be enforceable obligations and had found both such items to be eligible for payment from RPTTF funding. There have been no changes in facts or circumstances relating to such items between June 29, 2012 and December 18, 2012. This action was taken by letter from the Department of Finance dated December 18, 2012.

## CITY OF PASADENA

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

Year Ended June 30, 2013

#### **(23) State Assembly Bill 1484, Clean-Up Legislation (Continued)**

On December 28, 2012, the City filed litigation in the Superior Court of the State of California, City of Pasadena Successor vs. Ana Matosantos Director of the State of California Department of Finance, Case No. 34-2012-000134585-CU-MC-GDS and applied for a temporary restraining order so that the RPTTF funds would be made available for payment of Items 1 (Senate Bill 481 Pension Payment Obligations) and 14 (Senate Bill 481 Affordable Housing Set Aside Obligations) on Recognized Obligation Payment Schedule III, as required by applicable statutory validation, judicial validation and application of law, and to restrain the distribution of these funds on January 2, 2013 to other property tax agencies. The City has prevailed thus far by first obtaining a Temporary Restraining Order and, more recently, a Preliminary Injunction which declare Items 1 (Senate Bill 481 Pension Payment Obligations) and 14 (Senate Bill 481 Affordable Housing Obligations) as obligations of the former redevelopment agency due to the City as valid enforceable obligations payable by the successor agency.

The Department of Finance, through the State Attorney General's Office, filed its Notice of Appeal of the Preliminary Injunction on March 11, 2013.

#### **(24) Subsequent Events**

##### **2013 Electric Revenue Refunding Bond**

On September 30, 2013, the City Council approved the issuance of up to \$85 million of the 2013A Electric Revenue Refunding Bonds. The purpose of the Bonds are to refund the outstanding 2002 Bonds, to finance the costs of acquisition and construction of certain improvements to the Electric System of the City, and to fund a deposit to the parity reserve fund, and to pay costs of issuance of the 2013A Bonds. The City realized a present value savings of \$330,000 based on current market conditions. The true interest cost on the financing was 4.74%.

##### **Successor Agency to the Pasadena Community Development Commission's Senate Bill 481**

Please refer to Senate Bill 481 on Note 23 regarding pending litigation the City filed against the Department of Finance of the State of California (DOF) in the Superior Court of the State of California. On September 12, 2013 the Attorney General's Office filed its opening brief. The City's Opposition Brief will be filed on or before October 31, 2013. The Attorney General's Office's reply brief will be due in November, 2013. Once all briefs are submitted, the Court of Appeal will set an expedited hearing date pursuant to a previously granted application for an expedited hearing.

A final decree has not yet been obtained and further legal proceedings will follow in the coming months.

**CITY OF PASADENA**

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

**Year Ended June 30, 2013**

**(24) Subsequent Events, (Continued)**

**Water Fund Lawsuit**

The City has been served recently with a lawsuit challenging the Water Fund transfer to the General Fund. The City is currently in the process of evaluating the lawsuit and has not yet responded to the complaint.

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# CITY OF PASADENA

## Notes to the Required Supplementary Information

Year Ended June 30, 2013

### (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, 2013:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/(Negative)</u>
General Fund:			
General government			
Non-departmental	\$ 2,060,797	\$ 6,285,160	\$ (4,224,363)
Culture and leisure			
Non-departmental-PCOC	5,627,000	5,854,461	(227,461)

**CITY OF PASADENA**

**Notes to the Required Supplementary Information**

**Year Ended June 30, 2013**

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/(Negative)</u>
Special Revenue Funds:			
Human Services Endowment Fund	\$ 120,000	\$ 1,809,159	\$ (1,689,159)
Donated Funds	-	315,398	(315,398)

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

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.

On October 29, 2012, the City Council approved a transfer of funds from the Human Services Endowment Fund to the Pasadena Community Foundation, a non-profit, public benefit foundation to allow for better investment returns. A budget for this transaction was not created.

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

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**CITY OF PASADENA**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with</b>	<b>Prior</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
				<b>Positive (Negative)</b>	<b>Actual</b>
<b>Revenues:</b>					
Taxes	\$ 120,622,900	120,622,900	122,014,755	1,391,855	120,658,622
Licenses and permits	2,743,763	2,743,763	3,046,516	302,753	2,738,785
Intergovernmental revenues	14,760,108	16,243,615	14,709,095	(1,534,520)	14,388,263
Charges for services	23,627,021	30,963,463	32,475,987	1,512,524	29,613,903
Fines and forfeits	6,636,500	6,636,500	7,452,899	816,399	6,796,482
Investment earnings	19,611,595	1,111,595	9,874,106	8,762,511	9,665,891
Rental income	1,524,773	1,524,773	1,602,381	77,608	1,336,611
Miscellaneous revenues	9,770,225	2,533,783	2,644,508	110,725	10,390,704
<b>Total revenues</b>	<b>199,296,885</b>	<b>182,380,392</b>	<b>193,820,247</b>	<b>11,439,855</b>	<b>195,589,261</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government:					
City Attorney/City Prosecutor	5,897,780	5,897,780	4,909,552	988,228	5,561,406
City Clerk	2,305,197	2,305,197	1,995,512	309,685	1,646,913
City Council	2,006,812	2,006,812	2,000,419	6,393	2,029,855
City Manager	5,546,378	5,546,378	4,879,177	667,201	4,327,982
Finance	9,297,379	9,297,379	8,518,347	779,032	8,833,011
Human Resources	2,410,638	2,410,638	2,357,668	52,970	2,372,444
Non-departmental	2,060,797	2,260,797	6,285,160	(4,024,363)	6,237,786
Public safety:					
Fire	38,752,209	38,835,625	38,125,196	710,429	38,705,014
Police	58,434,645	59,919,272	57,887,197	2,032,075	58,352,983
Transportation:					
Public Works and Transportation	23,928,046	23,928,046	22,804,610	1,123,436	23,883,432
Culture and leisure:					
Human Services and Recreation	8,627,754	8,627,754	8,615,826	11,928	9,447,449
Non-departmental - PCOC	5,627,000	5,627,000	5,854,461	(227,461)	5,276,660
Community development:					
Planning and Permitting	7,461,451	7,544,405	6,808,301	736,104	7,063,911
<b>Total expenditures</b>	<b>172,356,086</b>	<b>174,207,083</b>	<b>171,041,426</b>	<b>3,165,657</b>	<b>173,738,846</b>
Excess (deficiency) of revenues over (under) expenditures	26,940,799	8,173,309	22,778,821	14,605,512	21,850,415
<b>Other financing sources (uses):</b>					
Transfers in	19,389,837	19,589,837	21,783,098	2,193,261	20,225,884
Transfers out	(48,697,921)	(30,623,921)	(42,141,527)	(11,517,606)	(37,847,163)
<b>Total other financing sources (uses)</b>	<b>(29,308,084)</b>	<b>(11,034,084)</b>	<b>(20,358,429)</b>	<b>(9,324,345)</b>	<b>(17,621,279)</b>
<b>Extraordinary gain (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(364,808)</b>
Change in fund balances	(2,367,285)	(2,860,775)	2,420,392	5,281,167	3,864,328
<b>Fund balances at beginning of year, as restated</b>	<b>59,525,868</b>	<b>59,525,868</b>	<b>59,525,868</b>	<b>-</b>	<b>49,911,540</b>
<b>Fund balances at end of year</b>	<b>\$ 57,158,583</b>	<b>56,665,093</b>	<b>61,946,260</b>	<b>5,281,167</b>	<b>53,775,868</b>

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## SUPPLEMENTARY INFORMATION

**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals	
					2013	2012
<b>Assets</b>						
Cash and investments	\$ 68,002,011	40,468,671	17,017,484	2,429,254	127,917,420	100,238,331
Accounts receivable	9,412,610	83,695	39,762	6,821	9,542,888	9,385,136
Notes receivable	55,039,409	-	-	-	55,039,409	51,202,083
Prepays and other assets	4,638	-	-	-	4,638	3,602
Advances to other funds	-	-	-	-	-	2,196,629
Allowance for uncollectible long-term receivables	(30,314,725)	-	-	-	(30,314,725)	(25,718,765)
Property held for resale	7,171,300	-	-	-	7,171,300	7,171,300
Total assets	<u>\$ 109,315,243</u>	<u>40,552,366</u>	<u>17,057,246</u>	<u>2,436,075</u>	<u>169,360,930</u>	<u>144,478,316</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 3,388,111	-	84,092	-	3,472,203	3,295,471
Deposits	364,202	-	-	-	364,202	310,089
Due to other funds	2,774,077	-	-	-	2,774,077	3,756,684
Due to other governments	560,771	-	-	-	560,771	560,771
Total liabilities	<u>7,087,161</u>	<u>-</u>	<u>84,092</u>	<u>-</u>	<u>7,171,253</u>	<u>7,923,015</u>
<b>Deferred inflow of resources:</b>						
Deferred inflow of resources (note 8)	<u>2,298,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,298,493</u>	<u>3,932,340</u>
<b>Fund balances:</b>						
Nonspendable	31,895,984	-	-	1,459,638	33,355,622	36,310,885
Restricted	21,249,417	40,552,366	3,040,941	358,289	65,201,013	39,678,226
Committed	46,800,021	-	13,932,213	618,148	61,350,382	57,794,154
Assigned	-	-	-	-	-	-
Unassigned	(15,833)	-	-	-	(15,833)	(1,160,304)
Total fund balances	<u>99,929,589</u>	<u>40,552,366</u>	<u>16,973,154</u>	<u>2,436,075</u>	<u>159,891,184</u>	<u>132,622,961</u>
Total liabilities and fund balances	<u>\$ 109,315,243</u>	<u>40,552,366</u>	<u>17,057,246</u>	<u>2,436,075</u>	<u>169,360,930</u>	<u>144,478,316</u>

**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance:**  
**For the Fiscal Year Ended June 30, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals	
					2013	2012
<b>Revenues:</b>						
Taxes	\$ 8,341,519	-	-	-	8,341,519	10,086,231
Licenses and permits	6,149,818	-	-	-	6,149,818	6,786,494
Intergovernmental revenues	41,497,202	-	-	-	41,497,202	43,226,728
Charges for services	9,052,571	-	390,085	-	9,442,656	9,288,083
Fines and forfeitures	-	-	-	-	-	-
Investment earnings	470,107	561,209	117,488	17,875	1,166,679	1,274,766
Rental income	2,752,964	-	-	-	2,752,964	3,125,759
Miscellaneous revenues	3,497,372	-	30,150	-	3,527,522	3,226,543
Contributions	1,022	-	1,034,739	-	1,035,761	4,746,266
Total revenues	<u>71,762,575</u>	<u>561,209</u>	<u>1,572,462</u>	<u>17,875</u>	<u>73,914,121</u>	<u>81,760,870</u>
<b>Expenditures:</b>						
Current:						
General government	-	26,058	5,301	-	31,359	15,333
Public safety	3,667,540	-	-	-	3,667,540	3,206,700
Transportation	11,614,772	-	-	-	11,614,772	11,391,562
Sanitation	3,743,615	-	-	-	3,743,615	3,516,602
Health	13,479,818	-	-	-	13,479,818	10,899,113
Culture and leisure	13,762,385	-	-	7,579	13,769,964	12,471,208
Community development	25,639,253	-	-	-	25,639,253	30,271,017
Capital outlay	-	-	94,245	-	94,245	170,747
Debt service:						
Principal retirement	335,000	20,079,902	-	-	20,414,902	9,570,740
Interest	24,711	10,758,135	-	-	10,782,846	8,436,798
Total expenditures	<u>72,267,094</u>	<u>30,864,095</u>	<u>99,546</u>	<u>7,579</u>	<u>103,238,314</u>	<u>89,949,820</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(504,519)</u>	<u>(30,302,886)</u>	<u>1,472,916</u>	<u>10,296</u>	<u>(29,324,193)</u>	<u>(8,188,950)</u>
<b>Other financing sources (uses):</b>						
Issuance of long-term debt	-	840,829	-	-	840,829	-
Transfers in	17,902,886	23,624,364	50,000	-	41,577,250	36,690,767
Transfers out	<u>(17,262,194)</u>	<u>(3,098,680)</u>	<u>(2,087,900)</u>	<u>(25,668)</u>	<u>(22,474,442)</u>	<u>(22,803,863)</u>
Total other financing sources (uses)	<u>640,692</u>	<u>21,366,513</u>	<u>(2,037,900)</u>	<u>(25,668)</u>	<u>19,943,637</u>	<u>13,886,904</u>
<b>Extraordinary gain (loss)</b>	<u>-</u>	<u>-</u>	<u>(2,196,629)</u>	<u>-</u>	<u>(2,196,629)</u>	<u>60,981,966</u>
Change in fund balances	<u>136,173</u>	<u>(8,936,373)</u>	<u>(2,761,613)</u>	<u>(15,372)</u>	<u>(11,577,185)</u>	<u>66,679,920</u>
<b>Fund balances at beginning, as restated</b>	<u>99,793,416</u>	<u>49,488,739</u>	<u>19,734,767</u>	<u>2,451,447</u>	<u>171,468,369</u>	<u>65,943,041</u>
<b>Fund balances at end of year</b>	<u>\$ 99,929,589</u>	<u>40,552,366</u>	<u>16,973,154</u>	<u>2,436,075</u>	<u>159,891,184</u>	<u>132,622,961</u>

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# NON-MAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

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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.

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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.

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).

# NON-MAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

(Continued)

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Housing and Community Development Fund - to account for the use of Community Development Block Grant and other U.S. Department of Housing and Urban Development programs restricted for housing and community development.

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.

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**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2013**

	<b>Public Safety</b>	<b>Health</b>	<b>Building Services</b>	<b>Sewer Construction and Maintenance</b>	<b>Underground Utilities</b>
<b>Assets:</b>					
Cash and investments	\$ 1,025,212	-	407,984	5,350,523	36,318,855
Accounts receivable	1,133,743	3,797,423	6,789	677,584	607,948
Prepays and other assets	-	-	-	-	-
Notes receivable	-	-	-	-	-
Allowance for uncollectible long-term	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	<u>2,158,955</u>	<u>3,797,423</u>	<u>414,773</u>	<u>6,028,107</u>	<u>36,926,803</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	148,325	772,605	118,052	48,949	-
Deposits	4,871	27,416	312,554	-	-
Due to other funds	745,683	1,213,842	-	-	-
Due to other governments	-	-	-	-	-
Total liabilities	<u>898,879</u>	<u>2,013,863</u>	<u>430,606</u>	<u>48,949</u>	<u>-</u>
<b>Deferred inflow of resources:</b>					
Deferred inflow of resources (note 8)	<u>781,080</u>	<u>772,384</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	478,996	1,011,176	-	-	-
Committed	-	-	-	5,979,158	36,926,803
Assigned	-	-	-	-	-
Unassigned	-	-	(15,833)	-	-
Total fund balances (deficit)	<u>478,996</u>	<u>1,011,176</u>	<u>(15,833)</u>	<u>5,979,158</u>	<u>36,926,803</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 2,158,955</u></u>	<u><u>3,797,423</u></u>	<u><u>414,773</u></u>	<u><u>6,028,107</u></u>	<u><u>36,926,803</u></u>

<b>Transportation</b>	<b>Human Services Endowment</b>	<b>Library</b>	<b>Parking</b>	<b>Air Quality Improvement</b>	<b>Housing and Community Development</b>	<b>Donated Funds</b>
8,664,760	221,923	2,789,384	2,310,651	-	4,153,854	1,503,043
1,030,016	5,199	65,385	34,323	43,976	1,998,738	4,699
3,602	-	-	-	-	1,036	-
-	-	-	-	-	40,113,976	-
-	-	-	-	-	(30,314,725)	-
-	-	-	-	-	5,771,300	-
<b>9,698,378</b>	<b>227,122</b>	<b>2,854,769</b>	<b>2,344,974</b>	<b>43,976</b>	<b>21,724,179</b>	<b>1,507,742</b>
790,868	12,500	476,018	54,047	-	889,588	57,248
-	-	2,805	10,300	-	6,256	-
53,005	-	-	734,845	26,702	-	-
-	-	-	-	-	560,771	-
<b>843,873</b>	<b>12,500</b>	<b>478,823</b>	<b>799,192</b>	<b>26,702</b>	<b>1,456,615</b>	<b>57,248</b>
-	-	27,668	-	-	717,361	-
-	-	-	-	-	15,570,551	-
8,854,505	214,622	-	-	17,274	3,979,652	1,450,494
-	-	2,348,278	1,545,782	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>8,854,505</b>	<b>214,622</b>	<b>2,348,278</b>	<b>1,545,782</b>	<b>17,274</b>	<b>19,550,203</b>	<b>1,450,494</b>
<b>9,698,378</b>	<b>227,122</b>	<b>2,854,769</b>	<b>2,344,974</b>	<b>43,976</b>	<b>21,724,179</b>	<b>1,507,742</b>

**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2013**

	<b>Housing Successor</b>	<b>Totals</b>	
		<b>2013</b>	<b>2012</b>
<b>Assets:</b>			
Cash and investments	\$ 5,255,822	68,002,011	69,653,330
Accounts receivable	6,787	9,412,610	9,336,623
Prepays and other assets	-	4,638	3,602
Notes receivable	14,925,433	55,039,409	51,202,083
Allowance for uncollectible long-term	-	(30,314,725)	(25,718,765)
Property held for resale	1,400,000	7,171,300	7,171,300
Total assets	<u>21,588,042</u>	<u>109,315,243</u>	<u>111,648,173</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	19,911	3,388,111	3,294,873
Deposits	-	364,202	310,089
Due to other funds	-	2,774,077	3,756,684
Due to other governments	-	560,771	560,771
Total liabilities	<u>19,911</u>	<u>7,087,161</u>	<u>7,922,417</u>
<b>Deferred inflow of resources:</b>			
Deferred inflow of resources (note 8)	-	2,298,493	3,932,340
<b>Fund balances:</b>			
Nonspendable	16,325,433	31,895,984	32,654,618
Restricted	5,242,698	21,249,417	24,846,300
Committed	-	46,800,021	43,452,802
Assigned	-	-	-
Unassigned	-	(15,833)	(1,160,304)
Total fund balances (deficit)	<u>21,568,131</u>	<u>99,929,589</u>	<u>99,793,416</u>
<b>Total liabilities and fund balances</b>	<u>\$ 21,588,042</u>	<u>109,315,243</u>	<u>111,648,173</u>

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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, 2013

	Public Safety	Health	Building Services	Sewer Construction and Maintenance	Underground Utilities
<b>Revenues:</b>					
Taxes	\$ -	669,575	-	-	5,234,822
Licenses and permits	-	1,041,414	5,108,404	-	-
Intergovernmental revenues	3,258,745	9,038,110	-	-	-
Charges for services	-	625,136	-	7,082,748	-
Investment earnings	8,287	-	-	27,899	261,553
Rental income	-	-	-	-	-
Miscellaneous revenues	-	739,510	8,374	-	-
Contributions	-	-	-	-	-
Total revenues	<u>3,267,032</u>	<u>12,113,745</u>	<u>5,116,778</u>	<u>7,110,647</u>	<u>5,496,375</u>
<b>Expenditures:</b>					
Current:					
Public safety	3,667,540	-	-	-	-
Transportation	-	-	-	-	44,286
Sanitation	-	-	-	3,743,615	-
Health	-	13,479,818	-	-	-
Culture and leisure	-	-	-	-	-
Community development	-	-	3,697,932	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>3,667,540</u>	<u>13,479,818</u>	<u>3,697,932</u>	<u>3,743,615</u>	<u>44,286</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(400,508)</u>	<u>(1,366,073)</u>	<u>1,418,846</u>	<u>3,367,032</u>	<u>5,452,089</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	1,341,455	-	-	-
Transfers out	(300,489)	-	(274,375)	(2,081,225)	(4,399,176)
Total other financing sources (uses)	<u>(300,489)</u>	<u>1,341,455</u>	<u>(274,375)</u>	<u>(2,081,225)</u>	<u>(4,399,176)</u>
<b>Extraordinary gain (loss)</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(700,997)</u>	<u>(24,618)</u>	<u>1,144,471</u>	<u>1,285,807</u>	<u>1,052,913</u>
<b>Fund balances (deficit) at beginning of year</b>	<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>
<b>Fund balances (deficit) at end of year</b>	<u>\$ 478,996</u>	<u>1,011,176</u>	<u>(15,833)</u>	<u>5,979,158</u>	<u>36,926,803</u>



<b>Transportation</b>	<b>Human Services Endowment</b>	<b>Library</b>	<b>Parking</b>	<b>Air Quality Improvement</b>	<b>Housing and Community Development</b>	<b>Donated Funds</b>
-	-	2,427,241	9,881	-	-	-
-	-	-	-	-	-	-
10,135,180	-	-	-	167,946	18,897,221	-
863,571	-	13,001	467,719	-	186	-
71,233	16,187	4,436	14,284	-	51,054	15,174
-	-	1,289	2,576,437	-	112,297	-
1,378,382	-	147,533	4,536	-	667,454	131,738
-	-	-	-	-	-	1,022
<b>12,448,366</b>	<b>16,187</b>	<b>2,593,500</b>	<b>3,072,857</b>	<b>167,946</b>	<b>19,728,212</b>	<b>147,934</b>
-	-	-	-	-	-	-
8,471,661	-	-	3,098,825	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,809,159	11,637,828	-	-	-	315,398
-	-	-	-	-	21,457,159	-
-	-	-	-	-	335,000	-
-	-	-	-	-	24,711	-
<b>8,471,661</b>	<b>1,809,159</b>	<b>11,637,828</b>	<b>3,098,825</b>	<b>-</b>	<b>21,816,870</b>	<b>315,398</b>
<b>3,976,705</b>	<b>(1,792,972)</b>	<b>(9,044,328)</b>	<b>(25,968)</b>	<b>167,946</b>	<b>(2,088,658)</b>	<b>(167,464)</b>
413,135	503,286	10,372,999	388,534	-	1,019,571	-
(6,022,531)	-	-	(682,738)	(167,946)	(101,225)	(477,618)
<b>(5,609,396)</b>	<b>503,286</b>	<b>10,372,999</b>	<b>(294,204)</b>	<b>(167,946)</b>	<b>918,346</b>	<b>(477,618)</b>
-	-	-	-	-	-	-
<b>(1,632,691)</b>	<b>(1,289,686)</b>	<b>1,328,671</b>	<b>(320,172)</b>	<b>-</b>	<b>(1,170,312)</b>	<b>(645,082)</b>
10,487,196	1,504,308	1,019,607	1,865,954	17,274	20,720,515	2,095,576
8,854,505	214,622	2,348,278	1,545,782	17,274	19,550,203	1,450,494

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, 2013**

	Housing Successor	Totals	
		2013	2012
<b>Revenues:</b>			
Taxes	\$ -	8,341,519	8,132,216
Licenses and permits	-	6,149,818	6,786,494
Intergovernmental revenues	-	41,497,202	43,226,728
Charges for services	210	9,052,571	9,092,784
Investment earnings	-	470,107	852,503
Rental income	62,941	2,752,964	2,620,244
Miscellaneous revenues	419,845	3,497,372	3,209,518
Contributions	-	1,022	51,700
Total revenues	<u>482,996</u>	<u>71,762,575</u>	<u>73,972,187</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	3,667,540	3,206,700
Transportation	-	11,614,772	11,391,562
Sanitation	-	3,743,615	3,516,602
Health	-	13,479,818	10,899,113
Culture and leisure	-	13,762,385	12,469,805
Community development	484,162	25,639,253	28,690,438
Debt service:			
Principal retirement	-	335,000	315,000
Interest	-	24,711	39,509
Total expenditures	<u>484,162</u>	<u>72,267,094</u>	<u>70,528,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,166)</u>	<u>(504,519)</u>	<u>3,443,458</u>
<b>Other financing sources (uses):</b>			
Transfers in	3,863,906	17,902,886	21,574,964
Transfers out	(2,754,871)	(17,262,194)	(19,272,306)
Total other financing sources (uses)	<u>1,109,035</u>	<u>640,692</u>	<u>2,302,658</u>
<b>Extraordinary gain (loss)</b>	<u>-</u>	<u>-</u>	<u>(560,771)</u>
Change in fund balances	<u>1,107,869</u>	<u>136,173</u>	<u>5,185,345</u>
<b>Fund balances (deficit) at beginning of year</b>	<u>20,460,262</u>	<u>99,793,416</u>	<u>94,608,071</u>
<b>Fund balances (deficit) at end of year</b>	<u>\$ 21,568,131</u>	<u>99,929,589</u>	<u>99,793,416</u>

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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, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues:</b>					
Intergovernmental revenues	\$ 2,276,712	4,138,496	3,258,745	(879,751)	3,459,644
Investment earnings	(7,396)	(7,396)	8,287	15,683	13,031
Total revenues	<u>2,269,316</u>	<u>4,131,100</u>	<u>3,267,032</u>	<u>(864,068)</u>	<u>3,472,675</u>
<b>Expenditures:</b>					
Current:					
Public safety	<u>2,959,217</u>	<u>4,571,001</u>	<u>3,667,540</u>	<u>903,461</u>	<u>3,206,700</u>
Total expenditures	<u>2,959,217</u>	<u>4,571,001</u>	<u>3,667,540</u>	<u>903,461</u>	<u>3,206,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(689,901)</u>	<u>(439,901)</u>	<u>(400,508)</u>	<u>39,393</u>	<u>265,975</u>
<b>Other financing sources (uses):</b>					
Transfers out	<u>-</u>	<u>(350,000)</u>	<u>(300,489)</u>	<u>49,511</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(350,000)</u>	<u>(300,489)</u>	<u>49,511</u>	<u>-</u>
Change in fund balances	(689,901)	(789,901)	(700,997)	88,904	265,975
<b>Fund balance at beginning of year</b>	<u>1,179,993</u>	<u>1,179,993</u>	<u>1,179,993</u>	<u>-</u>	<u>914,018</u>
<b>Fund balance at end of year</b>	<u>\$ 490,092</u>	<u>390,092</u>	<u>478,996</u>	<u>88,904</u>	<u>1,179,993</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, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues:</b>					
Taxes	\$ 786,467	786,467	669,575	(116,892)	708,804
Licenses and permits	884,000	884,000	1,041,414	157,414	1,003,625
Intergovernmental revenues	10,044,632	11,755,410	9,038,110	(2,717,300)	8,036,087
Charges for services	748,524	748,524	625,136	(123,388)	587,297
Investment earnings	(6,607)	(6,607)	-	6,607	-
Miscellaneous revenues	170,585	535,972	739,510	203,538	191,192
Total revenues	<u>12,627,601</u>	<u>14,703,766</u>	<u>12,113,745</u>	<u>(2,590,021)</u>	<u>10,527,005</u>
<b>Expenditures:</b>					
Current:					
Health	<u>13,231,998</u>	<u>15,193,265</u>	<u>13,479,818</u>	<u>1,713,447</u>	<u>10,899,113</u>
Total expenditures	<u>13,231,998</u>	<u>15,193,265</u>	<u>13,479,818</u>	<u>1,713,447</u>	<u>10,899,113</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(604,397)</u>	<u>(489,499)</u>	<u>(1,366,073)</u>	<u>(876,574)</u>	<u>(372,108)</u>
<b>Other financing sources:</b>					
Transfers in	1,076,268	1,076,268	1,341,455	265,187	1,054,131
Transfers out	-	(136,100)	-	-	-
Total other financing sources	<u>1,076,268</u>	<u>940,168</u>	<u>1,341,455</u>	<u>265,187</u>	<u>1,054,131</u>
Change in fund balances	471,871	450,669	(24,618)	(611,387)	682,023
<b>Fund balance at beginning of year</b>	<u>1,035,794</u>	<u>1,035,794</u>	<u>1,035,794</u>	<u>-</u>	<u>353,771</u>
<b>Fund balance (deficit) at end of year</b>	<u>\$ 1,507,665</u>	<u>1,486,463</u>	<u>1,011,176</u>	<u>(611,387)</u>	<u>1,035,794</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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Prior Year Actual</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Licenses and permits	\$ 4,614,035	4,614,035	5,108,404	494,369	5,782,869
Investment earnings	(32,305)	(32,305)	-	32,305	(14,716)
Miscellaneous revenues	500	500	8,374	7,874	2,004
Total revenues	<u>4,582,230</u>	<u>4,582,230</u>	<u>5,116,778</u>	<u>534,548</u>	<u>5,770,157</u>
<b>Expenditures:</b>					
Current:					
Community development	<u>4,262,217</u>	<u>4,262,217</u>	<u>3,697,932</u>	<u>564,285</u>	<u>4,047,956</u>
Total expenditures	<u>4,262,217</u>	<u>4,262,217</u>	<u>3,697,932</u>	<u>564,285</u>	<u>4,047,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>320,013</u>	<u>320,013</u>	<u>1,418,846</u>	<u>1,098,833</u>	<u>1,722,201</u>
<b>Other financing sources (uses):</b>					
Transfers out	-	-	(274,375)	(274,375)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(274,375)</u>	<u>(274,375)</u>	<u>-</u>
Change in fund balances	320,013	320,013	1,144,471	824,458	1,722,201
<b>Fund balance (deficit) at beginning of year</b>	<u>(1,160,304)</u>	<u>(1,160,304)</u>	<u>(1,160,304)</u>	<u>-</u>	<u>(2,882,505)</u>
<b>Fund balance (deficit) at end of year</b>	<u>\$ (840,291)</u>	<u>(840,291)</u>	<u>(15,833)</u>	<u>824,458</u>	<u>(1,160,304)</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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with</b>	<b>Prior</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	<b>Year</b>
				<b>Positive (Negative)</b>	<b>Actual</b>
<b>Revenues:</b>					
Charges for services	\$ 6,013,337	6,013,337	7,082,748	1,069,411	7,220,201
Investment earnings	43,437	43,437	27,899	(15,538)	50,865
Miscellaneous revenues	-	-	-	-	16,400
Total revenues	<u>6,056,774</u>	<u>6,056,774</u>	<u>7,110,647</u>	<u>1,053,873</u>	<u>7,287,466</u>
<b>Expenditures:</b>					
Current:					
Sanitation	4,132,562	4,132,562	3,743,615	388,947	3,516,602
Total expenditures	<u>4,132,562</u>	<u>4,132,562</u>	<u>3,743,615</u>	<u>388,947</u>	<u>3,516,602</u>
Excess of revenues over expenditures	<u>1,924,212</u>	<u>1,924,212</u>	<u>3,367,032</u>	<u>1,442,820</u>	<u>3,770,864</u>
<b>Other financing sources (uses):</b>					
Transfers out	(2,678,071)	(2,688,071)	(2,081,225)	606,846	(3,171,497)
Total other financing sources (uses)	<u>(2,678,071)</u>	<u>(2,688,071)</u>	<u>(2,081,225)</u>	<u>606,846</u>	<u>(3,171,497)</u>
Change in fund balances	(753,859)	(763,859)	1,285,807	2,049,666	599,367
<b>Fund balance at beginning of year</b>	<u>4,693,351</u>	<u>4,693,351</u>	<u>4,693,351</u>	<u>-</u>	<u>4,093,984</u>
<b>Fund balance at end of year</b>	<u>\$ 3,939,492</u>	<u>3,929,492</u>	<u>5,979,158</u>	<u>2,049,666</u>	<u>4,693,351</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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Prior Year Actual</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Taxes	\$ 5,326,368	5,326,368	5,234,822	(91,546)	5,026,652
Investment earnings	403,398	403,398	261,553	(141,845)	405,196
Total revenues	<u>5,729,766</u>	<u>5,729,766</u>	<u>5,496,375</u>	<u>(233,391)</u>	<u>5,431,848</u>
<b>Expenditures:</b>					
Current:					
Transportation	44,286	44,286	44,286	-	42,051
Total expenditures	<u>44,286</u>	<u>44,286</u>	<u>44,286</u>	<u>-</u>	<u>42,051</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,685,480</u>	<u>5,685,480</u>	<u>5,452,089</u>	<u>(233,391)</u>	<u>5,389,797</u>
<b>Other financing sources (uses):</b>					
Transfers out	<u>(1,048,060)</u>	<u>(34,468,776)</u>	<u>(4,399,176)</u>	<u>30,069,600</u>	<u>(2,407,105)</u>
Total other financing sources (uses)	<u>(1,048,060)</u>	<u>(34,468,776)</u>	<u>(4,399,176)</u>	<u>30,069,600</u>	<u>(2,407,105)</u>
Change in fund balances	4,637,420	(28,783,296)	1,052,913	29,836,209	2,982,692
<b>Fund balance at beginning of year</b>	<u>35,873,890</u>	<u>35,873,890</u>	<u>35,873,890</u>	<u>-</u>	<u>32,891,198</u>
<b>Fund balance at end of year</b>	<u>\$ 40,511,310</u>	<u>7,090,594</u>	<u>36,926,803</u>	<u>29,836,209</u>	<u>35,873,890</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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Prior Year Actual</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Intergovernmental revenues	\$ 10,582,055	10,582,055	10,135,180	(446,875)	10,590,774
Charges for services	863,571	863,571	863,571	-	863,601
Investment earnings	114,388	114,388	71,233	(43,155)	119,276
Miscellaneous revenues	1,516,841	1,516,841	1,378,382	(138,459)	1,413,229
Total revenues	<u>13,076,855</u>	<u>13,076,855</u>	<u>12,448,366</u>	<u>(628,489)</u>	<u>12,986,880</u>
<b>Expenditures:</b>					
Current:					
Transportation	9,727,569	9,740,069	8,471,661	1,268,408	8,580,604
Total expenditures	<u>9,727,569</u>	<u>9,740,069</u>	<u>8,471,661</u>	<u>1,268,408</u>	<u>8,580,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,349,286</u>	<u>3,336,786</u>	<u>3,976,705</u>	<u>639,919</u>	<u>4,406,276</u>
<b>Other financing sources (uses):</b>					
Transfers in	400,634	413,134	413,135	1	400,014
Transfers out	(3,357,744)	(8,431,498)	(6,022,531)	2,408,967	(3,863,582)
Total other financing sources (uses)	<u>(2,957,110)</u>	<u>(8,018,364)</u>	<u>(5,609,396)</u>	<u>2,408,968</u>	<u>(3,463,568)</u>
Change in fund balances	392,176	(4,681,578)	(1,632,691)	3,048,887	942,708
<b>Fund balance at beginning of year</b>	<u>10,487,196</u>	<u>10,487,196</u>	<u>10,487,196</u>	<u>-</u>	<u>9,544,488</u>
<b>Fund balance at end of year</b>	<u>\$ 10,879,372</u>	<u>5,805,618</u>	<u>8,854,505</u>	<u>3,048,887</u>	<u>10,487,196</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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Prior Year Actual</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Investment earnings	\$ 16,757	16,757	16,187	(570)	17,912
Total revenues	<u>16,757</u>	<u>16,757</u>	<u>16,187</u>	<u>(570)</u>	<u>17,912</u>
<b>Expenditures:</b>					
Current:					
Culture and leisure	120,000	120,000	1,809,159	(1,689,159)	116,456
Total expenditures	<u>120,000</u>	<u>120,000</u>	<u>1,809,159</u>	<u>(1,689,159)</u>	<u>116,456</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(103,243)</u>	<u>(103,243)</u>	<u>(1,792,972)</u>	<u>(1,689,729)</u>	<u>(98,544)</u>
<b>Other financing sources:</b>					
Transfers in	260,741	260,741	503,286	242,545	260,741
Transfers out	(2,955)	(2,955)	-	2,955	-
Total other financing sources	<u>257,786</u>	<u>257,786</u>	<u>503,286</u>	<u>245,500</u>	<u>260,741</u>
Change in fund balances	154,543	154,543	(1,289,686)	(1,444,229)	162,197
<b>Fund balance at beginning of year</b>	<u>1,504,308</u>	<u>1,504,308</u>	<u>1,504,308</u>	<u>-</u>	<u>1,342,111</u>
<b>Fund balance at end of year</b>	<u>\$ 1,658,851</u>	<u>1,658,851</u>	<u>214,622</u>	<u>(1,444,229)</u>	<u>1,504,308</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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Prior Year Actual</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Taxes	\$ 2,401,856	2,401,856	2,427,241	25,385	2,385,833
Intergovernmental revenues	-	-	-	-	88,597
Charges for services	8,040	8,040	13,001	4,961	11,067
Investment earnings	17,598	17,598	4,436	(13,162)	25,315
Rental income	1,000	1,000	1,289	289	2,130
Miscellaneous revenues	103,000	103,000	147,533	44,533	96,271
<b>Total revenues</b>	<b>2,531,494</b>	<b>2,531,494</b>	<b>2,593,500</b>	<b>62,006</b>	<b>2,609,213</b>
<b>Expenditures:</b>					
Current:					
Culture and leisure	11,806,209	11,895,649	11,637,828	257,821	12,042,135
<b>Total expenditures</b>	<b>11,806,209</b>	<b>11,895,649</b>	<b>11,637,828</b>	<b>257,821</b>	<b>12,042,135</b>
(Deficiency) of revenues (under) expenditures	(9,274,715)	(9,364,155)	(9,044,328)	319,827	(9,432,922)
<b>Other financing sources (uses):</b>					
Transfers in	10,372,999	10,372,999	10,372,999	-	9,180,180
<b>Total other financing sources (uses)</b>	<b>10,372,999</b>	<b>10,372,999</b>	<b>10,372,999</b>	<b>-</b>	<b>8,998,698</b>
Change in fund balances	1,098,284	1,008,844	1,328,671	319,827	(434,224)
<b>Fund balance at beginning of year</b>	<b>1,019,607</b>	<b>1,019,607</b>	<b>1,019,607</b>	<b>-</b>	<b>1,453,831</b>
<b>Fund balance at end of year</b>	<b>\$ 2,117,891</b>	<b>2,028,451</b>	<b>2,348,278</b>	<b>319,827</b>	<b>1,019,607</b>

**CITY OF PASADENA**  
**Parking Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Prior Year Actual</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Taxes	\$ 15,000	15,000	9,881	(5,119)	10,927
Charges for services	308,185	308,185	467,719	159,534	410,618
Investment earnings	35,756	35,756	14,284	(21,472)	20,751
Rental income	2,512,508	2,512,508	2,576,437	63,929	2,471,320
Miscellaneous revenues	500	500	4,536	4,036	1,314
Total revenues	<u>2,871,949</u>	<u>2,871,949</u>	<u>3,072,857</u>	<u>200,908</u>	<u>2,914,930</u>
<b>Expenditures:</b>					
Current:					
Transportation	2,596,553	3,252,268	3,098,825	153,443	2,768,907
Total expenditures	<u>2,596,553</u>	<u>3,252,268</u>	<u>3,098,825</u>	<u>153,443</u>	<u>2,768,907</u>
Excess of revenues over expenditures	<u>275,396</u>	<u>(380,319)</u>	<u>(25,968)</u>	<u>354,351</u>	<u>146,023</u>
<b>Other financing sources (uses):</b>					
Transfers in	149,671	388,534	388,534	-	149,671
Transfers out	<u>(675,837)</u>	<u>(752,398)</u>	<u>(682,738)</u>	<u>69,660</u>	<u>(556,554)</u>
Total other financing sources (uses)	<u>(526,166)</u>	<u>(363,864)</u>	<u>(294,204)</u>	<u>69,660</u>	<u>(406,883)</u>
Change in fund balances	(250,770)	(744,183)	(320,172)	424,011	(260,860)
<b>Fund balance at beginning of year</b>	<u>1,865,954</u>	<u>1,865,954</u>	<u>1,865,954</u>	<u>-</u>	<u>2,126,814</u>
<b>Fund balance at end of year</b>	<u>\$ 1,615,184</u>	<u>1,121,771</u>	<u>1,545,782</u>	<u>424,011</u>	<u>1,865,954</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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Prior Year Actual</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Intergovernmental revenues	\$ 170,000	170,000	167,946	(2,054)	174,263
Investment earnings	(286)	(286)	-	286	-
Total revenues	<u>169,714</u>	<u>169,714</u>	<u>167,946</u>	<u>(1,768)</u>	<u>174,263</u>
<b>Expenditures:</b>					
Current:					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>169,714</u>	<u>169,714</u>	<u>167,946</u>	<u>(1,768)</u>	<u>174,263</u>
<b>Other financing sources (uses):</b>					
Transfers out	<u>(170,000)</u>	<u>(182,500)</u>	<u>(167,946)</u>	<u>14,554</u>	<u>(170,900)</u>
Total other financing sources (uses)	<u>(170,000)</u>	<u>(182,500)</u>	<u>(167,946)</u>	<u>14,554</u>	<u>(170,900)</u>
Change in fund balances	(286)	(12,786)	-	12,786	3,363
<b>Fund balance at beginning of year</b>	<u>17,274</u>	<u>17,274</u>	<u>17,274</u>	<u>-</u>	<u>13,911</u>
<b>Fund balance at end of year</b>	<u><u>\$ 16,988</u></u>	<u><u>4,488</u></u>	<u><u>17,274</u></u>	<u><u>12,786</u></u>	<u><u>17,274</u></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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Prior Year Actual</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Intergovernmental revenues	\$ 17,324,291	19,769,964	18,897,221	(872,743)	20,877,363
Charges for services	-	-	186	186	-
Investment earnings	57,602	57,602	51,054	(6,548)	85,224
Rental income	81,600	81,600	112,297	30,697	139,794
Miscellaneous revenues	472,256	472,256	667,454	195,198	855,439
<b>Total revenues</b>	<b>17,935,749</b>	<b>20,381,422</b>	<b>19,728,212</b>	<b>(653,210)</b>	<b>21,957,820</b>
<b>Expenditures:</b>					
Current:					
Community development	18,674,570	23,736,402	21,457,159	2,279,243	23,670,727
Debt service:					
Principal retirement	351,258	351,258	335,000	16,258	315,000
Interest	8,453	8,453	24,711	(16,258)	39,509
<b>Total expenditures</b>	<b>19,034,281</b>	<b>24,096,113</b>	<b>21,816,870</b>	<b>2,279,243</b>	<b>24,025,236</b>
Excess (deficiency) of revenues over (under) expenditures	(1,098,532)	(3,714,691)	(2,088,658)	1,626,033	(2,067,416)
<b>Other financing sources (uses):</b>					
Transfers in	1,019,571	1,019,571	1,019,571	-	8,340,282
Transfers out	-	-	(101,225)	(101,225)	(71,287)
<b>Total other financing sources (uses)</b>	<b>1,019,571</b>	<b>1,019,571</b>	<b>918,346</b>	<b>(101,225)</b>	<b>8,268,995</b>
<b>Extraordinary gain (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(560,771)</b>
Change in fund balances	(78,961)	(2,695,120)	(1,170,312)	1,524,808	5,640,808
<b>Fund balance at beginning of year</b>	<b>20,720,515</b>	<b>20,720,515</b>	<b>20,720,515</b>	<b>-</b>	<b>15,079,707</b>
<b>Fund balance at end of year</b>	<b>\$ 20,641,554</b>	<b>18,025,395</b>	<b>19,550,203</b>	<b>1,524,808</b>	<b>20,720,515</b>

**CITY OF PASADENA**  
**Donated Funds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Prior Year Actual</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Investment earnings	\$ -	-	15,174	15,174	23,544
Miscellaneous revenue	-	-	131,738	131,738	384,874
Contributions	-	-	1,022	1,022	51,700
Total revenues	<u>-</u>	<u>-</u>	<u>147,934</u>	<u>147,934</u>	<u>460,118</u>
<b>Expenditures:</b>					
Current:					
Culture and leisure	-	-	315,398	(315,398)	311,214
Total expenditures	<u>-</u>	<u>-</u>	<u>315,398</u>	<u>(315,398)</u>	<u>311,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(167,464)</u>	<u>(167,464)</u>	<u>148,904</u>
<b>Other financing sources (uses):</b>					
Transfers out	-	-	(477,618)	(477,618)	(247,386)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(477,618)</u>	<u>(477,618)</u>	<u>(247,386)</u>
Change in fund balances	-	-	(645,082)	(645,082)	(98,482)
<b>Fund balance at beginning of year</b>	<u>2,095,576</u>	<u>2,095,576</u>	<u>2,095,576</u>	<u>-</u>	<u>2,194,058</u>
<b>Fund balance at end of year</b>	<u>\$ 2,095,576</u>	<u>2,095,576</u>	<u>1,450,494</u>	<u>(645,082)</u>	<u>2,095,576</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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Prior Year Actual</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Charges for services	\$ -	-	210	210	-
Rental income	63,301	63,301	62,941	(360)	-
Miscellaneous revenues	118,453	118,453	419,845	301,392	29,901
Total revenues	<u>181,754</u>	<u>181,754</u>	<u>482,996</u>	<u>301,242</u>	<u>44,354</u>
<b>Expenditures:</b>					
Current:					
Community development	829,294	829,294	484,162	345,132	226,155
Total expenditures	<u>829,294</u>	<u>829,294</u>	<u>484,162</u>	<u>345,132</u>	<u>226,155</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(647,540)</u>	<u>(647,540)</u>	<u>(1,166)</u>	<u>646,374</u>	<u>(181,801)</u>
<b>Other financing sources (uses):</b>					
Transfers in	892,584	892,584	3,863,906	2,971,322	205,330
Transfers out	(286,593)	(286,593)	(2,754,871)	(2,468,278)	(527,649)
Total other financing sources (uses)	<u>605,991</u>	<u>605,991</u>	<u>1,109,035</u>	<u>503,044</u>	<u>(322,319)</u>
<b>Extraordinary gain (loss)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,964,382</u>
Change in fund balances	<u>(41,549)</u>	<u>(41,549)</u>	<u>1,107,869</u>	<u>1,149,418</u>	<u>20,460,262</u>
<b>Fund balance at beginning of year</b>	<u>20,460,262</u>	<u>20,460,262</u>	<u>20,460,262</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 20,418,713</u>	<u>20,418,713</u>	<u>21,568,131</u>	<u>1,149,418</u>	<u>20,460,262</u>



# NON-MAJOR GOVERNMENTAL FUNDS

## DEBT SERVICE FUNDS

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

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General Debt Service Fund - to account for the payment of interest and principal of the 1999, 2004 and 2012 pension bonds and other city-wide obligations.

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, 2013**

	<b>General Debt Service</b>	<b>1993 Certificates of Participation (COP)</b>	<b>2006 Lease Revenue Bond Debt Service</b>
<b>Assets</b>			
Cash and investments	\$ 31,042,679	3,458,458	15,404
Accounts receivable	83,695	-	-
Total assets	<u>31,126,374</u>	<u>3,458,458</u>	<u>15,404</u>
<b>Liabilities and Fund Balances</b>			
Notes payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>			
Restricted	<u>31,126,374</u>	<u>3,458,458</u>	<u>15,404</u>
Total fund balances	<u>31,126,374</u>	<u>3,458,458</u>	<u>15,404</u>
<b>Total liabilities and fund balances</b>	<u>\$ 31,126,374</u>	<u>3,458,458</u>	<u>15,404</u>

2008 Series B Refunding COP Debt Service	2008 Series C Refunding COP Debt Service	Totals	
		2013	2012
1,194,266	4,757,864	40,468,671	49,491,739
-	-	83,695	-
<u>1,194,266</u>	<u>4,757,864</u>	<u>40,552,366</u>	<u>49,491,739</u>
-	-	-	3,000
-	-	-	3,000
<u>1,194,266</u>	<u>4,757,864</u>	<u>40,552,366</u>	<u>49,488,739</u>
<u>1,194,266</u>	<u>4,757,864</u>	<u>40,552,366</u>	<u>49,488,739</u>
<u><u>1,194,266</u></u>	<u><u>4,757,864</u></u>	<u><u>40,552,366</u></u>	<u><u>49,491,739</u></u>

**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Debt Service Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2013**

	<u>General Debt Service</u>	<u>1993 Certificates of Participation (COP)</u>	<u>2006 Lease Revenue Bond Debt Service</u>
<b>Revenues:</b>			
Investment earnings	\$ 658,235	(29,612)	6,618
Total revenues	<u>658,235</u>	<u>(29,612)</u>	<u>6,618</u>
<b>Expenditures:</b>			
Current:			
General government	11,064	4,236	1,538
Debt service:			
Principal retirement	9,752,384	5,225,000	1,180,000
Interest	5,982,139	574,590	304,485
Total expenditures	<u>15,745,587</u>	<u>5,803,826</u>	<u>1,486,023</u>
(Deficiency) of revenues (under) expenditures	<u>(15,087,352)</u>	<u>(5,833,438)</u>	<u>(1,479,405)</u>
<b>Other financing sources:</b>			
Issuance of long-term debt	265,187	-	575,642
Other Financing use-bond discount	-	-	-
Transfers in	9,447,813	5,608,348	844,866
Transfers out	<u>(2,344,682)</u>	<u>-</u>	<u>(753,998)</u>
Total other financing sources	<u>7,368,318</u>	<u>5,608,348</u>	<u>666,510</u>
Change in fund balances	<u>(7,719,034)</u>	<u>(225,090)</u>	<u>(812,895)</u>
<b>Fund balances at beginning of year</b>	<u>38,845,408</u>	<u>3,683,548</u>	<u>828,299</u>
<b>Fund balances at end of year</b>	<u>\$ 31,126,374</u>	<u>3,458,458</u>	<u>15,404</u>

2008 Series B Refunding COP Debt Service	2008 Series C Refunding COP Debt Service	Totals	
		2013	2012
(19,036)	(54,996)	561,209	921,504
(19,036)	(54,996)	561,209	921,504
4,573	4,647	26,058	46,887,286
2,477,518	1,445,000	20,079,902	19,533,154
830,356	3,066,565	10,758,135	10,936,164
3,312,447	4,516,212	30,864,095	77,356,604
(3,331,483)	(4,571,208)	(30,302,886)	(76,435,100)
-	-	840,829	51,097,131
-	-	-	(459,219)
3,280,582	4,442,755	23,624,364	24,105,887
-	-	(3,098,680)	-
3,280,582	4,442,755	21,366,513	74,743,799
(50,901)	(128,453)	(8,936,373)	(1,691,301)
1,245,167	4,886,317	49,488,739	51,180,040
1,194,266	4,757,864	40,552,366	49,488,739

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# NON-MAJOR GOVERNMENTAL FUNDS

## CAPITAL PROJECTS FUNDS

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

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

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

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

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.

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, 2013**

	<b>Charter Capital Projects</b>	<b>New Development Impact</b>	<b>Residential Development Impact</b>	<b>1996 Multi-Purpose Capital Project Certificates of Participation</b>
<b>Assets</b>				
Cash and investments	\$ 3,039,315	648,858	11,806,904	-
Accounts receivable	1,626	1,957	32,631	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<b>3,040,941</b>	<b>650,815</b>	<b>11,839,535</b>	<b>-</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	-	-	70,784	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>70,784</b>	<b>-</b>
<b>Fund balances:</b>				
Nonspendable	-	-	-	-
Restricted	3,040,941	-	-	-
Committed	-	650,815	11,768,751	-
<b>Total fund balances</b>	<b>3,040,941</b>	<b>650,815</b>	<b>11,768,751</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,040,941</b>	<b>650,815</b>	<b>11,839,535</b>	<b>-</b>



10% Green Fee Capital Projects	Capital Public Art	Traffic Reduction Transportation Improvement	Totals	
			2013	2012
490,647	614,757	417,003	17,017,484	17,496,537
1,364	1,753	431	39,762	41,601
-	-	-	-	2,196,629
<u>492,011</u>	<u>616,510</u>	<u>417,434</u>	<u>17,057,246</u>	<u>19,734,767</u>
-	3,388	9,920	84,092	-
-	<u>3,388</u>	<u>9,920</u>	<u>84,092</u>	-
-	-	-	-	2,196,629
-	-	-	3,040,941	3,807,551
492,011	613,122	407,514	13,932,213	13,730,587
492,011	613,122	407,514	16,973,154	19,734,767
<u>492,011</u>	<u>616,510</u>	<u>417,434</u>	<u>17,057,246</u>	<u>19,734,767</u>

**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance:**  
**For the Fiscal Year Ended June 30, 2013**

	<b>Charter Capital Projects</b>	<b>New Development Impact</b>	<b>Residential Development Impact</b>	<b>1996 Multi-Purpose Capital Project Certificates of Participation</b>
<b>Revenues:</b>				
Taxes	\$ -	-	-	-
Charges for services	-	-	-	-
Investment earnings	14,707	5,510	86,775	-
Rental income	-	-	-	-
Miscellaneous revenues	-	-	-	-
Contributions	-	-	1,034,739	-
<b>Total revenues</b>	<b>14,707</b>	<b>5,510</b>	<b>1,121,514</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	5,301	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
<b>Total expenditures</b>	<b>5,301</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	9,406	5,510	1,121,514	-
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	(776,016)	(51,127)	(1,060,757)	-
<b>Total other financing sources (uses)</b>	<b>(776,016)</b>	<b>(51,127)</b>	<b>(1,060,757)</b>	<b>-</b>
<b>Extraordinary gain (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,196,629)</b>
Change in fund balances	(766,610)	(45,617)	60,757	(2,196,629)
<b>Fund balances (deficits) at beginning</b>	<b>3,807,551</b>	<b>696,432</b>	<b>11,707,994</b>	<b>2,196,629</b>
<b>Fund balances (deficits) at end of year</b>	<b>\$ 3,040,941</b>	<b>650,815</b>	<b>11,768,751</b>	<b>-</b>

10% Green Fee Capital Projects	Captial Public Art	Traffic Reduction Transportation Improvement	Totals	
			2013	2012
-	-	-	-	1,954,015
-	-	390,085	390,085	195,299
3,555	4,676	2,265	117,488	226,378
-	-	-	-	505,515
-	30,150	-	30,150	17,025
-	-	-	1,034,739	4,374,566
<u>3,555</u>	<u>34,826</u>	<u>392,350</u>	<u>1,572,462</u>	<u>7,272,798</u>
-	-	-	5,301	-
-	-	-	-	1,580,579
-	94,245	-	94,245	170,747
-	-	-	-	3,179,981
-	94,245	-	99,546	4,931,307
<u>3,555</u>	<u>(59,419)</u>	<u>392,350</u>	<u>1,472,916</u>	<u>2,341,491</u>
-	50,000	-	50,000	827,395
-	-	(200,000)	(2,087,900)	(3,518,202)
-	50,000	(200,000)	(2,037,900)	(2,690,807)
-	-	-	(2,196,629)	61,542,737
<u>3,555</u>	<u>(9,419)</u>	<u>192,350</u>	<u>(2,761,613)</u>	<u>61,193,421</u>
<u>488,456</u>	<u>622,541</u>	<u>215,164</u>	<u>19,734,767</u>	<u>(41,458,654)</u>
<u>492,011</u>	<u>613,122</u>	<u>407,514</u>	<u>16,973,154</u>	<u>19,734,767</u>

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# NON-MAJOR GOVERNMENTAL FUNDS

## PERMANENT FUNDS

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

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

Singer Trust Fund - for maintenance of Singer Park.

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

Holmes Bequest Fund - for charitable and humanitarian purposes.

Sheldon Memorial Fund - to finance periodic awards to deserving citizens.

Pasadena Center Capital Improvement Trust Fund - for capital improvements.

Cox Trust Fund - for purchase of literary classics.

Jankos Trust Fund - for purchase of books and materials for the purpose of self-improvement, career development, and agriculture.

Hudson Family Trust Fund - for the purchase of any type of library material for the Lamanda Park Branch of the Pasadena Public Library.

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, 2013**

	<b>Vroman Art Bequest</b>	<b>Singer Trust</b>	<b>Noble Award</b>	<b>Holmes Bequest</b>	<b>Sheldon Memorial</b>
<b>Assets</b>					
Cash and investments	\$ 5,423	43,054	5,735	-	299
Accounts receivable	17	120	16	-	1
Total assets	<u>\$ 5,440</u>	<u>43,174</u>	<u>5,751</u>	<u>-</u>	<u>300</u>
<b>Total other financing</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>					
Nonspendable	5,000	23,426	1,100	25,507	298
Restricted	440	19,748	4,651	(25,507)	2
Committed	-	-	-	-	-
Total fund balances	<u>5,440</u>	<u>43,174</u>	<u>5,751</u>	<u>-</u>	<u>300</u>
Total liabilities and fund balances	<u><u>\$ 5,440</u></u>	<u><u>43,174</u></u>	<u><u>5,751</u></u>	<u><u>-</u></u>	<u><u>300</u></u>

Pasadena Center Capital Improvement Trust	Cox Trust	Jankos Trust	Hudson Family Trust	M.A. Berger Trust	Totals	
					2013	2012
1,015,310	4,327	25,847	102,632	1,226,627	2,429,254	2,445,133
2,838	12	72	316	3,429	6,821	6,912
<u>1,018,148</u>	<u>4,339</u>	<u>25,919</u>	<u>102,948</u>	<u>1,230,056</u>	<u>2,436,075</u>	<u>2,452,045</u>
-	-	-	-	-	-	598
-	-	-	-	-	-	598
400,000	4,307	25,000	100,000	875,000	1,459,638	1,459,638
-	32	919	2,948	355,056	358,289	381,044
<u>618,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,148</u>	<u>610,765</u>
<u>1,018,148</u>	<u>4,339</u>	<u>25,919</u>	<u>102,948</u>	<u>1,230,056</u>	<u>2,436,075</u>	<u>2,451,447</u>
<u>1,018,148</u>	<u>4,339</u>	<u>25,919</u>	<u>102,948</u>	<u>1,230,056</u>	<u>2,436,075</u>	<u>2,452,045</u>

**CITY OF PASADENA**  
**Non-Major Governmental Funds**  
**Permanent Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance:**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Vroman Art Bequest</u>	<u>Singer Trust</u>	<u>Noble Award</u>	<u>Holmes Bequest</u>	<u>Sheldon Memorial</u>
<b>Revenues:</b>					
Investment earnings	\$ 41	313	42	161	2
Contributions	-	-	-	-	-
Total revenues	<u>41</u>	<u>313</u>	<u>42</u>	<u>161</u>	<u>2</u>
<b>Expenditures:</b>					
Current:					
Culture and leisure	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41</u>	<u>313</u>	<u>42</u>	<u>161</u>	<u>2</u>
<b>Other financing sources (uses):</b>					
Transfers out	-	-	-	(25,668)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,668)</u>	<u>-</u>
Change in fund balances	41	313	42	(25,507)	2
<b>Fund balances at beginning of year</b>	<u>5,399</u>	<u>42,861</u>	<u>5,709</u>	<u>25,507</u>	<u>298</u>
<b>Fund balances at end of year</b>	<u>\$ 5,440</u>	<u>43,174</u>	<u>5,751</u>	<u>-</u>	<u>300</u>



Pasadena Center Capital Improvement Trust	Cox Trust	Jankos Trust	Hudson Family Trust	M.A. Berger Trust	Totals	
					2013	2012
7,383	32	188	793	8,920	17,875	29,712
-	-	-	-	-	-	320,000
<u>7,383</u>	<u>32</u>	<u>188</u>	<u>793</u>	<u>8,920</u>	<u>17,875</u>	<u>349,712</u>
-	-	-	7,579	-	7,579	1,403
-	-	-	7,579	-	7,579	1,403
<u>7,383</u>	<u>32</u>	<u>188</u>	<u>(6,786)</u>	<u>8,920</u>	<u>10,296</u>	<u>348,309</u>
-	-	-	-	-	(25,668)	(13,355)
-	-	-	-	-	(25,668)	(13,355)
7,383	32	188	(6,786)	8,920	(15,372)	334,954
<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>1,018,148</u>	<u>4,339</u>	<u>25,919</u>	<u>102,948</u>	<u>1,230,056</u>	<u>2,436,075</u>	<u>2,451,447</u>

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# NON-MAJOR ENTERPRISE FUNDS

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

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Plaza Las Fuentes Parking Fund - to account for the operations of the underground parking facility on Los Robles Avenue and Union Street.

Refuse Collection Fund - to account for the operations of the City's refuse collection program, a self-supporting activity, which renders services on a user charge basis to residents and businesses.

Telecommunications Fund - to account for revenues received for the use of the fiber optic system excess capacity by private sector firms and used to repay the loan, which funded its construction, as well as fees for setting up wireless facilities on City-owned property.

Del Mar Goldline Parking Garage – to account for the operations of the parking facility at the Delmar Goldline Station.

**CITY OF PASADENA**  
**Non-Major Enterprise Funds**  
**Combining Statement of Net Position**  
**June 30, 2013**

	<b>Plaza Las Fuentes Parking</b>	<b>Refuse Collection</b>	<b>Tele- communi- cations</b>	<b>Del Mar Goldline Parking Garage</b>
<b>Assets</b>				
Current assets:				
Cash and investments	\$ -	3,004,903	576,257	742,458
Accounts receivable, net	180,280	2,217,780	142,761	21,089
Total current assets	180,280	5,222,683	719,018	763,547
Noncurrent assets:				
Restricted assets - cash and investments:				
Other restricted cash and investments	-	-	-	-
Advances to other funds	4,381,838	-	-	-
Capital assets	15,852,268	9,058,555	420,567	2,450,000
Less accumulated depreciation	(8,574,879)	(5,616,803)	(33,685)	(612,500)
Net property, plant and equipment	7,277,389	3,441,752	386,882	1,837,500
Total noncurrent assets	11,659,227	3,441,752	386,882	1,837,500
Total assets	11,839,507	8,664,435	1,105,900	2,601,047
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	1,982	503,581	(990)	22,545
Deposits	-	2,634,947	-	1,280
Due to other funds	436,081	-	-	-
Certificates of participation - current	-	-	-	-
Capitalized lease obligations - current	-	35,530	-	-
Total current liabilities	438,063	3,174,058	(990)	23,825
Long-term liabilities:				
Advances from other funds	-	-	-	2,959,136
Capitalized lease obligations - long-term	-	9,096	-	-
Total long-term liabilities	-	9,096	-	2,959,136
Total liabilities	438,063	3,183,154	(990)	2,982,961
<b>Net Position</b>				
Invested in capital assets, net of related debt	7,277,389	3,397,126	386,882	1,837,500
Unrestricted	4,124,055	2,084,155	720,008	(2,219,414)
Total net position (deficit)	\$ 11,401,444	5,481,281	1,106,890	(381,914)

<b>Totals</b>	
<b>2013</b>	<b>2012</b>
4,323,618	2,935,441
<u>2,561,910</u>	<u>2,289,326</u>
<u>6,885,528</u>	<u>5,224,767</u>
-	2,700,529
4,381,838	4,546,129
<u>27,781,390</u>	<u>28,190,672</u>
<u>(14,837,867)</u>	<u>(14,076,884)</u>
<u>12,943,523</u>	<u>14,113,788</u>
<u>17,325,361</u>	<u>21,360,446</u>
<u>24,210,889</u>	<u>26,585,213</u>
527,118	491,031
2,636,227	2,787,981
436,081	188,240
-	2,300,000
<u>35,530</u>	<u>34,202</u>
<u>3,634,956</u>	<u>5,801,454</u>
2,959,136	2,959,136
<u>9,096</u>	<u>44,626</u>
<u>2,968,232</u>	<u>3,003,762</u>
<u>6,603,188</u>	<u>8,805,216</u>
12,898,897	14,435,489
<u>4,708,804</u>	<u>3,344,508</u>
<u>17,607,701</u>	<u>17,779,997</u>

**CITY OF PASADENA**  
**Non-Major Enterprise Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2013**

	<b>Plaza Las Fuentes Parking</b>	<b>Refuse Collection</b>	<b>Tele- communi- cations</b>	<b>Del Mar Goldline Parking Garage</b>
<b>Operating revenues:</b>				
Charges for services:				
Plaza Las Fuentes parking	\$ 2,257,780	-	-	-
Refuse collection	-	12,056,606	-	-
Old Pasadena parking	-	-	-	-
Paseo Colorado parking	-	-	-	-
Telecommunication	-	-	580,434	-
Del Mar Goldline Parking Garage	-	-	-	447,718
Total operating revenues	<u>2,257,780</u>	<u>12,056,606</u>	<u>580,434</u>	<u>447,718</u>
<b>Operating expenses:</b>				
Plaza Las Fuentes parking	2,114,195	-	-	-
Refuse collection	-	12,330,295	-	-
Telecommunications	-	-	802,039	-
Del Mar Goldline Parking Garage	-	-	-	275,633
Depreciation	<u>324,372</u>	<u>852,360</u>	<u>25,163</u>	<u>122,500</u>
Total operating expenses	<u>2,438,567</u>	<u>13,182,655</u>	<u>827,202</u>	<u>398,133</u>
Operating income (loss)	<u>(180,787)</u>	<u>(1,126,049)</u>	<u>(246,768)</u>	<u>49,585</u>
<b>Nonoperating revenues (expenses):</b>				
Taxes	-	3,825,841	-	-
Intergovernmental revenues	-	76,836	-	-
Investment earnings	194,286	(1,468)	9,042	4,012
Interest expense	(1,437)	(2,312)	-	-
Gain (loss) on disposal of assets	-	14,842	-	-
Miscellaneous revenues	<u>-</u>	<u>166,600</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>192,849</u>	<u>4,080,339</u>	<u>9,042</u>	<u>4,012</u>
Income (loss) before transfers and contributions	<u>12,062</u>	<u>2,954,290</u>	<u>(237,726)</u>	<u>53,597</u>
<b>Transfers:</b>				
Transfers in	-	85,000	50,000	-
Transfers out	<u>(2,700,277)</u>	<u>(210,660)</u>	<u>(178,582)</u>	<u>-</u>
Net income (loss)	<u>(2,688,215)</u>	<u>2,828,630</u>	<u>(366,308)</u>	<u>53,597</u>
<b>Net position at beginning of year</b>	<u>14,089,659</u>	<u>2,652,651</u>	<u>1,473,198</u>	<u>(435,511)</u>
<b>Net position (deficit) at end of year</b>	<u>\$ 11,401,444</u>	<u>5,481,281</u>	<u>1,106,890</u>	<u>(381,914)</u>

<b>Totals</b>	
<b>2013</b>	<b>2012</b>
2,257,780	2,163,983
12,056,606	11,291,409
-	-
-	-
580,434	670,421
447,718	382,118
<u>15,342,538</u>	<u>14,507,931</u>
2,114,195	1,836,639
12,330,295	16,123,859
802,039	258,692
275,633	266,868
<u>1,324,395</u>	<u>1,111,041</u>
<u>16,846,557</u>	<u>19,597,099</u>
<u>(1,504,019)</u>	<u>(5,089,168)</u>
3,825,841	3,301,199
76,836	173,610
205,872	250,652
(3,749)	(9,949)
14,842	-
<u>166,600</u>	<u>153,537</u>
<u>4,286,242</u>	<u>3,869,049</u>
<u>2,782,223</u>	<u>(1,220,119)</u>
135,000	85,000
<u>(3,089,519)</u>	<u>(290,404)</u>
<u>(172,296)</u>	<u>(1,425,523)</u>
<u>17,779,997</u>	<u>19,205,520</u>
<u><u>17,607,701</u></u>	<u><u>17,779,997</u></u>

**CITY OF PASADENA**  
**Non-Major Enterprise Funds**  
**Combining Statement of Cash Flows**  
**Year Ended June 30, 2013**

	<b>Plaza Las Fuentes Parking</b>	<b>Refuse Collection</b>	<b>Tele- communi- cations</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 2,235,572	11,788,119	599,632
Cash payments to suppliers for goods and services	(1,908,318)	(5,048,309)	(800,045)
Cash payments to employees for services	(201,266)	(5,133,319)	-
Cash payments to other funds for services	(5,099)	(2,263,416)	-
Miscellaneous revenues	-	166,600	-
Net cash provided by (used for) operating activities	<u>120,889</u>	<u>(490,325)</u>	<u>(200,413)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers to other funds	(2,700,277)	(210,660)	(178,582)
Transfers from other funds	-	85,000	50,000
Cash received (paid) on loans to other funds	600,372	(188,240)	-
Taxes received	-	3,825,841	-
Intergovernmental revenues	-	76,836	-
Net cash provided by (used for) noncapital financing	<u>(2,099,905)</u>	<u>3,588,777</u>	<u>(128,582)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	-	(55,567)	(83,721)
Principal paid on debt	(2,300,000)	(34,202)	-
Interest paid on debt	(1,437)	(2,312)	-
Net cash used for capital and related financing activities	<u>(2,301,437)</u>	<u>(92,081)</u>	<u>(83,721)</u>
<b>Cash flows from investing activities:</b>			
Investment earnings (expenses)	192,850	(1,468)	7,670
Net cash provided by investing activities	<u>192,850</u>	<u>(1,468)</u>	<u>7,670</u>
Net increase (decrease) in cash and cash equivalents	(4,087,603)	3,004,903	(405,046)
<b>Cash and cash equivalents at beginning of year</b>	<u>4,087,603</u>	<u>-</u>	<u>981,303</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ -</u>	<u>3,004,903</u>	<u>576,257</u>
<b>Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:</b>			
Cash and investments	\$ -	3,004,903	576,257
Other restricted cash and investments	-	-	-
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>3,004,903</u>	<u>576,257</u>



Del Mar Goldline Parking Garage	Totals	
	2013	2012
453,453	15,076,776	14,460,458
(272,322)	(8,028,994)	(10,081,576)
-	(5,334,585)	(5,905,220)
(5,735)	(2,274,250)	(2,381,553)
-	166,600	153,537
175,396	(394,453)	(3,754,354)
-	(3,089,519)	(290,404)
-	135,000	85,000
-	412,132	346,212
-	3,825,841	3,301,199
-	76,836	173,610
-	1,360,290	3,615,617
-	(139,288)	(1,827,409)
-	(2,334,202)	(2,132,925)
-	(3,749)	(9,949)
-	(2,477,239)	(3,970,283)
(2)	199,050	166,251
(2)	199,050	166,251
175,394	(1,312,352)	(3,942,769)
567,064	5,635,970	9,578,739
742,458	4,323,618	5,635,970
742,458	4,323,618	2,935,441
-	-	2,700,529
742,458	4,323,618	5,635,970

(continued)

**CITY OF PASADENA**  
**Non-Major Enterprise Funds**  
**Combining Statement of Cash Flows, (Continued)**  
**Year Ended June 30, 2013**

	<u>Plaza Las Fuentes Parking</u>	<u>Refuse Collection</u>	<u>Tele- communi- cations</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (180,787)	(1,126,049)	(246,768)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	324,372	852,360	25,163
Miscellaneous revenues	-	166,600	-
(Increase) decrease in accounts receivable	(22,208)	(268,487)	19,198
Increase (decrease) in allowance for uncollectible accounts	-	-	-
Increase (decrease) in accounts payable and accrued liabilities	(488)	33,105	1,994
Increase (decrease) in deposits payable	-	(147,854)	-
Total adjustments	<u>301,676</u>	<u>635,724</u>	<u>46,355</u>
Net cash provided by (used for) operating activities	<u>\$ 120,889</u>	<u>(490,325)</u>	<u>(200,413)</u>
Non-cash changes in fair value of investments	<u>\$ (5,952)</u>	<u>(9,844)</u>	<u>(4,208)</u>

See accompanying notes to the basic financial statements

Del Mar Goldline Parking Garage	Totals	
	2013	2012
49,585	(1,504,019)	(5,089,168)
122,500	1,324,395	1,111,041
-	166,600	153,537
5,735	(265,762)	(2,253)
-	-	(45,220)
1,476	36,087	(102,600)
(3,900)	(151,754)	220,309
125,811	1,109,566	1,334,814
175,396	(394,453)	(3,754,354)
(4,438)	(24,442)	(16,816)

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# INTERNAL SERVICE FUNDS

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

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

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

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

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

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 Position**  
**June 30, 2013**

<b>Assets</b>	<b>Computing and Communication Services</b>	<b>Building Maintenance</b>	<b>Fleet Maintenance</b>	<b>Benefits</b>
<b>Current assets:</b>				
Cash and investments	\$ 288,041	-	1,923,371	1,597,803
Accounts receivable	34,305	79,277	190,142	5,913
Due from other funds	-	-	862,777	-
Inventories	-	-	220,458	-
Prepays and other assets	18,154	-	-	111,161
Total current assets	<u>340,500</u>	<u>79,277</u>	<u>3,196,748</u>	<u>1,714,877</u>
<b>Noncurrent assets:</b>				
Property held for resale	-	-	-	-
Prepaid long-term assets	78,668	-	-	-
Capital assets	12,539,655	110,280	24,853,295	-
Less accumulated depreciation	<u>(5,304,174)</u>	<u>(72,329)</u>	<u>(16,361,423)</u>	<u>-</u>
Net property, plant and equipment	<u>7,235,481</u>	<u>37,951</u>	<u>8,491,872</u>	<u>-</u>
Total noncurrent assets	<u>7,314,149</u>	<u>37,951</u>	<u>8,491,872</u>	<u>-</u>
Total assets	<u>7,654,649</u>	<u>117,228</u>	<u>11,688,620</u>	<u>1,714,877</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	590,491	295,103	503,582	5,491,739
Insurance claims payable - current	-	-	-	-
Due to other funds	-	862,777	-	-
Compensated absences	-	-	-	10,011,243
Capitalized lease obligations - current	587,265	-	-	-
Total current liabilities	<u>1,177,756</u>	<u>1,157,880</u>	<u>503,582</u>	<u>15,502,982</u>
<b>Long-term liabilities:</b>				
Insurance claims payable - long-term	-	-	-	-
OPEB liability	-	-	-	14,912,018
Capitalized lease obligations - long-term	<u>2,777,968</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>2,777,968</u>	<u>-</u>	<u>-</u>	<u>14,912,018</u>
Total liabilities	<u>3,955,724</u>	<u>1,157,880</u>	<u>503,582</u>	<u>30,415,000</u>
<b>Net Position</b>				
Invested in capital assets, net of related debt	3,870,248	37,951	8,491,872	-
Assigned	202,309	-	-	-
Unassigned	<u>(171,323)</u>	<u>(1,078,603)</u>	<u>2,693,166</u>	<u>(28,700,123)</u>
Total net position (deficit)	<u>\$ 3,698,925</u>	<u>(1,040,652)</u>	<u>11,185,038</u>	<u>(28,700,123)</u>

Workers' Compensation	General Liability	Printing Services	Mail Services	Totals	
				2013	2012
9,283,526	3,120,760	-	123,584	16,337,085	18,410,932
30,986	75,159	27,584	-	443,366	190,821
-	-	-	-	862,777	1,057,816
-	-	-	-	220,458	221,308
-	-	-	234,264	363,579	316,074
<u>9,314,512</u>	<u>3,195,919</u>	<u>27,584</u>	<u>357,848</u>	<u>18,227,265</u>	<u>20,196,951</u>
-	3,714,391	-	-	3,714,391	3,714,391
-	-	-	-	78,668	96,822
-	-	752,439	58,261	38,313,930	37,543,359
-	-	(465,406)	(47,235)	(22,250,567)	(20,308,688)
-	-	287,033	11,026	16,063,363	17,234,671
-	3,714,391	287,033	11,026	19,856,422	21,045,884
<u>9,314,512</u>	<u>6,910,310</u>	<u>314,617</u>	<u>368,874</u>	<u>38,083,687</u>	<u>41,242,835</u>
96,920	65,497	77,270	55,082	7,175,684	7,302,299
6,538,427	4,225,799	-	-	10,764,226	11,010,939
-	-	1,440,151	-	2,302,928	2,622,232
-	-	-	-	10,011,243	10,220,044
-	-	-	-	587,265	582,274
<u>6,635,347</u>	<u>4,291,296</u>	<u>1,517,421</u>	<u>55,082</u>	<u>30,841,346</u>	<u>31,737,788</u>
12,868,709	11,944,832	-	-	24,813,541	20,448,886
-	-	-	-	14,912,018	12,144,215
-	-	-	-	2,777,968	3,365,233
<u>12,868,709</u>	<u>11,944,832</u>	<u>-</u>	<u>-</u>	<u>42,503,527</u>	<u>35,958,334</u>
<u>19,504,056</u>	<u>16,236,128</u>	<u>1,517,421</u>	<u>55,082</u>	<u>73,344,873</u>	<u>67,696,122</u>
-	-	287,033	11,026	12,698,130	13,287,164
-	-	-	-	202,309	-
<u>(10,189,544)</u>	<u>(9,325,818)</u>	<u>(1,489,837)</u>	<u>302,766</u>	<u>(47,959,316)</u>	<u>(39,740,451)</u>
<u>(10,189,544)</u>	<u>(9,325,818)</u>	<u>(1,202,804)</u>	<u>313,792</u>	<u>(35,261,186)</u>	<u>(26,453,287)</u>

**CITY OF PASADENA**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2013**

	<b>Computing and Communication Services</b>	<b>Building Maintenance</b>	<b>Fleet Maintenance</b>	<b>Benefits</b>
<b>Operating revenues:</b>				
Charges for services:				
Computing and communication services	\$ 11,571,041	-	-	-
Building maintenance	-	10,660,712	-	-
Fleet maintenance	-	-	8,716,257	-
Employee benefits	-	-	-	29,828,869
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating revenues	<u>11,571,041</u>	<u>10,660,712</u>	<u>8,716,257</u>	<u>29,828,869</u>
<b>Operating expenses:</b>				
Computing and communication services	10,996,054	-	-	-
Building maintenance	-	10,024,935	-	-
Fleet maintenance	-	-	7,424,798	-
Depreciation	1,224,288	2,678	1,297,811	106
Benefits	-	-	-	36,418,271
Insurance	-	-	-	-
Printing	-	-	-	-
Mail	-	-	-	-
Total operating expenses	<u>12,220,342</u>	<u>10,027,613</u>	<u>8,722,609</u>	<u>36,418,377</u>
Operating income (loss)	<u>(649,301)</u>	<u>633,099</u>	<u>(6,352)</u>	<u>(6,589,508)</u>
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	(4,652)	(8,019)	19,797	13,289
Interest expense	(86,642)	-	-	-
Gain (loss) on disposal of assets	-	(58)	43,457	(950)
Miscellaneous revenues	6,210	234,152	-	-
Total nonoperating revenues (expenses)	<u>(85,084)</u>	<u>226,075</u>	<u>63,254</u>	<u>12,339</u>
Income (loss) before operating transfers	(734,385)	859,174	56,902	(6,577,169)
<b>Transfers from (to) other funds:</b>				
Transfers in	1,083,364	124,560	-	2,100,000
Transfers out	-	(623,563)	-	-
Extraordinary gain (loss)	-	-	-	-
Net income (loss)	348,979	360,171	56,902	(4,477,169)
<b>Net position at beginning of year</b>	<u>3,349,946</u>	<u>(1,400,823)</u>	<u>11,128,136</u>	<u>(24,222,954)</u>
<b>Net position (deficit) at end of year</b>	<u>\$ 3,698,925</u>	<u>(1,040,652)</u>	<u>11,185,038</u>	<u>(28,700,123)</u>



Workers' Compensation	General Liability	Printing Services	Mail Services	Totals	
				2013	2012
-	-	-	-	11,571,041	10,355,102
-	-	-	-	10,660,712	10,515,922
-	-	-	-	8,716,257	9,198,594
-	-	-	-	29,828,869	31,771,611
9,169,658	3,332,380	-	-	12,502,038	12,561,539
-	-	1,032,783	-	1,032,783	1,140,092
-	-	-	425,088	425,088	431,679
<u>9,169,658</u>	<u>3,332,380</u>	<u>1,032,783</u>	<u>425,088</u>	<u>74,736,788</u>	<u>75,974,539</u>
-	-	-	-	10,996,054	10,436,142
-	-	-	-	10,024,935	10,043,942
-	-	-	-	7,424,798	7,732,174
-	-	72,403	4,268	2,601,554	2,073,802
-	-	-	-	36,418,271	34,926,955
12,022,524	5,317,149	-	-	17,339,673	14,688,390
-	-	1,430,540	-	1,430,540	1,398,419
-	-	-	296,027	296,027	374,685
<u>12,022,524</u>	<u>5,317,149</u>	<u>1,502,943</u>	<u>300,295</u>	<u>86,531,852</u>	<u>81,674,509</u>
<u>(2,852,866)</u>	<u>(1,984,769)</u>	<u>(470,160)</u>	<u>124,793</u>	<u>(11,795,064)</u>	<u>(5,699,970)</u>
79,559	14,732	(8,057)	(56)	106,593	129,477
-	-	-	-	(86,642)	(168,465)
-	-	-	-	42,449	69,885
42	-	-	-	240,404	317,430
<u>79,601</u>	<u>14,732</u>	<u>(8,057)</u>	<u>(56)</u>	<u>302,804</u>	<u>348,327</u>
(2,773,265)	(1,970,037)	(478,217)	124,737	(11,492,260)	(5,351,643)
-	-	-	-	3,307,924	1,679,676
-	-	-	-	(623,563)	(899,037)
-	-	-	-	-	(2,183,016)
(2,773,265)	(1,970,037)	(478,217)	124,737	(8,807,899)	(6,754,020)
<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>
<u><u>(10,189,544)</u></u>	<u><u>(9,325,818)</u></u>	<u><u>(1,202,804)</u></u>	<u><u>313,792</u></u>	<u><u>(35,261,186)</u></u>	<u><u>(26,453,287)</u></u>

**CITY OF PASADENA**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended June 30, 2013**

	<b>Computing and Communication Services</b>	<b>Building Maintenance</b>	<b>Fleet Maintenance</b>	<b>Benefits</b>
<b>Cash flows from operating activities:</b>				
Cash payments to suppliers for goods or services	\$ (3,378,030)	(5,337,454)	(4,973,764)	(1,487,036)
Cash payments to employees for services	(7,075,866)	(4,183,923)	(2,143,831)	(32,665,777)
Cash payments to other funds for services	(676,364)	(829,650)	(392,031)	(29,836)
Cash payments from other funds for services	11,571,077	10,623,789	8,744,101	29,827,494
Miscellaneous revenues	6,210	234,152	-	-
Net cash provided by (used for) operating activities	<u>447,027</u>	<u>506,914</u>	<u>1,234,475</u>	<u>(4,355,155)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers from other funds	1,083,364	124,560	-	2,100,000
Transfers to other funds	-	(623,563)	-	-
Net cash provided by (used for) noncapital financing activities	<u>1,083,364</u>	<u>(499,003)</u>	<u>-</u>	<u>2,100,000</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(569,342)	-	(861,911)	-
Proceeds from sale of capital assets	-	-	43,457	-
Principal paid on debt	(582,274)	-	-	-
Miscellaneous revenues	(86,642)	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(1,238,258)</u>	<u>-</u>	<u>(818,454)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Investment earnings (expenses)	(4,092)	(7,911)	19,794	11,910
Net cash provided by (used for) investing activities	<u>(4,092)</u>	<u>(7,911)</u>	<u>19,794</u>	<u>11,910</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>288,041</b>	<b>-</b>	<b>435,815</b>	<b>(2,243,245)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>-</b>	<b>-</b>	<b>1,487,556</b>	<b>3,841,048</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 288,041</u></b>	<b><u>-</u></b>	<b><u>1,923,371</u></b>	<b><u>1,597,803</u></b>
<b>Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:</b>				
Cash and investments	\$ 288,041	-	1,923,371	1,597,803
Cash and cash equivalents at end of year	<u>\$ 288,041</u>	<u>-</u>	<u>1,923,371</u>	<u>1,597,803</u>

<b>Workers' Compensation</b>	<b>General Liability</b>	<b>Printing Services</b>	<b>Mail Services</b>	<b>Totals</b>	
				<b>2013</b>	<b>2012</b>
(3,959,420)	(1,861,883)	(455,194)	(55,618)	(21,508,399)	(21,569,684)
(6,832,043)	(243,206)	(528,465)	(136,598)	(53,809,709)	(45,711,633)
(187,230)	(137,117)	(31,313)	(126,171)	(2,409,712)	(907,589)
9,169,656	3,295,790	1,023,129	425,088	74,680,124	75,829,776
42	-	-	-	240,404	317,430
<u>(1,808,995)</u>	<u>1,053,584</u>	<u>8,157</u>	<u>106,701</u>	<u>(2,807,292)</u>	<u>7,958,300</u>
-	-	-	-	3,307,924	1,679,676
-	-	-	-	<u>(623,563)</u>	<u>(899,037)</u>
-	-	-	-	2,684,361	780,639
-	-	-	-	(1,431,253)	(4,408,882)
-	-	-	-	43,457	74,160
-	-	-	-	(582,274)	(389,971)
-	-	-	-	<u>(86,642)</u>	<u>(168,465)</u>
-	-	-	-	(2,056,712)	(4,893,158)
79,156	15,054	(8,157)	42	105,796	161,699
<u>79,156</u>	<u>15,054</u>	<u>(8,157)</u>	<u>42</u>	<u>105,796</u>	<u>161,699</u>
(1,729,839)	1,068,638	-	106,743	(2,073,847)	4,007,480
11,013,365	2,052,122	-	16,841	18,410,932	14,403,452
<u>9,283,526</u>	<u>3,120,760</u>	<u>-</u>	<u>123,584</u>	<u>16,337,085</u>	<u>18,410,932</u>
9,283,526	3,120,760	-	123,584	16,337,085	18,410,932
<u>9,283,526</u>	<u>3,120,760</u>	<u>-</u>	<u>123,584</u>	<u>16,337,085</u>	<u>18,410,932</u>

**CITY OF PASADENA**  
**Internal Service Funds**  
**Combining Statement of Cash Flows, (Continued)**  
**Year Ended June 30, 2013**

	<u>Computing and Communication Services</u>	<u>Building Maintenance</u>	<u>Fleet Maintenance</u>	<u>Benefits</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ (649,301)	633,099	(6,352)	(6,589,508)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,224,288	2,678	1,297,811	106
(Increase) decrease in accounts receivable	36	(36,923)	(167,195)	(1,375)
(Increase) decrease in due from other funds	-	-	195,039	-
(Increase) decrease in inventories	-	-	850	-
(Increase) decrease in prepaids and other assets	18,154	-	-	26,563
Increase (decrease) in accounts payable and accrued liabilities	341,623	(131,053)	(85,678)	(349,943)
Increase (decrease) in due to other funds	(493,983)	(195,039)	-	-
Increase (decrease) in insurance claims payable	-	-	-	-
Increase (decrease) in OPEB liability	-	-	-	2,767,803
Increase (decrease) in compensated absences	-	-	-	(208,801)
Miscellaneous revenues	6,210	234,152	-	-
Total adjustments	<u>1,096,328</u>	<u>(126,185)</u>	<u>1,240,827</u>	<u>2,234,353</u>
Net cash provided by (used for) operating activities	<u>\$ 447,027</u>	<u>506,914</u>	<u>1,234,475</u>	<u>(4,355,155)</u>
Non-cash changes in fair value of investments	<u>\$ 40,717</u>	<u>(22,015)</u>	<u>133,646</u>	<u>433,582</u>

<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Printing Services</u>	<u>Mail Services</u>	<u>Totals</u>	
				<u>2013</u>	<u>2012</u>
<u>(2,852,866)</u>	<u>(1,984,769)</u>	<u>(470,160)</u>	<u>124,793</u>	<u>(11,795,064)</u>	<u>(5,699,970)</u>
-	-	72,403	4,268	2,601,554	2,073,802
(2)	(36,590)	(9,654)	-	(251,703)	34,480
-	-	369,718	-	564,757	96,336
-	-	-	-	850	(5,362)
-	-	-	(74,068)	(29,351)	(178,435)
(8,839)	9,671	45,850	51,708	(126,661)	4,105,539
-	-	-	-	(689,022)	673,226
1,052,670	3,065,272	-	-	4,117,942	3,776,334
-	-	-	-	2,767,803	2,536,470
-	-	-	-	(208,801)	228,450
42	-	-	-	240,404	317,430
<u>1,043,871</u>	<u>3,038,353</u>	<u>478,317</u>	<u>(18,092)</u>	<u>8,987,772</u>	<u>13,658,270</u>
<u>(1,808,995)</u>	<u>1,053,584</u>	<u>8,157</u>	<u>106,701</u>	<u>(2,807,292)</u>	<u>7,958,300</u>
-	157,364	6,751	(818)	749,227	1,045,946

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# FIDUCIARY FUNDS

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

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## **Pension Trust Fund:**

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

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

## **Agency Funds:**

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.

**CITY OF PASADENA**  
**Pension Trust Funds**  
**Combining Statement of Net Position**  
**June 30, 2013**

	<b>Deferred Compensation</b>	<b>Fire and Police Retirement System</b>	<b>Totals</b>	
			<b>2013</b>	<b>2012</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 203,051,006	6,531,090	209,582,096	206,262,123
Receivables:				
Contribution receivable	-	-	-	-
Interest	-	269,374	269,374	256,444
Total receivables	-	269,374	269,374	256,444
Investments, at fair value:				
Government and agencies	-	25,808,780	25,808,780	31,855,588
Domestic corporate obligations	-	30,694,777	30,694,777	18,015,458
International corporate obligations	-	1,993,499	1,993,499	1,049,700
Real estate	-	14,604,925	14,604,925	-
Real estate investment trust (REIT)	-	241,809	241,809	11,185,142
Domestic corporate stocks	-	52,640,208	52,640,208	50,182,408
International corporate stocks	-	14,254,407	14,254,407	12,555,203
Total investments	-	140,238,405	140,238,405	124,843,499
Total assets	203,051,006	147,038,869	350,089,875	331,362,066
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	69,192	69,192	25,498
Pending purchases	-	6,796,907	6,796,907	-
Total liabilities	-	6,866,099	6,866,099	25,498
<b>Net position reserved in trust for employees' pension benefits</b>	<b>\$ 203,051,006</b>	<b>140,172,770</b>	<b>343,223,776</b>	<b>331,336,568</b>



**CITY OF PASADENA**  
**Pension Trust Funds**  
**Combining Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2013**

	<b>Deferred Compensation</b>	<b>Fire and Police Retirement System</b>	<b>Totals</b>	
			<b>2013</b>	<b>2012</b>
<b>Additions:</b>				
Contributions:				
Employer	\$ -	-	-	46,600,000
Plan members	16,125,642	-	16,125,642	13,250,572
Total contributions	<u>16,125,642</u>	<u>-</u>	<u>16,125,642</u>	<u>59,850,572</u>
Net investment income:				
Investment earnings	18,601,286	14,698,886	33,300,172	2,710,553
Interest	-	-	-	-
Dividends	-	1,305,036	1,305,036	1,066,961
Gross investment income	<u>18,601,286</u>	<u>16,003,922</u>	<u>34,605,208</u>	<u>3,777,514</u>
Less investment expenses	-	(373,953)	(373,953)	(242,728)
Net investment income	<u>18,601,286</u>	<u>15,629,969</u>	<u>34,231,255</u>	<u>3,534,786</u>
Total additions	<u>34,726,928</u>	<u>15,629,969</u>	<u>50,356,897</u>	<u>63,385,358</u>
<b>Deductions:</b>				
Benefits paid to participants	23,685,437	14,322,245	38,007,682	25,159,618
Administrative expenses	190,973	271,034	462,007	286,778
Total deductions	<u>23,876,410</u>	<u>14,593,279</u>	<u>38,469,689</u>	<u>25,446,396</u>
Net increase	10,850,518	1,036,690	11,887,208	37,938,962
<b>Net position reserved in trust for employees' pension benefits:</b>				
Beginning of year	<u>192,200,488</u>	<u>139,136,080</u>	<u>331,336,568</u>	<u>293,397,606</u>
End of year	<u>\$ 203,051,006</u>	<u>140,172,770</u>	<u>343,223,776</u>	<u>331,336,568</u>

CITY OF PASADENA  
 Agency Funds  
 Combining Balance Sheet  
 June 30, 2013

	<b>South Lake Business Improvement District</b>	<b>Lake/ Washington Special Assessment District</b>	<b>Library Equipment Replacement</b>	<b>Workforce Investment Act</b>
<b><u>Assets</u></b>				
Cash and investments	\$ -	282	1,493,769	-
Accounts receivable	-	6	4,162	796,643
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>288</b>	<b>1,497,931</b>	<b>796,643</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ -	-	55,442	796,643
Due to other governments	-	288	1,442,489	-
Due to bondholders	-	-	-	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>288</b>	<b>1,497,931</b>	<b>796,643</b>

Community Facilities District No. 1	Open Space Assessment District	Totals	
		2013	2012
9,043,462	140,765	10,678,278	3,046,798
-	2,449	803,260	964,370
-	990,442	990,442	1,004,774
<u>9,043,462</u>	<u>1,133,656</u>	<u>12,471,980</u>	<u>5,015,942</u>

8,401	771	861,257	950,296
1,411,147	-	2,853,924	2,917,061
7,623,914	1,132,885	8,756,799	1,148,585
<u>9,043,462</u>	<u>1,133,656</u>	<u>12,471,980</u>	<u>5,015,942</u>

**CITY OF PASADENA**  
**Agency Funds**  
**Combining Statements of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
<b><u>SOUTH LAKE BUSINESS IMPROVEMENT DISTRICT</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ -	-	-	-
Total assets	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ -	-	-	-
Total liabilities	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>LAKE/WASHINGTON SPECIAL ASSESSEMENT DISTRICT</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 946	26,668	27,332	282
Accounts receivable	901	-	895	6
Total assets	<u>\$ 1,847</u>	<u>26,668</u>	<u>28,227</u>	<u>288</u>
<b><u>Liabilities</u></b>				
Due to other governments	\$ 1,847	26,988	28,547	288
Total liabilities	<u>\$ 1,847</u>	<u>26,988</u>	<u>28,547</u>	<u>288</u>

(Continued)

**CITY OF PASADENA**  
**Agency Funds**  
**Combining Statements of Changes in Assets and Liabilities (Continued)**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
<b><u>LIBRARY EQUIPMENT REPLACEMENT</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 1,480,438	127,802	114,471	1,493,769
Accounts receivable	4,671	19,568	20,077	4,162
Total assets	<u>\$ 1,485,109</u>	<u>147,370</u>	<u>134,548</u>	<u>1,497,931</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	-	151,077	95,635	55,442
Due to other governments	\$ 1,485,109	136,560	179,180	1,442,489
Total liabilities	<u>\$ 1,485,109</u>	<u>287,637</u>	<u>274,815</u>	<u>1,497,931</u>
<b><u>WORKFORCE INVESTMENT ACT</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ -	4,877,280	4,877,280	-
Accounts receivable	949,720	3,749,886	3,902,963	796,643
Total assets	<u>\$ 593,415</u>	<u>8,627,166</u>	<u>8,780,243</u>	<u>796,643</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 949,720	6,213,173	6,366,250	796,643
Total liabilities	<u>\$ 593,415</u>	<u>6,213,173</u>	<u>6,366,250</u>	<u>796,643</u>

(Continued)

**CITY OF PASADENA**  
**Agency Funds**  
**Combining Statements of Changes in Assets and Liabilities (Continued)**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
<b><u>COMMUNITY FACILITIES DISTRICT NO. 1</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 1,430,105	7,623,914	10,557	9,043,462
Total assets	<u>\$ 1,430,105</u>	<u>7,623,914</u>	<u>10,557</u>	<u>9,043,462</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ -	25,968	17,567	8,401
Due to other governments	1,430,105	-	18,958	1,411,147
Due to bondholders	-	7,623,914	-	7,623,914
Total liabilities	<u>\$ 1,430,105</u>	<u>7,649,882</u>	<u>36,525</u>	<u>9,043,462</u>
<b><u>OPEN SPACE ASSESSMENT DISTRICT</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 135,309	93,670	88,214	140,765
Accounts receivable	9,078	3,676	10,305	2,449
Other assets	1,004,774	71,443	85,775	990,442
Total assets	<u>\$ 1,149,161</u>	<u>168,789</u>	<u>184,294</u>	<u>1,133,656</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 576	2,999	2,804	771
Due to bondholders	1,148,585	-	15,700	1,132,885
Total liabilities	<u>\$ 1,149,161</u>	<u>2,999</u>	<u>18,504</u>	<u>1,133,656</u>

(Continued)

**CITY OF PASADENA**  
**Agency Funds**  
**Combining Statements of Changes in Assets and Liabilities (Continued)**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 3,046,798	12,749,334	5,117,854	10,678,278
Accounts receivable	964,370	3,773,130	3,934,240	803,260
Other assets	1,004,774	71,443	85,775	990,442
Total assets	<u>\$ 5,015,942</u>	<u>16,593,907</u>	<u>9,137,869</u>	<u>12,471,980</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 950,296	6,393,217	6,482,256	861,257
Due to other governments	2,917,061	163,548	226,685	2,853,924
Due to bondholders	1,148,585	7,623,914	15,700	8,756,799
Total liabilities	<u>\$ 5,015,942</u>	<u>14,180,679</u>	<u>6,724,641</u>	<u>12,471,980</u>

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# 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 Position**  
**June 30, 2013**

	Successor Agency Admin	Redevelopment Obligation Retirement Fund	Successor Agency Debt Service		
			Old Pasadena	Lincoln	Downtown
<b>Assets</b>					
Cash and investments	\$ 64,464	2,096,892	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	-	-	-	-	(4,211,683)
Total assets	<u>67,398</u>	<u>2,096,892</u>	<u>2,263,510</u>	<u>544,969</u>	<u>1,518,339</u>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	55,892	-	-	36	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	9,280,000	-	38,782,905
Notes Payable	-	-	-	-	-
Bonds payable	-	-	-	-	-
Unamortized premium (discount)	-	-	-	-	-
Total liabilities	<u>55,892</u>	<u>-</u>	<u>9,280,000</u>	<u>36</u>	<u>38,782,905</u>
<b>Net Position</b>					
Net position held in trust	<u>\$ 11,506</u>	<u>2,096,892</u>	<u>(7,016,490)</u>	<u>544,933</u>	<u>(37,264,566)</u>

Successor Agency Debt Service				Housing Successor- Debt Service	Totals	
Fair Oaks	Orange Grove	Villa Parke	Lake Washington		2013	2012
703,755	515,528	1,352,557	1,377,274	372,465	7,422,488	19,273,707
13,243	3,403	3,727	5,111	3,362	31,780	46,295
2,059,876	230,000	829,942	-	-	7,331,498	7,331,498
-	-	-	-	-	428,132	428,132
-	-	-	-	-	2,959,136	2,959,136
(2,059,876)	(230,000)	(829,942)	-	-	(7,331,501)	(7,331,498)
<u>716,998</u>	<u>518,931</u>	<u>1,356,284</u>	<u>1,382,385</u>	<u>375,827</u>	<u>10,841,533</u>	<u>22,707,270</u>
39,373	214	1,649	9,385	11,889	118,438	208,783
-	428,132	-	-	-	428,132	428,132
-	-	-	-	-	48,062,905	60,271,956
-	-	-	-	-	-	2,420,722
1,675,000	282,000	282,000	410,000	545,000	3,194,000	4,194,000
(19,348)	(3,505)	(3,371)	(4,208)	(3,023)	(33,455)	(47,751)
<u>1,695,025</u>	<u>706,841</u>	<u>280,278</u>	<u>415,177</u>	<u>553,866</u>	<u>51,770,020</u>	<u>67,475,842</u>
<u>(978,027)</u>	<u>(187,910)</u>	<u>1,076,006</u>	<u>967,208</u>	<u>(178,039)</u>	<u>(40,928,487)</u>	<u>(44,768,572)</u>

**CITY OF PASADENA**  
**Private Purpose Trust Funds**  
**Combining Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2013**

	Successor Agency Admin	Redevelopment Obligation Retirement Fund	Successor Agency Debt Service		
			Old Pasadena	Lincoln	Downtown
<b>Additions:</b>					
Property taxes	\$ -	9,537,230	-	-	-
Investment earnings	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total additions	-	9,537,230	-	-	-
<b>Deductions:</b>					
Fiscal agency expenses	-	-	-	-	-
Interest expense	-	-	676,563	-	263,221
Statutory pass-through expenses	-	-	3,405,563	8,502	-
Lease expense	37,469	-	-	-	-
Other operating expense	-	-	-	-	-
Administrative expenses:					
County administrative expenses	-	-	86,099	5,945	576,807
Successor agency administrative cost allowance	636,574	-	-	-	-
Total deductions	674,043	-	4,168,225	14,447	840,028
<b>Transfers:</b>					
Transfers in	697,056	-	5,713,225	14,447	10,107,448
Transfers out	-	(21,312,156)	-	-	(800,000)
Change in net assets before extraordinary items	23,013	(11,774,926)	1,545,000	-	8,467,420
<b>Extraordinary items:</b>					
Assets of Pasadena Community Development Commission	-	-	-	-	301,108
Liabilities of Pasadena Community Development Commission	-	-	-	-	-
Total extraordinary items	-	-	-	-	301,108
Change in net position	23,013	(11,774,926)	1,545,000	-	8,768,528
<b>Net Position held in trust at beginning of year</b>	(11,507)	13,871,818	(8,561,490)	544,933	(46,033,094)
<b>Net Position held in trust at end of year</b>	\$ 11,506	2,096,892	(7,016,490)	544,933	(37,264,566)

Successor Agency Debt Service				Housing Successor- Debt Service	Totals	
Fair Oaks	Orange Grove	Villa Parke	Lake Washington		2013	2012
-	-	-	-	-	9,537,230	14,064,577
-	-	-	-	-	-	21,962
-	-	-	-	-	-	395
-	-	-	-	-	9,537,230	14,086,934
1,553	2,608	3,887	1,553	3,786	13,387	3,919
86,660	45,261	41,181	22,459	83,779	1,219,124	479,464
86,333	35,578	204,656	390,298	-	4,130,930	198,356
-	-	-	-	-	37,469	14,672
-	-	-	-	-	-	26,663
19,081	17,181	33,758	8,383	-	747,254	50,401
-	-	-	-	-	636,574	636,110
193,627	100,628	283,482	422,693	87,565	6,784,738	1,409,585
331,400	351,007	532,260	501,407	2,754,871	21,003,121	846,514
-	-	-	-	-	(22,112,156)	(831,639)
137,773	250,379	248,778	78,714	2,667,306	1,643,457	12,692,224
1,351,513	231,541	231,541	80,925	-	2,196,628	11,059,916
-	-	-	-	-	-	(68,520,712)
1,351,513	231,541	231,541	80,925	-	2,196,628	(57,460,796)
1,489,286	481,920	480,319	159,639	2,667,306	3,840,085	(44,768,572)
(2,467,313)	(669,830)	595,687	807,569	(2,845,345)	(44,768,572)	-
(978,027)	(187,910)	1,076,006	967,208	(178,039)	(40,928,487)	(44,768,572)

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# DISCRETELY PRESENTED COMPONENT UNIT

## ROSE BOWL OPERATING COMPANY

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

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

**CITY OF PASADENA**  
**Discretely Presented Component Units**  
**Rose Bowl Operating Company**  
**Combining Statement of Net Position**  
**June 30, 2013**

	Rose Bowl	Golf Course	Totals	
			2013	2012
<b>Assets</b>				
Current assets:				
Cash and investments (note 2)	\$ 7,450,139	5,426,825	12,876,964	10,363,844
Cash and investments restricted (note 2)	40,244,679	-	40,244,679	76,966,529
Accounts receivable, net	1,487,040	553,042	2,040,082	1,930,130
Prepays and other assets	41,581	-	41,581	29,104
Total current assets	<u>49,223,439</u>	<u>5,979,867</u>	<u>55,203,306</u>	<u>89,289,607</u>
Noncurrent assets:				
Restricted assets - cash and investments (note 2)	-	-	-	3,062,412
Other receivable	575,642	-	575,642	-
Unamortized bond issuance costs	2,186,181	-	2,186,181	2,365,110
Derivative instrument asset	2,319,838	-	2,319,838	-
Capital assets (note 7):				
Construction in progress	142,081,787	969,316	143,051,103	89,178,357
Other capital assets, net	<u>26,693,290</u>	<u>4,343,605</u>	<u>31,036,895</u>	<u>33,680,398</u>
Total noncurrent assets	<u>173,856,738</u>	<u>5,312,921</u>	<u>179,169,659</u>	<u>128,286,277</u>
Total assets	<u>223,080,177</u>	<u>11,292,788</u>	<u>234,372,965</u>	<u>217,575,884</u>
<b>Deferred outflow of resources:</b>				
Accumulated decrease in fair value of hedging derivatives (note 10)	299,465	-	299,465	5,791,691
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	4,487,897	24,749	4,512,646	13,791,167
Deposits	289,452	-	289,452	31,200
Interest payable	3,258,877	-	3,258,877	3,283,062
Due to primary government	749,867	-	749,867	-
Deferred inflow (note 8)	-	-	-	1,087,572
Advanced revenue	4,451,778	100,000	4,551,778	-
Current portion of compensated absences	41,716	8,501	50,217	48,841
Current portion of long-term debt (note 9)	<u>1,035,000</u>	<u>-</u>	<u>1,035,000</u>	<u>1,955,000</u>
Total current liabilities	<u>14,314,587</u>	<u>133,250</u>	<u>14,447,837</u>	<u>20,196,842</u>
Noncurrent liabilities:				
Compensated absences	110,551	13,052	123,603	120,215
Derivative instrument liability (note 10)	-	-	-	3,172,388
Long-term debt (note 9)	214,642,711	-	214,642,711	186,058,568
Unamortized premium (discount)	-	-	-	(79,503)
Total noncurrent liabilities	<u>214,753,262</u>	<u>13,052</u>	<u>214,766,314</u>	<u>189,271,668</u>
Total liabilities	<u>229,067,849</u>	<u>146,302</u>	<u>229,214,151</u>	<u>209,468,510</u>
<b>Net Position</b>				
Invested in capital assets, net of related debt	12,519,385	5,312,921	17,832,306	18,496,117
Restricted	37,958,139	1,516,322	39,474,461	78,736,778
Unrestricted	<u>(56,165,731)</u>	<u>4,317,243</u>	<u>(51,848,488)</u>	<u>(83,333,830)</u>
Total net position	<u>\$ (5,688,207)</u>	<u>11,146,486</u>	<u>5,458,279</u>	<u>13,899,065</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 Position**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Rose Bowl</u>	<u>Golf Course</u>	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
<b>Operating revenues:</b>				
Charges for services:				
Golf course	\$ -	2,010,790	2,010,790	2,041,038
Rose Bowl	10,956,255	-	10,956,255	9,507,435
Total operating revenues	<u>10,956,255</u>	<u>2,010,790</u>	<u>12,967,045</u>	<u>11,548,473</u>
<b>Operating expenses:</b>				
Golf course	-	473,931	473,931	504,446
Rose Bowl	8,953,648	-	8,953,648	17,031,197
Depreciation	2,420,552	234,017	2,654,569	2,778,357
Total operating expenses	<u>11,374,200</u>	<u>707,948</u>	<u>12,082,148</u>	<u>20,314,000</u>
Operating income	<u>(417,945)</u>	<u>1,302,842</u>	<u>884,897</u>	<u>(8,765,527)</u>
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	(1,873,327)	47,996	(1,825,331)	2,275,371
Interest expense	(12,139,047)	-	(12,139,047)	(11,739,301)
Other nonoperating revenues	3,211,813	617,132	3,828,945	4,775,672
Total nonoperating revenues (expenses)	<u>(10,800,561)</u>	<u>665,128</u>	<u>(10,135,433)</u>	<u>(4,688,258)</u>
Income (loss) before operating transfers	<u>(11,218,506)</u>	<u>1,967,970</u>	<u>(9,250,536)</u>	<u>(13,453,785)</u>
Capital contributions	809,750	-	809,750	861,337
Change in net position	(10,408,756)	1,967,970	(8,440,786)	(12,592,448)
<b>Net position at beginning of year</b>	<u>4,720,549</u>	<u>9,178,516</u>	<u>13,899,065</u>	<u>26,491,513</u>
<b>Net position at end of year</b>	<u>\$ (5,688,207)</u>	<u>11,146,486</u>	<u>5,458,279</u>	<u>13,899,065</u>

See accompanying notes to the basic financial statements.

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# GOVERNMENTAL FUNDS

## CAPITAL ASSETS

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

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**CITY OF PASADENA**  
**Capital Assets Used in the Operation of Government Funds**  
**Comparative Schedule by Source<sup>(1)</sup>**  
**June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Governmental funds capital assets:		
Land	\$ 58,273,512	58,273,512
Buildings and improvements	279,549,731	278,441,646
Machinery and equipment	23,750,586	20,393,680
Infrastructure	318,272,605	317,147,350
Construction in progress	27,041,251	18,459,145
Total governmental funds capital assets	<u>706,887,685</u>	<u>692,715,333</u>
Investment in governmental funds capital assets by source:		
General Fund	157,247,897	156,010,707
Special revenue fund	21,960,543	21,079,467
Capital projects funds	527,679,245	515,625,159
Total governmental funds capital assets	<u>\$ 706,887,685</u>	<u>692,715,333</u>

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

**CITY OF PASADENA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity <sup>(1)</sup>**  
**June 30, 2013**

<b>Function and Activity</b>	<b>Land</b>	<b>Buildings and Improvements</b>	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Construction in Progress</b>	<b>Totals</b>
<b>General government:</b>						
City Council	\$ -	-	-	-	-	-
City Manager	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-
City Prosecutor	-	-	-	-	-	-
City Clerk	-	-	12,990	-	-	12,990
Finance	-	7,013,021	478,267	-	-	7,491,288
Human Resources	-	-	2,327	-	-	2,327
Affirmative Action and Diversity	-	-	-	-	-	-
Non-departmental	54,226,482	152,395,353	180,172	-	-	206,802,007
Total general government	<u>54,226,482</u>	<u>159,408,374</u>	<u>673,756</u>	<u>-</u>	<u>-</u>	<u>214,308,612</u>
<b>Public safety:</b>						
Fire	-	6,124,754	2,496,970	-	-	8,621,724
Police	-	27,258,534	8,043,419	-	-	35,301,953
Total public safety	<u>-</u>	<u>33,383,288</u>	<u>10,540,389</u>	<u>-</u>	<u>-</u>	<u>43,923,677</u>
<b>Transportation:</b>						
Transportation	<u>1,237,810</u>	<u>14,950,520</u>	<u>7,550,575</u>	<u>318,272,605</u>	<u>27,041,251</u>	<u>369,052,761</u>
<b>Health:</b>						
Public Health	<u>-</u>	<u>11,576,442</u>	<u>108,681</u>	<u>-</u>	<u>-</u>	<u>11,685,123</u>
<b>Culture and leisure:</b>						
Human Services, Recreation and Neighborhoods	<u>-</u>	<u>20,808,918</u>	<u>801,941</u>	<u>-</u>	<u>-</u>	<u>21,610,859</u>
<b>Community development:</b>						
Planning and Permitting	-	6,927,375	1,703,038	-	-	8,630,413
Housing and Development	2,809,220	32,494,814	2,372,206	-	-	37,676,240
Total community development	<u>2,809,220</u>	<u>39,422,189</u>	<u>4,075,244</u>	<u>-</u>	<u>-</u>	<u>46,306,653</u>
Total general fixed assets	<u><u>\$ 58,273,512</u></u>	<u><u>279,549,731</u></u>	<u><u>23,750,586</u></u>	<u><u>318,272,605</u></u>	<u><u>27,041,251</u></u>	<u><u>706,887,685</u></u>

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

**CITY OF PASADENA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity <sup>(1)</sup>**  
**For the Period Ended June 30, 2013**

	<b>Governmental Funds Capital Assets June 30, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>Governmental Funds Capital Assets June 30, 2013</b>
<b>General government:</b>				
City Council	\$ 36,503	-	(7,758)	28,745
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Prosecutor	-	-	-	-
City Clerk	31,990	-	(19,000)	12,990
Finance	7,491,288	-	-	7,491,288
Human Resources	2,327	-	-	2,327
Affirmative Action and Diversity	-	-	-	-
Non-departmental	206,802,006	-	-	206,802,007
Total general government	<u>214,364,114</u>	<u>-</u>	<u>(26,758)</u>	<u>214,337,357</u>
<b>Public safety:</b>				
Fire	7,336,969	1,285,976	(1,221)	8,621,724
Police	35,116,227	823,819	(638,093)	35,301,953
Total public safety	<u>42,453,196</u>	<u>2,109,795</u>	<u>(639,314)</u>	<u>43,923,677</u>
<b>Transportation:</b>				
Public Works and Transportation	356,490,707	18,385,952	(5,823,900)	369,052,761
<b>Health:</b>				
Public Health	11,698,921	24,999	(38,797)	11,685,123
<b>Culture and leisure:</b>				
Human Services, Recreation and Neighborhoods	21,630,725	-	(19,866)	21,610,859
<b>Community development:</b>				
Planning and Permitting	8,630,413	-	-	8,630,413
Housing and Development	37,447,257	200,238	-	37,647,495
Total community development	<u>46,077,670</u>	<u>200,238</u>	<u>-</u>	<u>46,277,908</u>
Total governmental funds capital assets	<u>\$ 692,715,333</u>	<u>20,720,984</u>	<u>(6,548,635)</u>	<u>706,887,685</u>

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

# STATISTICAL SECTION

(Unaudited)

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

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<b>Contents</b>	<b>Page</b>
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	224
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	234
<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.	244
<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.	257
<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.	262

## Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

	<b>Fiscal Year</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 178,073	177,710	221,450	284,366
Restricted	3,326	11,021	37,608	44,513
Unrestricted	81,998	84,615	52,625	15,402
Total governmental activities net position	<u>\$ 263,397</u>	<u>273,346</u>	<u>311,683</u>	<u>344,281</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 120,562	144,993	172,776	211,672
Restricted	-	184,290	191,111	191,731
Unrestricted	295,394	108,110	76,034	88,377
Total business-type activities net position	<u>\$ 415,956</u>	<u>437,393</u>	<u>439,921</u>	<u>491,780</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 298,635	322,703	394,226	496,038
Restricted	3,326	195,311	228,719	236,244
Unrestricted	377,392	192,725	128,659	103,779
Total primary government net position *	<u>\$ 679,353</u>	<u>710,739</u>	<u>751,604</u>	<u>836,061</u>

\* As restated



Table 1

Fiscal Year					
2008	2009	2010	2011	2012 *	2013
318,192	325,410	364,990	375,202	382,296	430,453
73,830	94,360	87,602	97,996	37,259	63,633
(19,054)	(28,083)	(61,972)	(198,788)	36,017	(41,046)
<u>372,968</u>	<u>391,687</u>	<u>390,620</u>	<u>274,410</u>	<u>455,572</u>	<u>453,039</u>
254,992	257,831	291,079	311,054	332,781	364,493
153,935	158,337	155,458	151,872	149,763	144,017
119,139	146,345	160,885	176,307	188,164	185,593
<u>528,066</u>	<u>562,513</u>	<u>607,422</u>	<u>639,233</u>	<u>670,708</u>	<u>694,103</u>
573,185	583,241	656,069	686,256	715,077	794,946
227,763	252,697	243,060	249,868	187,022	207,649
104,085	118,261	98,913	(22,481)	224,181	144,547
<u>905,033</u>	<u>954,199</u>	<u>998,042</u>	<u>913,643</u>	<u>1,126,280</u>	<u>1,147,142</u>

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

	Fiscal Year			
	2004	2005	2006	2007
<b>Expenses</b>				
Governmental activities:				
General government	\$ 27,947	50,248	38,301	45,708
Public safety	70,480	78,920	82,372	95,181
Transportation	30,918	37,322	42,277	34,109
Sanitation	2,739	2,409	3,104	3,110
Health	10,991	10,834	11,548	12,469
Culture and leisure	22,602	23,379	24,725	26,123
Community development	37,996	31,593	33,655	38,596
Interest and other fiscal charges	15,592	15,740	15,979	16,753
Total governmental activities expenses	<u>219,265</u>	<u>250,445</u>	<u>251,961</u>	<u>272,049</u>
Business-type activities:				
Electric	126,921	125,859	143,063	141,189
Water	29,132	30,281	29,424	32,886
Refuse	8,975	9,331	10,737	10,785
Parking	10,209	10,727	11,293	11,960
Telecommunication	-	416	382	364
Total business-type activities expenses	<u>175,237</u>	<u>176,614</u>	<u>194,899</u>	<u>197,184</u>
Total primary government expenses	<u><u>394,502</u></u>	<u><u>427,059</u></u>	<u><u>446,860</u></u>	<u><u>469,233</u></u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	14,481	14,246	14,786	16,161
Public safety	10,698	16,497	12,068	13,274
Transportation	9,076	5,466	10,964	12,275
Sanitation	4,796	4,884	5,358	5,593
Health	724	734	766	731
Culture and leisure	1,857	2,029	2,112	2,152
Community development	10,014	11,735	11,768	9,867
Operating grants and contributions	36,220	32,560	34,842	33,668
Capital grants and contributions	15,421	22,602	16,113	17,166
Total governmental activities program revenues	<u>103,287</u>	<u>110,753</u>	<u>108,777</u>	<u>110,887</u>
Business-type activities:				
Charges for services:				
Electric	138,530	138,642	149,985	167,538
Water	31,860	34,267	34,508	39,942
Refuse	7,996	8,744	9,136	9,627
Parking	10,337	11,075	11,878	12,282
Telecommunication	452	446	356	358
Operating grants and contributions	2,495	2,764	2,693	2,670
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>191,670</u>	<u>195,938</u>	<u>208,556</u>	<u>232,417</u>
Total primary government program revenues	<u><u>294,957</u></u>	<u><u>306,691</u></u>	<u><u>317,333</u></u>	<u><u>343,304</u></u>
<b>Net Revenues (Expenses)</b>				
Governmental activities	(115,978)	(139,692)	(143,184)	(161,162)
Business-type activities	16,433	19,324	13,657	35,233
Total net revenues (expenses)	<u><u>\$ (99,545)</u></u>	<u><u>(120,368)</u></u>	<u><u>(129,527)</u></u>	<u><u>(125,929)</u></u>

\* As restated

Table 2

Fiscal Year						
2008	2009	2010	2011	2012 *	2013	
44,788	43,926	38,973	43,955	35,085	54,650	
99,785	103,180	104,870	103,392	103,389	105,541	
50,035	49,979	43,905	51,134	63,839	45,045	
3,189	4,061	3,697	3,782	3,516	3,744	
12,444	13,373	11,458	12,108	11,422	14,228	
27,608	26,048	25,996	26,196	27,825	29,402	
40,763	42,791	53,845	45,937	42,169	35,156	
15,345	18,755	13,249	12,121	41,481	3,142	
<u>293,957</u>	<u>302,113</u>	<u>295,993</u>	<u>298,625</u>	<u>328,726</u>	<u>290,908</u>	
162,719	170,428	158,770	167,442	173,410	183,202	
36,394	36,877	35,920	40,101	43,771	46,484	
12,098	11,833	13,131	13,158	16,783	13,185	
12,437	12,775	11,159	11,384	11,711	12,229	
470	457	452	380	267	827	
<u>224,118</u>	<u>232,370</u>	<u>219,432</u>	<u>232,465</u>	<u>245,942</u>	<u>255,927</u>	
<u>518,075</u>	<u>534,483</u>	<u>515,425</u>	<u>531,090</u>	<u>574,668</u>	<u>546,834</u>	
16,679	17,899	17,552	16,975	17,465	17,563	
14,064	15,504	12,097	13,315	11,085	13,370	
13,802	13,852	13,248	13,215	12,863	13,784	
5,583	6,685	6,504	6,541	7,220	7,083	
788	737	902	696	666	741	
2,114	1,957	2,270	2,476	2,856	2,975	
10,503	9,244	7,450	7,724	9,594	9,085	
41,254	28,808	33,659	36,910	86,051	38,350	
14,456	18,112	15,289	11,090	15,665	7,116	
<u>119,243</u>	<u>112,798</u>	<u>108,971</u>	<u>108,942</u>	<u>163,465</u>	<u>110,067</u>	
185,043	193,158	183,712	186,993	185,951	190,071	
39,560	43,096	43,480	47,137	54,301	58,536	
10,012	10,285	11,050	10,918	11,291	12,057	
13,867	13,124	12,558	11,753	11,991	12,783	
428	595	629	681	670	580	
3,233	4,216	-	-	-	-	
-	-	3,962	2,481	2,317	1,933	
<u>252,143</u>	<u>264,474</u>	<u>255,391</u>	<u>259,963</u>	<u>266,521</u>	<u>275,960</u>	
<u>371,386</u>	<u>377,272</u>	<u>364,362</u>	<u>368,905</u>	<u>429,986</u>	<u>386,027</u>	
(174,714)	(189,315)	(187,022)	(189,683)	(165,261)	(180,841)	
<u>28,025</u>	<u>32,104</u>	<u>35,959</u>	<u>27,498</u>	<u>20,579</u>	<u>20,033</u>	
<u>(146,689)</u>	<u>(157,211)</u>	<u>(151,063)</u>	<u>(162,185)</u>	<u>(144,682)</u>	<u>(160,807)</u>	

(continued)

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

	Fiscal Year			
	2004	2005	2006	2007
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property tax, levied for general purpose	\$ 46,966	46,268	51,116	61,736
Sales tax	32,472	34,025	33,992	34,634
Utility users' tax	25,928	26,639	26,766	28,063
Transient occupancy tax	7,022	7,445	8,481	8,565
Construction tax	4,474	3,974	3,223	3,828
Business license tax	4,784	4,147	5,289	5,321
Franchise tax	2,026	2,079	2,194	2,187
Other taxes	5,440	5,475	5,721	6,153
Other intergovernmental	8,929	14,213	13,478	14,145
Investment earnings	5,371	9,780	8,820	16,448
Gain on sale of assets	31	-	23	-
Miscellaneous revenues	4,733	12,094	9,429	6,361
Transfers	14,257	16,587	22,915	6,320
Extraordinary Gain	-	-	-	-
Total governmental activities	<u>162,433</u>	<u>182,726</u>	<u>191,447</u>	<u>193,761</u>
Business-type activities:				
Taxes:				
Transient occupancy tax	1,174	1,439	1,766	1,793
Franchise tax	792	1,110	1,659	1,957
Investment earnings	3,834	10,801	4,455	16,056
Gain on sale of assets	-	1,106	-	-
Miscellaneous revenues	2,302	4,244	3,906	3,139
Transfers	(14,257)	(16,587)	(22,915)	(6,320)
Extraordinary Gain	-	-	-	-
Total business-type activities	<u>(6,155)</u>	<u>2,113</u>	<u>(11,129)</u>	<u>16,625</u>
Total primary government	<u>156,278</u>	<u>184,839</u>	<u>180,318</u>	<u>210,386</u>
<b>Changes in Net Position</b>				
Governmental activities	46,455	43,034	48,263	32,599
Business-type activities	10,278	21,437	2,528	51,858
Total primary government	<u>\$ 56,733</u>	<u>64,471</u>	<u>50,791</u>	<u>84,457</u>

\* As restated

Table 2

Fiscal Year						
2008	2009	2010	2011	2012 *	2013	
63,449	69,062	68,354	70,803	54,051	42,957	
36,519	32,913	28,949	30,301	32,239	30,871	
29,640	31,162	29,520	29,355	29,318	29,531	
8,848	7,382	6,942	7,668	9,553	11,109	
3,984	2,367	1,397	1,480	2,819	2,066	
5,604	5,861	5,664	5,600	5,479	5,230	
2,108	2,402	1,933	2,216	2,015	2,063	
6,222	6,078	6,035	6,108	6,262	6,532	
14,565	15,094	14,901	15,427	14,919	15,187	
12,851	9,887	6,030	3,690	3,178	2,681	
146	665	250	737	5,396	424	
5,329	6,121	4,465	7,033	11,509	4,023	
14,137	15,040	12,122	16,216	19,285	22,083	
-	-	-	-	150,399	(2,197)	
<u>203,402</u>	<u>204,034</u>	<u>186,562</u>	<u>196,634</u>	<u>346,422</u>	<u>172,559</u>	
1,883	1,605	1,464	1,421	541	-	
2,215	2,128	3,098	2,901	2,760	3,825	
15,447	10,868	9,333	6,910	9,401	4,743	
(149)	(188)	-	-	-	(92)	
3,004	2,970	10,946	9,296	6,670	20,614	
(14,137)	(15,040)	(17,408)	(16,215)	(19,300)	(20,974)	
-	-	-	-	10,825	-	
<u>8,263</u>	<u>2,343</u>	<u>7,433</u>	<u>4,313</u>	<u>10,897</u>	<u>8,117</u>	
<u>211,665</u>	<u>206,377</u>	<u>193,995</u>	<u>200,947</u>	<u>357,319</u>	<u>180,675</u>	
28,688	14,719	(460)	6,951	181,161	(8,282)	
36,288	34,447	43,392	31,811	31,476	28,150	
<u>64,976</u>	<u>49,166</u>	<u>42,932</u>	<u>38,762</u>	<u>212,637</u>	<u>19,868</u>	

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

	Fiscal Year			
	2004	2005	2006	2007
General Fund:				
Reserved	\$ 9,906	7,085	7,065	6,971
Unreserved	49,391	61,996	72,401	59,517
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 59,297</u>	<u>69,081</u>	<u>79,466</u>	<u>66,488</u>
All Other Governmental Funds:				
Reserved	\$ 58,468	67,444	90,640	85,131
Unreserved, reported in:				
Special revenue funds	51,444	43,104	44,033	43,025
Capital project funds	93,985	95,572	54,847	38,463
Debt service funds	(32,775)	(24,786)	(25,363)	(24,475)
Permanent funds	946	971	993	1,047
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 113,600</u>	<u>114,861</u>	<u>74,510</u>	<u>58,060</u>

\* 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 3

Fiscal Year					
2008	2009	2010	2011	2012 *	2013
7,127	11,982	-	-	-	-
62,798	48,401	-	-	-	-
-	-	404	52	8,352	8,351
-	-	-	-	-	-
-	-	39,201	39,321	80,043	37,380
-	-	4,794	8,583	5,510	4,249
-	-	8,778	(1,391)	(40,129)	11,965
<u>69,925</u>	<u>60,383</u>	<u>53,177</u>	<u>46,565</u>	<u>53,776</u>	<u>61,945</u>
98,390	112,237	-	-	-	-
46,593	48,859	-	-	-	-
22,592	21,961	-	-	-	-
(23,379)	(17,547)	-	-	-	-
1,062	1,205	-	-	-	-
-	-	41,456	44,386	36,311	33,356
-	-	86,805	85,216	85,250	69,676
-	-	53,267	54,266	59,078	62,629
-	-	-	-	-	-
-	-	(42,460)	(45,102)	(6,874)	(4,265)
<u>46,868</u>	<u>54,478</u>	<u>139,068</u>	<u>138,766</u>	<u>173,765</u>	<u>161,396</u>

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

	Fiscal Year			
	2004	2005	2006	2007
<b>Revenues:</b>				
Taxes	\$ 129,111	130,053	136,783	150,487
Licenses and permits	7,386	9,438	9,185	7,121
Intergovernmental revenues	53,974	64,173	56,485	60,304
Charges for services	25,299	32,358	34,653	37,892
Fines and forfeits	5,425	6,542	7,080	7,758
Investment earnings	23,715	22,582	22,874	32,450
Rental income	4,931	4,870	4,867	4,991
Miscellaneous revenues	7,949	15,148	11,336	8,756
Contributions	2,560	2,382	4,836	7,292
Forgiveness of advances	2,900	-	-	-
Total revenues	<u>263,250</u>	<u>287,546</u>	<u>288,099</u>	<u>317,051</u>
<b>Expenditures:</b>				
Current:				
General government	25,939	27,261	31,037	34,717
Public safety	69,450	77,965	81,861	92,713
Transportation	29,822	31,012	33,923	34,193
Sanitation	2,739	2,409	3,104	3,109
Health	10,880	10,727	11,430	12,247
Culture and leisure	22,095	22,912	24,293	25,518
Community development	38,543	35,142	37,059	38,052
Capital outlay	33,803	38,786	75,111	60,902
Debt service:				
Principal retirement	10,488	53,054	12,322	12,296
Interest	30,630	29,577	31,557	35,212
Bond issuance costs	-	-	-	-
Payment to refunded bond escrow agent	-	-	1,408	-
Total expenditures	<u>274,389</u>	<u>328,845</u>	<u>343,105</u>	<u>348,959</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,139)</u>	<u>(41,299)</u>	<u>(55,006)</u>	<u>(31,908)</u>
<b>Other financing sources (uses):</b>				
Premium (discount) on debt issued	-	-	(36)	-
Issuance of long-term debt	40,168	42,932	17,542	87
Payment to refunded bond escrow agent	(38,527)	-	(5,186)	-
Transfers in	82,052	134,570	136,498	109,124
Transfers out	(64,035)	(116,182)	(112,144)	(99,825)
Transfers to component units	-	-	-	-
Transfers from component units	-	-	-	-
Total other financing sources (uses)	<u>19,658</u>	<u>61,320</u>	<u>36,674</u>	<u>9,386</u>
<b>Extraordinary gain (loss):</b>				
Net change in fund balances	<u>\$ 8,519</u>	<u>20,021</u>	<u>(18,332)</u>	<u>(22,522)</u>
Debt service as a percentage of noncapital expenditures	17.1%	28.5%	16.4%	16.5%

\* As restated



Table 4

Fiscal Year						
2008	2009	2010	2011	2012 *	2013	
156,373	157,227	148,794	153,532	141,736	130,356	
8,646	7,136	6,737	7,063	9,525	9,196	
57,531	61,410	63,398	61,459	64,715	58,988	
39,088	42,783	41,489	40,820	38,939	42,006	
8,025	8,844	5,135	6,362	6,796	7,453	
29,350	28,423	28,089	25,332	11,745	11,041	
5,370	5,277	4,687	4,601	4,462	4,355	
7,894	6,570	6,651	8,431	13,618	6,172	
6,005	8,012	842	2,928	5,280	1,534	
-	-	-	-	-	-	
318,282	325,682	305,822	310,528	296,816	271,101	
35,124	35,826	36,976	39,418	77,897	30,977	
96,211	102,518	101,078	100,535	100,265	99,680	
36,717	36,904	33,038	33,895	35,275	34,419	
3,189	4,061	3,697	3,782	3,517	3,744	
12,124	11,471	11,049	11,027	10,899	13,480	
26,821	26,936	25,154	25,214	27,192	28,240	
39,682	42,652	52,600	42,043	37,848	32,447	
34,999	29,991	34,374	21,612	20,645	24,907	
41,972	86,074	21,553	21,174	20,303	20,415	
34,165	33,432	37,067	40,296	16,486	10,783	
-	-	-	-	-	-	
-	-	-	-	-	-	
361,004	409,865	356,586	338,996	350,327	299,092	
(42,722)	(84,183)	(50,764)	(28,468)	(53,511)	(27,991)	
836	-	-	-	(459)	-	
27,939	80,032	-	-	51,097	841	
-	-	-	-	-	-	
112,228	158,735	112,078	95,951	81,635	84,444	
(96,215)	(142,668)	(96,168)	(77,238)	(63,131)	(65,045)	
-	-	-	-	-	-	
-	-	-	-	-	-	
44,788	96,099	15,910	18,713	69,142	20,240	
-	-	-	-	152,582	(2,197)	
2,066	11,916	(34,854)	(9,755)	168,213	(9,948)	
23.4%	31.5%	18.2%	19.4%	11.2%	11.4%	

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

<b>Fiscal Year</b>	<b>Secured Valuations</b>	<b>Homeowners Exemption</b>	<b>Net Secured Valuations</b>	<b>Unsecured Valuations</b>	<b>Total Assessed Valuation</b>	<b>Total Direct Tax Rate</b>
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	1.00%
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%
2013	21,368,295	(136,241)	21,232,054	571,614	21,803,668	0.24%

**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.

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

	Fiscal Year			
	2004	2005	2006	2007
<b>City Direct Rates:</b>				
City basic rate	0.2090	0.1894	0.1925	0.2139
Pasadena Community Development Commission (PCDC)	0.1488	0.1515	0.1480	0.1552
PCDC Successor Agency	-	-	-	-
Total City Direct Rate	0.3578	0.3409	0.3405	0.3691
<b>Overlapping Rates:</b>				
Los Angeles County General	0.3174	0.3332	0.3225	0.3067
Pasadena School District	0.3341	0.3316	0.3555	0.2847
Pasadena Community	-	-	-	-
College District	0.0999	0.1019	0.0964	0.1122
Flood Control District	0.0005	0.0003	0.0001	0.0001
Metropolitan Water District	0.0061	0.0058	0.0052	0.0047
Total Direct Rate	1.1158	1.1137	1.1202	1.0775

**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.

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

**Table 6**

<b>Fiscal Year</b>						
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	
0.1926	0.1932	0.1920	0.1891	0.1921	0.1970	
0.1447	0.1396	0.1380	0.1489	0.0605	-	
-	-	-	-	0.0657	0.0437	
<u>0.3373</u>	<u>0.3328</u>	<u>0.3300</u>	<u>0.3380</u>	<u>0.3183</u>	<u>0.2407</u>	
0.3277	0.3635	0.2280	0.3307	0.3346	0.4266	
0.2993	0.2765	0.3908	0.4392	0.3589	0.4389	
-	-	-	-	-	-	
0.1103	0.1018	0.1273	0.1231	0.1121	0.1248	
-	-	-	-	-	-	
0.0045	0.0043	0.0043	0.0037	0.0037	0.0035	
<u>1.0791</u>	<u>1.0789</u>	<u>1.0804</u>	<u>1.2347</u>	<u>1.1276</u>	<u>1.2345</u>	

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

<b>Property Owner</b>	<b>2013</b>		<b>2004</b>	
	<b>Total Assessed Valuation</b>	<b>Percent of Total City Taxable Assessed Valuation</b>	<b>Total Assessed Valuation</b>	<b>Percent of Total City Taxable Assessed Valuation</b>
PPF Off 100 West Walnut Street	\$ 319,900,000	1.47%	\$ -	0.00%
Kaiser Foundation Health Plan	218,340,752	1.00%	144,138,933	1.10%
Paseo Colorado Holdings LLC	196,030,480	0.90%	-	0.00%
Pacific Huntington Hotel Corp	148,550,726	0.68%	-	0.00%
Marangi Leonard M	126,600,422	0.58%	-	0.00%
Equity Office Properties Trust	122,800,000	0.56%	127,041,000	0.97%
Tishman Speyer Archstone Smith	119,399,303	0.55%	-	0.00%
SSR Paseo Colorado LLC	112,596,646	0.52%	-	0.00%
TC Trio Apartment LLC	111,871,000	0.51%	-	0.00%
Wells Reit Inc	104,229,722	0.48%	-	0.00%
H CHH Assoc	-	0.00%	114,123,893	0.87%
Pasadena Towers LLC	-	0.00%	96,405,744	0.73%
Aetna Life Insurance Co	-	0.00%	95,406,984	0.73%
Operating Engineers Funds Inc	-	0.00%	80,135,863	0.61%
Parfinco EWA LLC	-	0.00%	65,862,087	0.50%
Post Paseo Colorado LLC	-	0.00%	60,152,850	0.46%
SI VIII LLC	-	0.00%	57,964,200	0.44%
One Colorado Investments LLC	-	0.00%	56,286,469	0.43%
Total principal property taxpayers gross assessed value	<u>\$ 1,580,319,051</u>	7.25%	<u>\$ 897,518,023</u>	6.84%

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)
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%	567,546	38,214,429	98.61%
2013	39,044,561	38,331,579	98.17%	*	38,331,579	98.17%

(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 2002-2005, 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 2013 is not available.

As of fiscal year 2007, we recorded both secured and unsecured taxes levied in column C.

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

**CITY OF PASADENA**  
**Electricity Sold by Type of Customer**  
**Last Ten Fiscal Years**  
**(in Megawatt-Hours)**

	<b>Fiscal Year</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Type of Customer:				
Residential	306,776	313,470	314,235	337,905
Commercial and Industrial <sup>1</sup>	844,449	830,523	862,664	880,661
Street Lights and Traffic Signals <sup>1</sup>	18,563	18,667	16,841	15,744
Wholesales to Other Utilities	113,919	125,250	27,816	122,496
Other	6,120	8,369	(6,119)	9,045
Total	<u>1,289,827</u>	<u>1,296,279</u>	<u>1,215,437</u>	<u>1,365,851</u>
 Total direct rate per megawatt hour <sup>2</sup>	 107.40	 106.95	 123.40	 109.81

<sup>1</sup> Commercial and Industrial Sales were reported separately prior to 2001.

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

Source: Pasadena Water and Power



**Table 9**

<b>Fiscal Year</b>					
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
338,855	337,531	328,320	319,657	316,084	334,179
884,070	887,698	883,413	813,566	783,296	776,816
15,701	16,266	16,272	15,640	15,598	15,683
315,484	118,231	164,215	168,613	199,045	185,361
(7,212)	3,513	(6,340)	10,697	(867)	574
<u>1,546,898</u>	<u>1,363,240</u>	<u>1,385,880</u>	<u>1,328,173</u>	<u>1,313,156</u>	<u>1,312,613</u>
119.62	141.69	132.55	140.79	141.61	144.80

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

<b>Fiscal Year Ended June 30</b>	<b>Residential</b>	<b>Commercial &amp; Industrial</b>	<b>Street Lights &amp; Traffic Signals</b>	<b>Other</b>
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*	0.1423	0.1235	0.1269	N/A
2009*	0.1552	0.1305	0.1379	N/A
2010*	0.1528	0.1307	0.1357	N/A
2011*	0.1554	0.1337	0.1367	N/A
2012*	0.1570	0.1362	0.1396	N/A
2013*	0.1613	0.1443	0.1313	N/A

\* FY 2008 - FY 2013 include PBC

Source: Pasadena Water and Power

**CITY OF PASADENA  
Electricity Customers  
Current Year**

<b>Electricity Customer</b>	<b>2013</b>	
	<b>Electricity Charges</b>	<b>Percent of Operating Electric Revenues</b>
California Institute of Technology	\$ 4,444,886	2.33%
Huntington Memorial Hospital	4,131,218	2.17%
Pasadena Unified School District	2,078,969	1.09%
Pasadena City College	1,919,917	1.01%
Street Lights/Transportation Dept.	1,874,570	0.98%
Kaiser Permanente	1,848,083	0.97%
Public Works	1,418,759	0.74%
Paseo Colorado Holdings LLC	1,288,350	0.68%
Aetna Life Insurance	1,271,658	0.67%
AT&T	1,260,930	0.66%
	<b>\$ 21,537,340</b>	<b>11.30%</b>

Source: Pasadena Water and Power

**CITY OF PASADENA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities				
	General Obligation Bonds	Revenue Bonds ^	Pension Bonds	Certificates of Participation <sup>1</sup>	Tax Allocation Bonds **
2004	\$ 4,425,000	-	97,850,000	154,346,344	12,977,606
2005	3,025,000	-	135,590,000	149,034,480	12,065,364
2006	1,550,000	-	131,960,000	154,256,497	10,607,328
2007	-	10,355,000	128,045,000	138,963,861	9,928,550
2008	-	9,895,000	123,610,000	131,036,605	8,819,025
2009	-	9,415,000	118,365,000	124,732,976	7,656,689
2010	-	8,910,000	111,525,000	114,437,082	6,422,412
2011	-	8,405,000	103,935,000	103,651,183	5,149,000
2012	-	7,880,000	143,040,000	94,920,443	-
2013	-	6,700,000	133,905,000	85,772,925	-

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

<sup>1</sup> Restated COP prior year data 2007 to 2011

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

Table 12

<b>Capitalized Lease Obligations</b>	<b>Notes Payable</b>	<b>Other</b>	<b>Total Governmental Activities</b>
4,051,253	10,088,812	62,665,084	346,404,099
9,618,935	7,811,133	43,225,855	360,370,767
9,291,742	8,144,865	44,239,546	360,049,978
7,812,910	7,162,835	48,425,138	350,693,294
6,527,207	7,120,623	81,945,620	368,954,080
12,499,210	6,258,463	85,195,029	364,122,367
9,992,673	4,020,056	89,836,926	345,144,149
8,196,271	3,420,722	92,795,473	325,552,649
9,494,610	685,000	61,632,939	317,652,992
8,532,705	925,642	75,837,593	311,673,865

(continued)

**CITY OF PASADENA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Business-type Activities</b>					<b>Total Business-type Activities</b>
	<b>Revenue Bonds</b>	<b>Certificates of Participation</b>	<b>Capitalized Lease Obligations</b>	<b>Notes Payable</b>	<b>Other</b>	
2004	220,220,000	35,705,243	3,437,886	2,216,898	-	261,580,027
2005	210,515,000	33,688,067	3,247,905	2,119,416	-	249,570,388
2006	201,535,000	31,469,000	2,353,108	2,016,981	2,243,757	239,617,846
2007	213,785,000	29,106,683	1,284,128	1,909,341	2,215,365	248,300,517
2008	262,250,000	26,530,869	740,391	1,796,485	2,244,061	293,561,806
2009	253,675,000	23,798,315	448,305	1,677,796	1,309,143	280,908,559
2010	240,655,000	20,735,016	653,215	1,552,911	3,169,698	266,765,840
2011	263,190,000	17,393,817	111,754	1,421,679	2,069,094	284,186,344
2012	251,565,000	13,764,557	78,828	1,283,965	2,641,858	269,334,208
2013	239,665,000	9,837,075	44,626	1,139,066	3,346,787	254,032,554

\* Percentage of Personal Income and Debt Per Capital (See Table 18)

\*\*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

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

Table 12

<b>Total Primary Government</b>	<b>Private Purpose Long-Term Liabilities**</b>	<b>Percentage of Personal Income *</b>	<b>Debt Per Capita *</b>
607,984,126		127.21	4,221
609,941,155		121.93	4,197
599,667,824		109.83	4,103
598,993,811		102.21	4,068
662,515,886		105.82	4,473
645,030,926		106.43	4,295
611,909,989		107.06	4,474
609,738,993		107.40	4,389
586,987,200	66,886,678	103.17	4,216
565,706,419	66,886,678	108.65	4,040

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

<b>Fiscal Year Ended June 30</b>	<b>Outstanding General Bonded Debt</b>					<b>Total</b>
	<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>Pension Bonds</b>	<b>Certificates of Participation</b>	<b>Tax Allocation Bonds **</b>	
2004	4,425,000		97,850,000	154,346,344	12,977,606	269,598,950
2005	3,025,000		135,590,000	149,034,480	12,065,364	299,714,844
2006	1,550,000	-	131,960,000	154,256,497	10,607,328	298,373,825
2007	-	10,355,000	128,045,000	138,963,861	9,928,550	287,292,411
2008	-	9,895,000	123,610,000	131,036,605	8,819,025	273,360,630
2009	-	9,415,000	118,365,000	124,732,976	7,656,689	260,169,665
2010	-	8,910,000	111,525,000	114,437,082	6,422,412	241,294,494
2011	-	8,405,000	103,935,000	103,651,183	5,149,000	221,140,183
2012	-	7,880,000	143,040,000	94,920,443	-	245,840,443
2013	-	6,700,000	133,905,000	85,772,925	-	226,377,925

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

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

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



Percent of Assessed Value <sup>1</sup>	Per Capita
2.05%	1,872
2.13%	2,063
1.92%	2,042
1.67%	1,951
1.45%	1,845
1.26%	1,732
1.17%	1,764
1.06%	1,592
1.15%	1,766
1.04%	1,617

**CITY OF PASADENA  
Direct and Overlapping Debt  
June 30, 2013**

City Assessed Valuation	\$ 18,678,309,921
Redevelopment Agency Incremental Valuation	<u>3,125,358,079</u>
Total Assessed Valuation	<u><u>\$ 21,803,668,000</u></u>

	Percentage Applicable <sup>1</sup>	Outstanding Debt 6/30/13	Estimated Share of Overlapping Debt
<b>Overlapping Tax and Assessment Debt:</b>			
Los Angeles County Flood Control District	2.183%	\$ 19,770,000	\$ 431,579
Metropolitan Water District	1.045%	165,085,000	1,725,138
Pasadena Area Community College District	34.828%	103,215,366	35,947,848
La Canada Unified School District	0.221%	29,185,336	64,500
Pasadena Unified School District	73.212%	371,575,000	272,037,489
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%	2,735,000	26,994
Los Angeles County Regional Park and Open Space Assessment District	2.015%	<u>142,870,000</u>	<u>2,878,831</u>
Total overlapping tax and assessment debt		<u>843,120,702</u>	<u>321,797,379</u>
<b>Overlapping Other Debt:</b>			
Los Angeles County General Fund Obligations	2.015%	1,729,437,327	34,848,162
Los Angeles County Superintendent of Schools Certificates of Participation	2.015%	10,377,239	209,101
Los Angeles County Sanitation District Nos. 15, 16 & 17 Certificates of Participation	0.364-59.380	49,790,779	10,963,948
Pasadena Unified School District Certificates of Participation	73.212%	1,833,332	1,342,219
Pasadena Area Community College District Certificates of Participation	34.828%	<u>625,000</u>	<u>217,675</u>
Total gross overlapping other debt		<u>1,792,063,677</u>	<u>47,581,105</u>
<b>Less: Los Angeles County Certificates of Participation (100% self-supporting from leasehold revenues on properties in Marina Del Rey)</b>			
Total net overlapping debt		<u><u>\$ 2,635,184,379</u></u>	369,378,484
City direct debt			<u>235,836,272</u>
Total direct and overlapping debt			<u><u>\$ 605,214,756</u></u>

Notes:

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

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

Source: California Municipal Statistics, Inc.

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

	Fiscal Year			
	2004	2005	2006	2007
Assessed valuation	13,124,151	14,102,936	15,535,968	17,246,657
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	<u>3,281,038</u>	<u>3,525,734</u>	<u>3,883,992</u>	<u>4,311,664</u>
Debt limit percentage	15%	15%	15%	15%
Debt limit	<u>492,156</u>	<u>528,860</u>	<u>582,599</u>	<u>646,750</u>
Total net debt applicable to limit:	<u><u>4,425</u></u>	<u><u>3,025</u></u>	<u><u>1,550</u></u>	<u><u>-</u></u>
Legal debt margin	487,731	525,835	581,049	646,750
Total debt applicable to the limit as a percentage of debt limit	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	2013
18,812,937	20,752,287	20,711,137	20,948,517	21,399,216	21,803,668
25%	25%	25%	25%	25%	25%
4,703,234	5,188,072	5,177,784	5,237,129	5,349,804	5,450,917
15%	15%	15%	15%	15%	15%
705,485	778,211	776,668	785,569	802,471	817,638
-	-	-	-	-	-
705,485	778,211	776,668	785,569	802,471	817,638
0.0%	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)**

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Bonds</b>			
	<b>Property Taxes</b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
2004	27,434	1,335	280	16.99
2005	26,717	1,400	217	16.52
2006	28,122	1,475	150	17.31
2007	34,969	1,550	76	21.51
2008	36,228	-	-	-
2009	40,087	-	-	-
2010	39,771	-	-	-
2011	39,608	-	-	-
2012	41,106	-	-	-
2013	42,957	-	-	-

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.

Tax Allocation Bonds							
Primary Government*				Private Purpose Trust Fund**			
Tax Increment	Debt Service		Coverage	Tax Increment **	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
19,532	862	839	11.48	-	-	-	-
21,372	912	786	12.59	-	-	-	-
22,994	963	738	13.52	-	-	-	-
26,767	678	459	23.54	-	-	-	-
27,221	1,109	383	18.24	-	-	-	-
28,975	1,162	442	18.06	-	-	-	-
28,583	1,234	380	17.71	-	-	-	-
31,195	1,273	315	19.64	-	-	-	-
12,945	455	182	20.33	14,065	500	65	24.88
-	-	-	-	9,537	13,433	1,187	0.65

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

<b>Light &amp; Power Revenue Bonds</b>						
<b>Fiscal Year Ended June 30</b>	<b>Light &amp; Power Revenue <sup>1</sup></b>	<b>Less Operating Expenses <sup>2</sup></b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Debt Service <sup>3</sup> Interest</b>	<b>Coverage</b>
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%
2013	193,400	159,351	34,049	9,060	5,885	227.83%

<b>Water Revenue Bonds</b>						
<b>Fiscal Year Ended June 30</b>	<b>Water Revenue <sup>1</sup></b>	<b>Less Operating Expenses <sup>2</sup></b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Debt Service <sup>3</sup> Interest</b>	<b>Coverage</b>
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%
2013	58,839	37,699	21,140	2,985	4,188	294.72%

<sup>1</sup> Total operating revenues including investment earnings

<sup>2</sup> Total operating expenses exclusive of depreciation

<sup>3</sup> Requirements are reported on a cash basis, excluding premiums

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

\* Amount restated



**CITY OF PASADENA  
Demographic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income <sup>(2)</sup></b>	<b>Unemployment Rate <sup>(3)</sup></b>
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%
2013	140,020	5,206,803	37,186	8.4%

## 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=labforce&geogArea=0604000037>

Table 19

**CITY OF PASADENA  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2013		2003	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
California Institute of Technology	4,800	14.27%	6,000	19.89%
Kaiser Permanente	4,707	13.99%	3,300	10.94%
California Institute of Technology - Campus	3,600	10.70%	3,000	9.95%
Huntington Memorial Hospital	3,273	9.73%	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	1,952	5.80%	1,950	6.47%
Pasadena City College	1,760	5.23%	2,900	9.61%
Bank of America	1,300	3.86%	1,300	4.31%
Pacific Clinics Administration	1,163	3.46%	*	*
Art Center College of Design	756	2.25%	200	0.66%
One West Bank	674	2.00%	*	*
Parsons Corporation	597	1.77%	2,000	6.63%
Hathaway-Sycamores	665	1.98%	*	*
The Langham Huntington Hotel (The Ritz-Carlton)	584	1.74%	560	1.86%
Western Asset	549	1.63%	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

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

<b>Function</b>	<b>Fiscal Year</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
General government	470.1	471.8	474.3	480.1
Public safety	564.6	563.6	564.6	575.6
Public works	361.3	355.8	357.3	360.3
Transportation	40.0	43.0	43.0	44.0
Health	90.6	93.1	103.4	104.3
Culture and leisure	151.5	148.1	147.3	146.2
Water & power	363.0	383.0	402.0	413.0
Information services <sup>1</sup>	122.0	118.9	119.8	120.2
Seasonal	-	-	-	-
<b>Total</b>	<b>2,163.1</b>	<b>2,177.3</b>	<b>2,211.7</b>	<b>2,243.7</b>

<sup>1</sup> Information services (Library).

Source: City Payroll Office

Table 20

Fiscal Year						
2008	2009	2010	2011	2012	2013	
487.6	489.6	453.9	448.4	338.0	348.5	
591.6	594.6	593.6	568.8	560.0	562.9	
372.3	373.3	357.9	340.4	292.0	306.6	
46.0	48.0	48.0	45.0	43.0	45.0	
108.8	103.1	96.8	92.0	96.0	103.9	
147.2	148.2	142.6	139.4	210.0	192.2	
423.0	428.0	430.5	434.0	371.0	422.0	
121.8	121.8	116.0	105.4	150.0	104.9	
-	-	-	-	119.0	288.0	
<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>	<u>2,374.0</u>	

**CITY OF PASADENA  
Operating Indicators by Function  
Last Ten Fiscal Years**

	Fiscal Year			
	2004	2005	2006	2007
<b>Police:</b>				
Arrests	10,699	9,815	9,655	10,117
<b>Transportation:</b>				
** Parking citations issued	148,436	154,245	163,103	177,060
<b>Fire:</b>				
Number of emergency calls	14,975	*	*	11,565
Inspections	3,607	4,827	*	3,855
<b>Water:</b>				
New connections	172	99	84	99
Average daily consumption (thousands of gallons)	33,090	30,130	29,960	32,970

\* Information was not available.

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

**Table 21**

<b>Fiscal Year</b>					
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
9,722	9,055	8,535	6,481	6,031	4,906
189,017	189,932	132,042	142,615	160,384	172,154
16,089	15,921	15,592	15,647	16,431	16,570
5,017	5,720	6,737	*	7,168	7,123
61	99	85	66	42	55
31,537	29,872	25,623	24,528	25,174	26,982

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

	Fiscal Year			
	2004	2005	2006	2007
<b>Police:</b>				
Stations	1	1	1	1
Substations	3	3	3	3
<b>Fire:</b>				
Fire stations	8	8	8	8
<b>Transportation:</b>				
Streets (miles)	321	321	322	322
Streetlights	16,595	16,720	16,798	17,047
Traffic signals	309	312	312	324
Parking facilities	11	11	11	11
<b>Culture and leisure:</b>				
Park sites	23	23	24	24
Community centers	6	6	6	6
Libraries	10	10	10	10
<b>Electric Utility:</b>				
Power plants	1	1	1	1
Customers	60,795	61,401	62,256	62,793
Miles of service	650	650	640	531
Maximum capacity (megawatts)	355	355	258	197
<b>Water:</b>				
Water mains (miles)	500	500	508	508
Customers	37,143	37,359	37,135	37,463
Average daily consumption (mgd)	33.09	30.13	29.96	32.97



Table 22

Fiscal Year						
2008	2009	2010	2011	2012	2013	
1	1	1	1	1	1	1
3	4	4	5	5	5	5
8	8	8	7	7	8	8
322	322	322	322	322	322	322
17,047	17,047	17,047	17,069	17,100	17,207	17,207
340	325	327	327	329	329	329
11	11	11	12	12	9	9
24	24	24	24	24	20	20
6	6	6	5	4	4	4
10	10	10	10	10	10	10
1	1	1	1	1	1	1
62,902	63,576	63,838	63,957	64,163	64,931	64,931
525	525	525	525	525	673	673
197	197	197	175	175	174	174
508	508	508	508	508	516	516
37,522	37,602	37,586	38,036	38,069	37,911	37,911
31.53	29.87	25.62	26.70	25.17	26.98	26.98

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