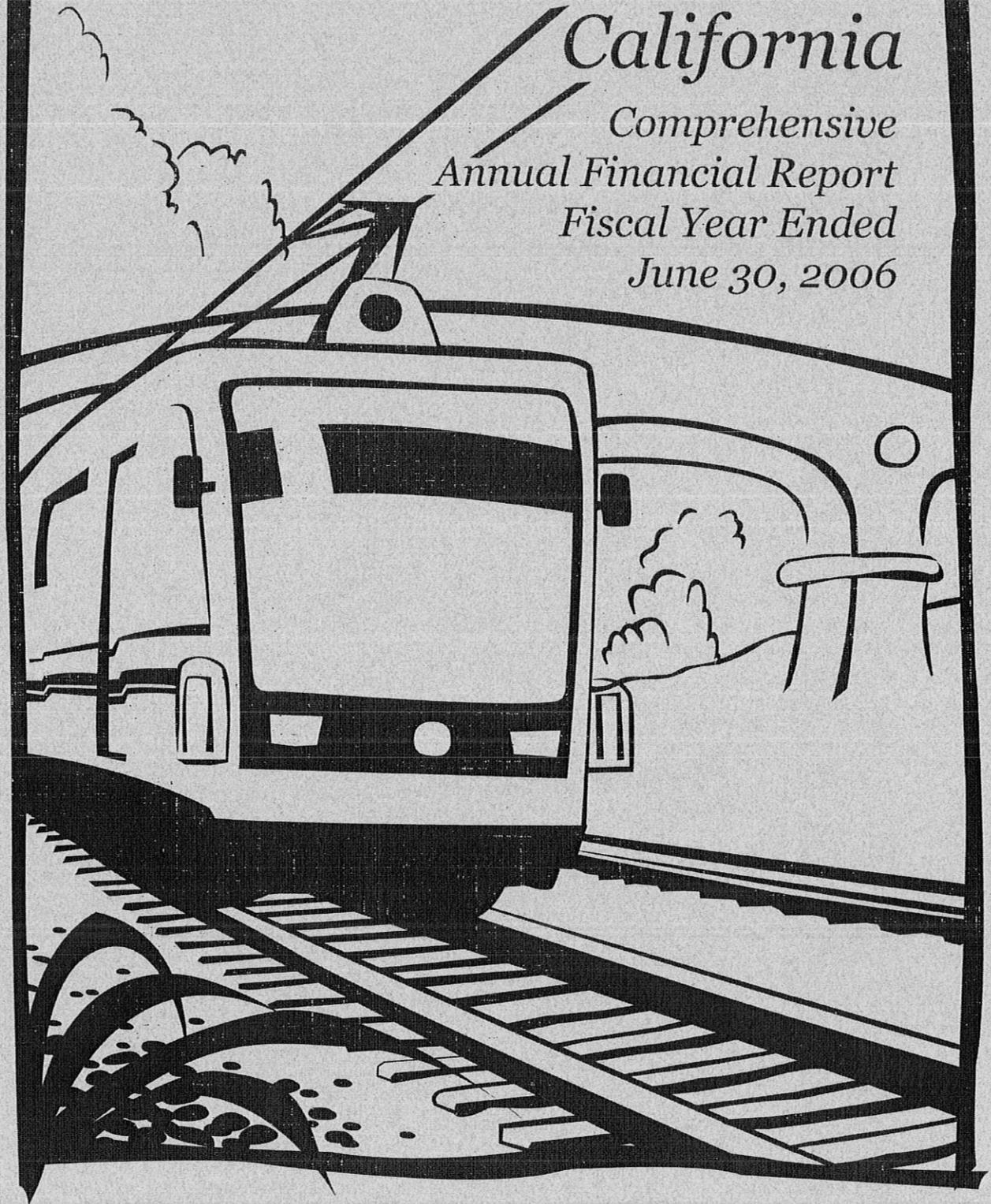


*City of South Pasadena  
California*

*Comprehensive  
Annual Financial Report  
Fiscal Year Ended  
June 30, 2006*



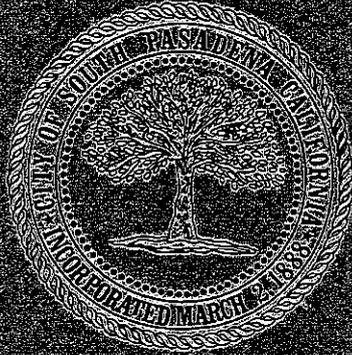
*Prepared by the Finance Department*

## Cover Art Credit

Cover artist Nowa Morisaku-Yu is a professional illustrator, a new partner in a South Bay event-planning business, a new mother, and a former South Pasadena resident.

Our CATR cover design project gives Nowa the opportunity to work without any direction; she selects her imagery as she reacquaints herself with the City's unique aesthetics.

This year Nowa's concept brings together the force of a Gold Line train moving beneath the reconstructed Oaklawn Bridge. She started the project by scanning photographs into her PC to create a working template. Next, using Adobe Photoshop and Adobe Illustrator, she modified the image through the use of shadows and rounded lines that, in her own words, "are fun and friendly, and give a feeling of movement."



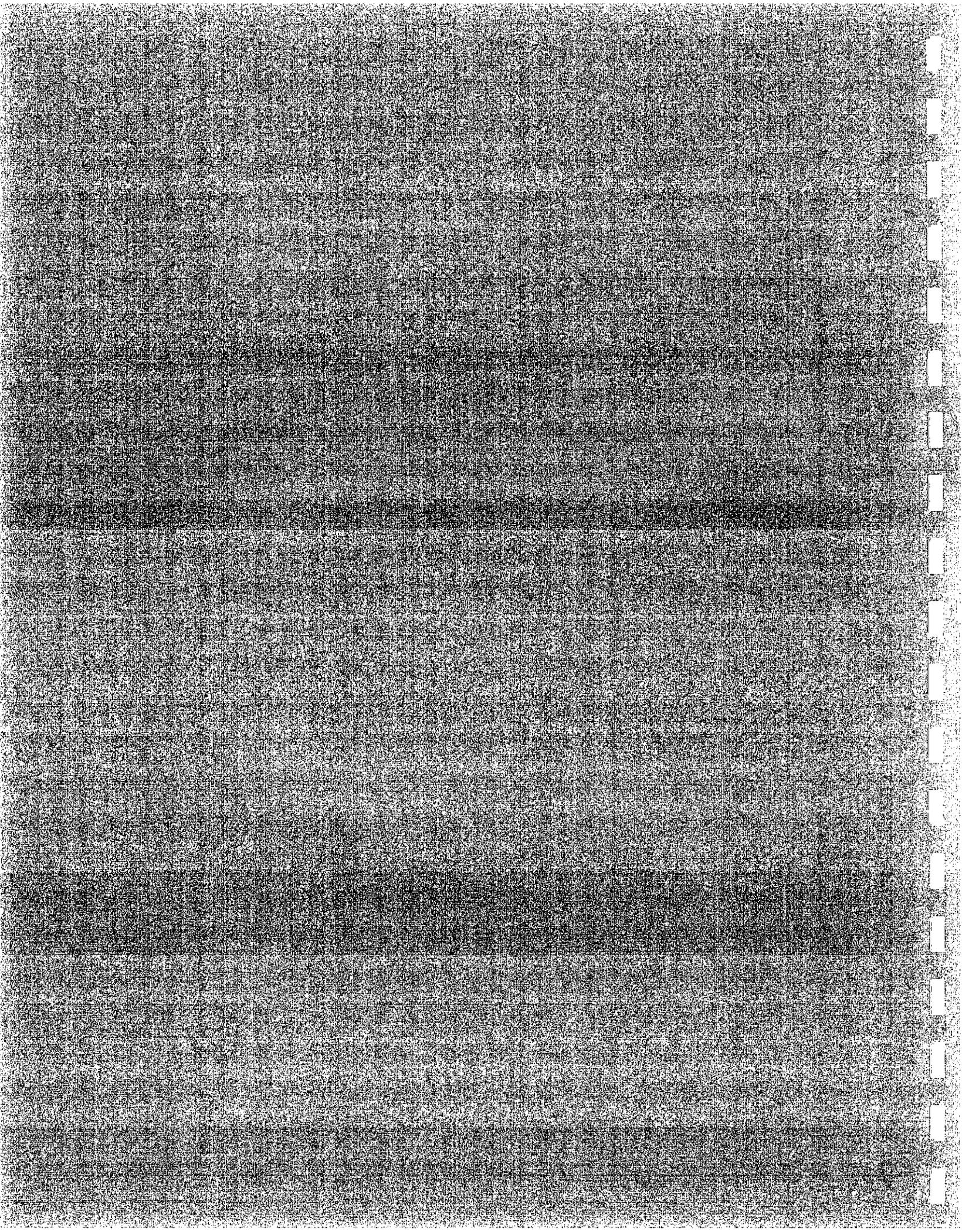
CITY OF SOUTH PASADENA

CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2006

Prepared by the Finance Department



CITY OF SOUTH PASADENA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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INTRODUCTORY SECTION [TAB]





## CITY OF SOUTH PASADENA

FINANCE DEPARTMENT  
1414 MISSION STREET, SOUTH PASADENA, CA 91030  
TEL: 626.403.7250 ■ FAX: 626.403.7251  
WWW.CI.SOUTH-PASADENA.CA.US

November 28, 2006

Honorable Mayor, Members of the City Council,  
Residents and Businesspersons of the City of South Pasadena:

We proudly present to you the City of South Pasadena's Comprehensive Annual Financial Report. This report consists of management's representations concerning the finances of the City of South Pasadena. It was prepared by the Finance Department with the assistance of the City's independent auditors, Lance, Soll & Lunghard, in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We believe that the data presented is complete and reliable in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of the City's various funds and account groups; and that all disclosures necessary to enable the reader to gain a good understanding of the City's financial activity have been included.

The City's financial statements have been audited by Lance, Soll & Lunghard, 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 for the fiscal year ended June 30, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of South Pasadena's financial statements for the fiscal year ended June 30, 2006, 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.

The independent audit of the financial statements of the City of South Pasadena was part of a broader, federally mandated "single audit" designed to meet the special 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 audited government'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 South Pasadena's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

### **Profile of the City of South Pasadena**

South Pasadena is located approximately six miles northeast of downtown Los Angeles, on the west side of the San Gabriel Valley between the cities of Pasadena, San Marino, Los Angeles and Alhambra and has a population of 25,674. Founded in 1874 by the Indiana Colony, the City encompasses 3.44 square miles and was incorporated as a General Law city of the State of California on March 2, 1888. South Pasadena is noted for its beautiful, historically significant homes on tree-lined streets, for its excellent public schools, and for a small-town atmosphere in the midst of greater Los Angeles.

The City is a full-service general law city that operates under the Council-Manager form of government. The City Council consists of five members elected to four-year staggered terms of office. The Mayor is selected from the City Council members and serves a one-year term. The City's other elected officials are the City Treasurer and City Clerk, each of whom serves a four-year term of office.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; sewer services; water utility; refuse collection; public improvements; planning and zoning; recreational activities and cultural events; and general administrative and support services.

The annual budget serves as the foundation for the City's financial planning and control. The City Council holds public hearings and adopts an annual budget resolution by July 1 of each fiscal year for all funds and account groups. The City Council may modify appropriations with majority approval. The budgets are adopted and presented on a basis consistent with generally accepted accounting principles.

Changes in budget appropriations at the fund level during the year must be approved by the City Council. The legal level of expenditures is controlled at the fund level, and appropriations lapse at the end of each fiscal year unless encumbered for re-appropriation by the City Council in the following fiscal year. Department heads may, without Council approval, amend individual line items within any fund in the maintenance and operations portions of the budget without increasing total appropriations for that division. The City Manager may, without Council approval, amend individual line items within any fund, and between divisions and programs, in the personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for that fund.



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

**Local Economy.** Economic conditions both within the greater Los Angeles region and the State of California have realized steady growth. In South Pasadena, General Fund revenue performance has consistently advanced, but at a lesser margin than other urban municipalities due in large part to a static sales tax base. Exceptional performance in property taxes continues, as the assessed value of South Pasadena real estate continues to expand. Utility users taxes and franchise fees change according to consumption and movement in the consumer price index.

Sales taxes, as mentioned, remain stable only, displaying little connection to the vagaries of exterior economic trends. While the residential character of our "quality-of-life" community limits change in our sales tax base, sales taxes have remained consistent for several years against the cost of living index. Expectations for marginally increased business development and expanded activity in the central business core of the city have grown with the sale of tax increment bonds by the South Pasadena Redevelopment Agency in July of 2000 and the related planning for future development. Operations at the Mission St. Gold Line Station, completion of the Mission/Meridian Village, and successful first steps in implementing a development agreement for a mixed-use development in the downtown area increase suggest advances toward this end.

The City's largest tax source, property tax, has demonstrated several years of strong increases in growth in assessed values and in corresponding tax collections. Secured property taxes, the largest portion of the category, grew by an average of 6.74% over the five-year period ending at June 30, 2006. This is partially because the City's extremely high quality of life makes it a desirable place to live, work and do business. Moreover, the City's proximity to commercial and cultural developments in greater Pasadena offers our residents distinct lifestyle advantages. While it appears likely that assessed values and property taxes will continue to perform with momentum, we expect declining rates of annual increase in the coming years with the phasing out of reassessments following sale and transfer of pre- Proposition 13 properties.

South Pasadena continues to remain on satisfactory financial footing thanks to a relatively stable revenue base. Our core services, in spite of steady and progressive revenue losses to the State of California, have remained consistent. We estimate that the City of South Pasadena loses between \$1.75 million to \$2.3 million in General Fund property tax revenue each year resulting from property tax revenue shifts that commenced in 1992-93. Taking matters into our own hands, the City has implemented the many findings of its 2003 Budget Review Committee, including a full allocation of costs between funds and a professional cost recovery/fee study in FY 2005. These changes have modestly impacted the General Fund bottom line.



**Long-term financial planning** In FY 2004, the City implemented long-range capital plans for its sewer system and water enterprise. At the same time, the corresponding rate structure for each has been adjusted to finance necessary improvements.

The bi-monthly charge for sewer service at a single-family residence increased to \$9.32 from \$2.50. This fee had not been adjusted for 12 years. In FY 2006, sewer service charges totaled \$553,253, representing a \$301,049 increase over collections in FY 2004. Sewer Fund fund balance will henceforth grow in like manner to finance needed improvements to the system.

Several study sessions were used to introduce a long-term water enterprise capital improvement program in FY 2004. In the end, the City Council bonded to create over \$8 million through participation in a joint-powers borrowing program administered through the State of California. Debt service for the borrowing is made from a capital improvement program surcharge on water accounts that raised \$1,366,801 in FY 2006. Expected annual proceeds in FY 2007 are \$1,364,000. The surcharge varies by meter size. The initial phases of the capital construction program have concentrated on the reconstruction of two reservoirs within our corporate boundaries.

**Internal Controls** The management of the City is responsible for establishing and maintaining an internal control structure to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate account data is compiled for the preparation of financial statements, in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control structure should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Cash management policies and practices** Under the direction of the City Treasurer, working in collaboration with the Investment Policy Review Committee, cash temporarily idle during the year was invested in obligations of a federal agency bonds issued by the U.S. Treasury, demand deposits, and, predominantly, the State Treasurer's Local Agency Investment Fund (LAIF). Monies invested in LAIF have availability on one day's notice.

The City Council annually adopts, by resolution, an investment policy for the City's funds. Similarly, the Redevelopment Agency adopts an investment policy for Agency funds. The policy defines the objectives and priorities of the investment program, stressing the primary objectives of safety and liquidity of funds. The third priority is the achievement of maximum yield within the constraints of the primary objectives. The City Treasurer, charged with the responsibility of custody and investment of surplus City funds, prepares the investment policy in collaboration with the Investment Policy Review Committee.

**Risk Management** The City is a member of the California Joint Powers Insurance Authority (CJPIA). The CJPIA is composed of 112 California public entities. The



CJPIA provides joint protection and administration for claims administration. Member cities pool their claims and losses, jointly purchase excess insurance, and share the costs of administration and related costs. The City participates in the CJPIA comprehensive liability and workers' compensation insurance programs through actuarially determined annual coverage contributions.

**Pension and other postemployment benefits** The City provides its full-time employees retirement benefits through two defined benefit pension plans, one for its sworn police and fire safety employees, and one for its miscellaneous employees. These plans are part of the California Public Employee Retirement System (CalPERS). The City makes contributions to the plans based on amounts determined by CalPERS actuaries. The City also contributes the employees' required contributions, or a portion thereof, on their behalf and for their account. The City also provides employment and post-employment health benefits through PERS.

The City provides post-employment health benefits to its employees in accordance with agreements reached with the various employee bargaining groups. The City pays for retirees' health care premiums in these plans up to the contribution limits established in the agreements with each respective bargaining unit. These payments are financed on a pay-as-you-go basis. As of June 30, 2006, the City was providing benefits to an average of 107 participants.

#### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Pasadena for its comprehensive annual financial report for the fiscal year ended June 30, 2005. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of South Pasadena has received a Certificate of Achievement for the last nineteen consecutive years (fiscal years ended 1987 through 2005). We believe our current report continues to conform to the Certificate of Achievement program requirements, and will again submit it to GFOA for award consideration.

In addition to the GFOA Certificate of Achievement, the California Society of Municipal Finance Officers (CSMFO) awarded a Certificate for Outstanding Financial Reporting to the City of South Pasadena for its CAFR for the fiscal year ended June 30, 2005. This Certificate is issued in recognition of meeting professional standards and criteria in reporting, which reflect a high level of quality in the annual financial statements and in



the underlying accounting system. The City of South Pasadena has received a Certificate of Award for the last nineteen consecutive years (fiscal years ended 1987 through 2005). We will be submitting our CAFR to the CSMFO for award consideration again this year.

The preparation and publication of this report is made possible through the impressive professional skills of Assistant Finance Director Maida Alcantara, who is generously assisted by the entire Finance Department staff. Continued thanks are again extended to our audit firm, Lance, Soll & Lunghard, who are successfully completing the fourth year of audit contract work with the City, having added many contributions to our internal control structure and improvements in our financial reporting. We also thank the City Council for its commitment to conducting the financial operations and corresponding financial disclosures of the City in an open, public and transparent manner.

Respectfully submitted,



Josh Betta  
Director of Finance



Lilian Myers  
City Manager



*California Society of  
Municipal Finance Officers*

Certificate of Award

*Outstanding Financial Reporting 2004-05*

Presented to the

*City of South Pasadena*

*This certificate is issued in recognition of meeting professional standards and criteria in reporting  
which reflect a high level of quality in the annual financial statements  
and in the underlying accounting system from which the reports were prepared.*

*February 24, 2006*

*William A. Slomof*

Bill Thomas, Chair  
Professional & Technical Standards Committee

*Dedicated to Excellence in Municipal Financial Management*





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Pasadena  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

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



*Carla E. Perry*

President

*Jeffrey R. Emmer*

Executive Director



**CITY OF SOUTH PASADENA, CALIFORNIA**

**OFFICIALS OF THE CITY OF SOUTH PASADENA**

**CITY COUNCIL**

Philip Putnam  
Mayor

Michael A. Cacciotti  
Mayor Pro Tempore

David L. Margrave  
Council member

Odom Stamps  
Council member

Mike Ten  
Council member

**ADMINISTRATION AND DEPARTMENT HEADS**

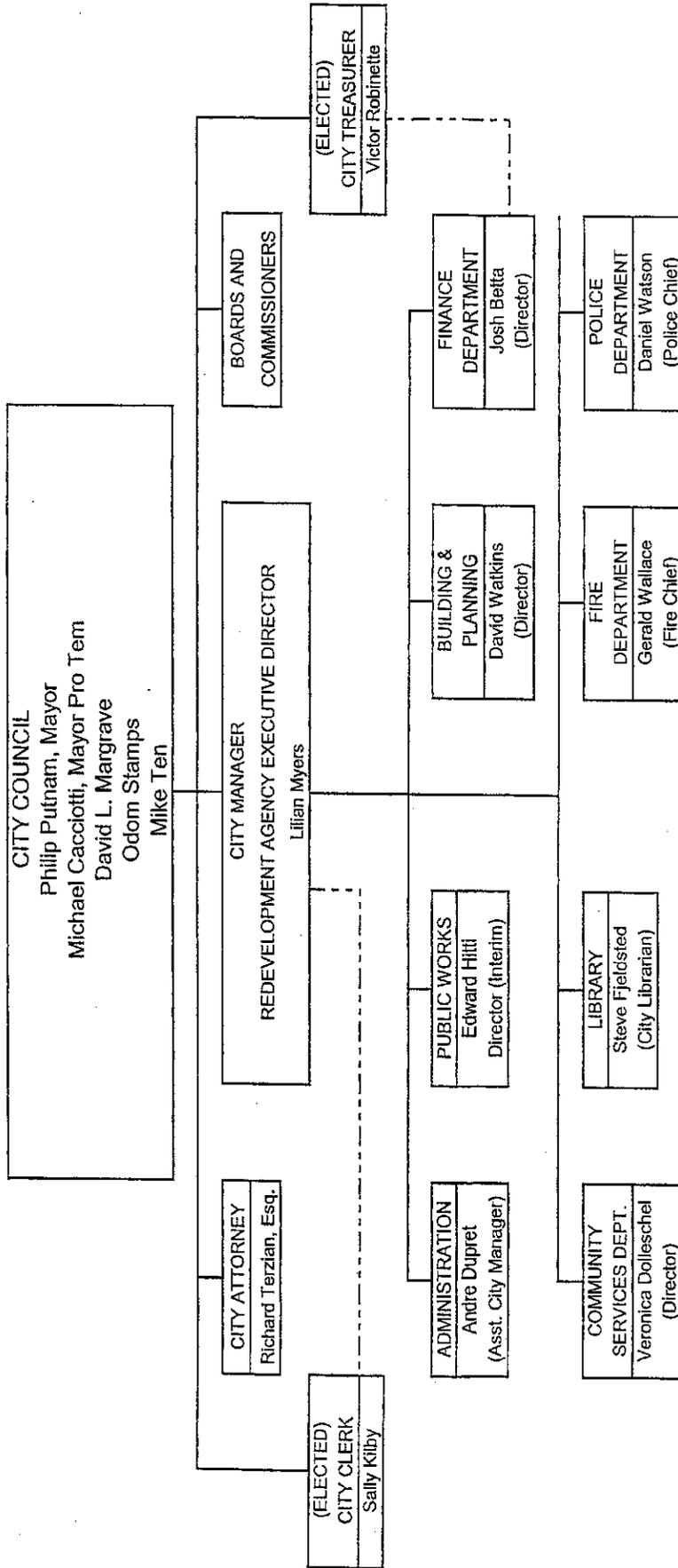
City Manager and Executive Director of South Pasadena Redevelopment Agency	Lilian Myers
Assistant City Manager	Andre Dupret
City Clerk	Sally Kilby
City Treasurer	Victor Robinette
Director of Finance	Josh Betta
Director of Public Works	Edward Hitti (Interim)
Director of Community Development	David Watkins
City Librarian	Steve Fjeldsted
Police Chief	Daniel Watson
Fire Chief	Gerald Wallace
Director of Community Services	Veronica Dolleschel
City Attorney	Richard Terzian, Esq.



# CITY OF SOUTH PASADENA

## ORGANIZATIONAL CHART

2006 - 2007 Budget





FINANCIAL SECTION [TAB]





Certified Public Accountants

Brandon W. Burrows  
Donald L. Parker  
Michael K. Chu  
David E. Hale  
*A Professional Corporation*  
Donald G. Slater  
Richard K. Kikuchi

*Retired*  
Robert C. Lance  
1914-1994  
Richard C. Soll  
Fred J. Lunghard, Jr.  
1928-1999

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of South Pasadena, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of South Pasadena, California, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of South Pasadena's management. 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 of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of South Pasadena as of June 30, 2006. The respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund and the Rogan HR 5394 Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2006, on our consideration of the City of South Pasadena's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.





To the Honorable Mayor and Members of the City Council  
City of South Pasadena, California

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

*Lance, Soll & Lunghard, LLP*

September 28, 2006

## MANAGEMENT DISCUSSION AND ANALYSIS [TAB]



## City of South Pasadena Management's Discussion and Analysis

As management of the City of South Pasadena, we offer readers of the City of South Pasadena's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

### Financial Highlights

- The assets of the City of South Pasadena exceed its liabilities, at the close of the fiscal year ended June 30, 2006, by \$68,744,799. Of this amount, \$6,671,299 is unrestricted, and thus may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$3,313,568 due to a generalized increase in program revenues and general revenues while expenses remained relatively constant.
- The revenues available for expenditure were \$725,505 more than expended for the General Fund.
- As of June 30, 2006, unreserved undesignated fund balance in the General fund was \$3,980,846, or 23.60% of total General fund expenditures. The City of South Pasadena's financial policies stipulate a 15% reserve.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of South Pasadena is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, with the use of the accrual basis of accounting, 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 the government-wide financial statements distinguish functions of the City 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 include general government, public safety, public works, planning, building and safety, and recreation. The business-type activity of the City is its water enterprise.

**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 objectives. The City of South 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 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 fund 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 fund balance sheet and governmental fund 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 South Pasadena maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Rogan HR 5394 Grant Fund, and the Community Redevelopment Agency Administration Fund, all of which are considered to be major funds for the purposes of this report. Data from the other 28 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 South Pasadena adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with this budget.

**Proprietary funds.** The City of South Pasadena maintains one type of *proprietary fund*: the Water Enterprise Fund. When government agencies charge customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information such as a statement of cash flows.

**Notes to the 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.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found in notes to the financial statements.

**The City as a Whole**

Net assets may serve as a useful indicator of a government's financial position. In the case of the City of South Pasadena, assets exceeded liabilities by \$68,744,799 at June 30, 2006. By far the largest portion of the City's net assets, 89.99%, reflects its investment in illiquid capital assets (e.g. land, infrastructure, buildings, equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**City of South Pasadena Net Assets  
As of June 30, 2006 and 2005**

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$12,169,366	\$11,071,770	\$10,836,474	\$13,632,194	\$23,005,840	\$24,703,964
Capital assets	56,175,137	54,919,213	6,714,081	3,290,506	62,889,218	58,209,719
<b>Total assets</b>	<b>68,344,503</b>	<b>65,990,983</b>	<b>17,550,555</b>	<b>16,922,700</b>	<b>85,895,058</b>	<b>82,913,683</b>
Long-term liabilities outstanding	5,528,434	4,345,412	8,619,442	8,620,072	14,147,876	12,965,484
Other liabilities	1,825,758	3,206,689	1,176,645	1,290,299	3,002,403	4,496,988
<b>Total liabilities</b>	<b>7,354,192</b>	<b>7,552,101</b>	<b>9,796,087</b>	<b>9,910,371</b>	<b>17,150,279</b>	<b>17,462,472</b>
<b>Net assets:</b>						
Invested in capital assets	53,938,246	52,586,854	3,042,921	3,290,506	56,981,167	55,877,360
Restricted	3,700,356	2,985,309	1,391,957	769,344	5,092,313	3,754,653
Unrestricted	3,351,709	2,866,719	3,319,590	2,952,479	6,671,299	5,819,198
<b>Total net assets</b>	<b>\$60,990,311</b>	<b>\$58,438,882</b>	<b>\$7,754,468</b>	<b>\$7,012,329</b>	<b>\$68,744,799</b>	<b>\$65,451,211</b>

The restricted portion of the City's net assets, \$3,700,356 or 6.07%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$3,351,709 or 5.49%, may be used to meet the government's ongoing obligations to citizens and creditors.

**Governmental activities.** Governmental activities increased the City's net assets by \$2,571,429 during fiscal year 2006.

**City of South Pasadena Changes in Net Assets  
As of June 30, 2006 and 2005**

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Program revenues:</b>						
Charges for services	\$4,349,736	\$4,234,049	\$4,442,966	\$3,902,977	\$8,792,702	\$8,137,026
Operating contributions and grants	2,568,538	1,757,841			2,568,538	1,757,841
Capital contributions and grants	2,536,724	1,259,811			2,536,724	1,259,811
General revenues:					0	0
Property taxes	8,367,587	6,152,773			8,367,587	6,152,773
Other taxes	6,035,675	5,631,205			6,035,675	5,631,205
Intergovernmental	88,757	2,034,071			88,757	2,034,071
Use of Money & Property	619,237	489,121	369,399	211,678	988,636	700,799
Other	646,065	154,813	90,764	97,177	736,829	251,990
<b>Total revenues</b>	<b>25,212,419</b>	<b>21,713,684</b>	<b>4,903,129</b>	<b>4,211,832</b>	<b>30,115,448</b>	<b>25,925,516</b>
<b>Expenses:</b>						
General government	4,623,433	5,238,131			4,623,433	5,238,131
Public safety	9,823,747	9,631,689			9,823,747	9,631,689
Public works	4,804,715	4,351,990			4,804,715	4,351,990
Community Services	2,446,291	2,426,270			2,446,291	2,426,270
Community Development	770,006	786,021			770,006	786,021
Interest on long-term debt	172,698	178,245			172,698	178,245
Water			4,160,990	3,607,186	4,160,990	3,607,186
<b>Total expenses</b>	<b>22,640,890</b>	<b>22,612,346</b>	<b>4,160,990</b>	<b>3,607,186</b>	<b>26,801,880</b>	<b>26,219,532</b>
<b>Increase in net assets</b>	<b>2,571,429</b>	<b>-898,662</b>	<b>742,139</b>	<b>-604,646</b>	<b>1,313,568</b>	<b>-294,016</b>
<b>Net assets - July 1, 2005</b>	<b>58,438,882</b>	<b>59,957,496</b>	<b>7,012,329</b>	<b>6,407,683</b>	<b>65,451,211</b>	<b>66,365,179</b>
<b>Restatement of Net Assets</b>	<b>-20,000</b>	<b>-619,952</b>			<b>-20,000</b>	<b>-619,952</b>
<b>Net assets - June 30, 2006</b>	<b>\$60,990,311</b>	<b>\$58,438,882</b>	<b>\$7,754,468</b>	<b>\$7,012,329</b>	<b>\$68,744,779</b>	<b>\$65,451,211</b>

## Revenues by Source – Governmental Activities

Statement of Revenues by Category				
All Governmental Funds				
	2006	%	2005	%
Taxes	\$13,972,117	56.71%	\$11,449,664	52.45%
Assessments	1,068,561	4.34%	1,097,970	5.03%
Licenses & permits	842,947	3.42%	791,522	3.63%
Intergovernmental	3,584,136	14.55%	3,996,994	18.31%
Charges for service	2,683,695	10.89%	2,649,613	12.14%
Use of money & property	642,950	2.61%	509,282	2.33%
Fines and forfeitures	603,086	2.45%	544,883	2.50%
Contributions	14,053	0.06%		
Miscellaneous	1,231,214	4.98%	790,231	3.62%
<b>Total</b>	<b>\$24,642,759</b>	<b>100.00%</b>	<b>\$21,830,159</b>	<b>100.00%</b>

As of the end of the 2006 fiscal year, the City's governmental funds reported combined ending fund balances of \$9,404,062. Of this fund balance, 67 percent of the total, or \$6,302,220, constitutes "unreserved" fund balance, which is, within relative restrictions, available for spending at the City's discretion. The remainder of the combined ending fund balance is "reserved," indicating that it is not available for new spending because it has already been committed to encumbrances (for liquidation of contracts and purchase orders of the prior period), \$2,582,891; to reserve for self insurance \$401,000; and to reserve for inventories, \$117,951.

Statement of Revenues by Category				
The General Fund				
	2006	%	2005	%
Taxes	\$12,742,090	72.44%	\$10,291,847	61.02%
Assessments	223,675	1.27%	223,003	1.32%
Licenses & permits	810,907	4.61%	757,195	4.49%
Intergovernmental	299,603	1.70%	2,067,676	12.26%
Charges for service	2,017,996	11.47%	1,996,602	11.84%
Use of money & property	455,592	2.59%	401,131	2.38%
Fines and forfeitures	603,086	3.43%	544,883	3.23%
Miscellaneous	442,357	2.49%	582,887	3.46%
<b>Total</b>	<b>\$17,595,306</b>	<b>100.00%</b>	<b>\$16,865,224</b>	<b>100.00%</b>

The General fund is the chief operating fund of the City of South Pasadena. At the end of the 2006 fiscal year, unreserved undesignated fund balance of the General fund was \$3,980,846, and total fund balance was \$5,134,967. As a measure of the General fund's liquidity, it may be useful to compare unreserved undesignated fund balance to total fund expenditures. Unreserved undesignated fund balance represents 23.60 percent of 2006 General fund expenditures. The City's financial policies stipulate a 15 percent ratio.

At the close of the 2006 fiscal year, the fund balance of the City's General fund increased by \$1,132,883 due to an excess of revenues to expenditures and a \$407,378 restatement of fund balance to recognize leave liability.

*Proprietary fund.* The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the fund at the end of the year amounted to \$3,319,590. Assets restricted for capital improvements were \$1,391,957. The total growth in net assets was \$742,139.

**General Fund Budgetary Highlights**

The difference between the original expenditure budget and the final amended budget was an increase of \$225,788, the significant components of which are summarized as follows:

- Prior-year encumbrances totaling \$12,788 were re-appropriated into the expenditure budget.
- A Los Angeles County grant for the Senior Center of \$6,000, and personnel activity of \$10,000 were appropriated.
- A planning study for Southwest Monterey Hills, \$26,000, a planning study for the Ostrich Farm, \$45,000, and capital construction for the Mission Street Pedestrian Improvement Project, \$126,000, were also added to the budget.

The \$225,788 increase was budgeted from available fund balance. During the year, however, actual revenues exceeded expenditures by \$725,505, thus eliminating the need to draw upon existing fund balance.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental activities as of June 30, 2006, amounts to \$56,175,137 (net of accumulated depreciation). This investment in capital assets includes land, buildings, park improvements, roadways, sewer, storm drains, vehicles, computer equipment, furniture, other equipment, and construction in progress. During the current fiscal year, the City's investment in capital assets increased by \$1,351,392.

Additional information on the City's capital assets can be found in the notes to financial statements section of this report, note 4.

**Long-term debt.** At the end of the current fiscal year, the City of South Pasadena had total debt outstanding of \$5,528,434.

**City of South Pasadena Long-Term Debt**

	Governmental Activities	
	2006	2005
Employee compensated absences	658,073	200,413
Capital Leases		47,359
2000 Tax Allocation Bonds	2,220,000	2,285,000
Self-Insurance Liability	2,650,361	2,633,470
<b>Total</b>	<b>5,528,434</b>	<b>5,166,242</b>

The City's long-term debt increased by \$362,192 during the current fiscal year primary due to a restating of compensated absences from accrued liabilities to long-term debt due to the fact that these amounts are normally not expected to liquidate within one year.

#### Proprietary Fund Long-Term Debt

	Business-Type Activities	
	2006	2005
2004 Water Revenue Bonds	8,605,000	8,800,000
Unamortized Bond Premium	14,442	15,702
<b>Total</b>	<b>8,619,442</b>	<b>8,815,702</b>

Proprietary fund long-term debt decreased by \$196,260 during the current fiscal year as debt service pertaining to water revenue bonds issued in 2004 was made.

Further details on long-term debt can be found in the notes to financials statements section of this report, note 6.

#### Economic Factors and Next Year's Budget

- South Pasadena assessed property values remain strong; property tax revenue (approximately 36 percent of City-wide revenues) is the primary foundation of general fund revenues.
- Contributions toward employee pensions through the California Public Employees Retirement System (PERS) have increased sharply beginning in FY 2003-04 with the decline in the interest rate environment, and created pressure on annual budgets. The contributions rate for miscellaneous employees was 7 percent in FY 2004; the same rate will be 19.201 percent in FY 2007. The contributions rate for safety employees was 14.984 percent in FY 2004; the same rate will be 29.578 percent in FY 2007. On the other hand, the rate of annual increases have leveled out. The contributions rate increase for miscellaneous employees increased by .40 percent in FY 2007; the contributions rate increase for safety employees increased by .39 percent in FY 2007.

These factors were considered in preparing the City's budget for FY 2006-2007.

During the 2006 fiscal year, unrestricted fund balance in the General fund increased to \$3,980,846. The City of South Pasadena has not appropriated any reserves for spending in the fiscal year 2006-2007 budget. It is the intention of City management not to use available fund balance for purposes of meeting costs of operation

#### Requests for Information

This financial report is designed to provide a general overview of the financial position of the City of South Pasadena 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 directed to Josh Betta, Finance Director, [jbetta@ci.south-pasadena.ca.us](mailto:jbetta@ci.south-pasadena.ca.us), 626.403.7252, or Maida Alcantara, Assistant Finance Director, [malcantara@ci.south-pasadena.ca.us](mailto:malcantara@ci.south-pasadena.ca.us), 626.403.7253, or by U.S. mail: Finance Department, 1414 Mission Street, South Pasadena, CA, 91030.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS [TAB]



CITY OF SOUTH PASADENA

STATEMENT OF NET ASSETS  
JUNE 30, 2006

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets:</b>			
Cash and investments	\$ 8,705,498	\$ 4,598,991	\$ 13,304,489
Receivables:			
Accounts	347,312	612,998	960,310
Taxes	1,054,710	-	1,054,710
Accrued interest	104,959	64,822	169,781
Internal balances	(253,250)	253,250	-
Inventories	117,951	172,964	290,915
Unamortized debt issuance costs	-	199,609	199,609
Due from other governments	1,890,142	-	1,890,142
Restricted assets:			
Cash with fiscal agent	202,044	4,933,840	5,135,884
Capital assets not being depreciated	7,278,057	5,220,491	12,498,548
Capital assets, net of depreciation	48,897,080	1,493,590	50,390,670
<b>Total Assets</b>	<b>68,344,503</b>	<b>17,550,555</b>	<b>85,895,058</b>
<b>Liabilities:</b>			
Accounts payable	1,126,354	988,551	2,114,905
Accrued liabilities	190,015	62,840	252,855
Accrued interest	20,884	106,050	126,934
Unearned revenues	40,000	-	40,000
Deposits payable	448,505	19,204	467,709
Noncurrent liabilities:			
Due within one year	1,169,449	205,000	1,374,449
Due in more than one year	4,358,985	8,414,442	12,773,427
<b>Total Liabilities</b>	<b>7,354,192</b>	<b>9,796,087</b>	<b>17,150,279</b>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	53,938,246	3,042,921	56,981,167
Restricted for:			
Community development projects	491,205	-	491,205
Public safety	249,811	-	249,811
Capital projects	1,820,211	1,391,957	3,212,168
Debt service	1,139,129	-	1,139,129
Unrestricted	3,351,709	3,319,590	6,671,299
<b>Total Net Assets</b>	<b>\$ 60,990,311</b>	<b>\$ 7,754,468</b>	<b>\$ 68,744,779</b>

CITY OF SOUTH PASADENA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2006

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 4,623,433	\$ 1,238,045	\$ 1,397,311	\$ -
Public safety	9,823,747	589,211	987,107	-
Community development	770,006	715,970	-	-
Community services	2,446,291	686,560	53,013	-
Public works	4,804,715	1,119,950	131,107	2,536,724
Interest on long-term debt	172,698	-	-	-
<b>Total Governmental Activities</b>	<b>22,640,890</b>	<b>4,349,736</b>	<b>2,568,538</b>	<b>2,536,724</b>
<b>Business-Type Activities:</b>				
Water	4,160,990	4,442,966	-	-
<b>Total Business-Type Activities</b>	<b>4,160,990</b>	<b>4,442,966</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 26,801,880</b>	<b>\$ 8,792,702</b>	<b>\$ 2,568,538</b>	<b>\$ 2,536,724</b>

**General Revenues:**

Taxes:

Property taxes, levied for general purpose

Sales taxes

Franchise taxes

Business licenses taxes

Other taxes

Intergovernmental, unrestricted:

Motor vehicle in lieu

Use of money and property

Other

**Total General Revenues**

Change in Net Assets

Net Assets at Beginning of Year

Restatement of Net Assets

**Net Assets at End of Year**

CITY OF SOUTH PASADENA

STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2006

<u>Net (Expenses) Revenues and Changes in Net Assets</u>		
<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,988,077)	\$ -	\$ (1,988,077)
(8,247,429)	-	(8,247,429)
(54,036)	-	(54,036)
(1,706,718)	-	(1,706,718)
(1,016,934)	-	(1,016,934)
(172,698)	-	(172,698)
<u>(13,185,892)</u>	<u>-</u>	<u>(13,185,892)</u>
-	281,976	281,976
-	281,976	281,976
-	281,976	(12,903,916)
8,367,587	-	8,367,587
2,890,126	-	2,890,126
717,624	-	717,624
323,055	-	323,055
2,104,870	-	2,104,870
88,757	-	88,757
619,237	369,399	988,636
646,065	90,764	736,829
<u>15,757,321</u>	<u>460,163</u>	<u>16,217,484</u>
2,571,429	742,139	3,313,568
58,438,882	7,012,329	65,451,211
(20,000)	-	(20,000)
<u>\$ 60,990,311</u>	<u>\$ 7,754,468</u>	<u>\$ 68,744,779</u>

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FUND FINANCIAL STATEMENTS [TAB]



CITY OF SOUTH PASADENA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2006

	General	Special Revenue Fund  Rogan HR 5394 Grant	Capital Projects Fund  Community Redevelopment Agency
<b>Assets:</b>			
Pooled cash and investments	\$ 3,640,770	\$ -	\$ 2,877,648
Receivables:			
Accounts	221,674	-	-
Taxes	899,468	-	39,132
Accrued interest	41,857	-	42,593
Due from other governments	131,680	744,633	-
Due from other funds	1,349,807	-	2,341
Inventories	117,951	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	202,044
<b>Total Assets</b>	<b>\$ 6,403,207</b>	<b>\$ 744,633</b>	<b>\$ 3,163,758</b>
<b>Liabilities and Fund Balances:</b>			
Accounts payable	\$ 416,159	\$ 121,130	\$ 65
Accrued liabilities	146,329	-	1,772
Due to other funds	-	642,673	2,341
Deferred revenues	310,500	273,719	-
Advances from other funds	-	-	253,250
Deposits payable	395,252	-	50,000
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<b>1,268,240</b>	<b>1,037,522</b>	<b>307,428</b>
<b>Fund Balances:</b>			
Reserved:			
Reserved for encumbrances	126,390	956,494	-
Reserved for self insurance	401,000	-	-
Reserved for inventories	117,951	-	-
Unreserved:			
Undesignated, reported in nonmajor:			
Special revenue funds	-	-	-
Designated for equipment replacement	504,000	-	-
Designated for low and moderate housing	-	-	463,776
Designated for Arroyo Golf Course Facilities	4,780	-	-
Designated for debt service	-	-	202,044
Undesignated	3,980,846	(1,249,383)	2,190,510
<b>Total Fund Balances</b>	<b>5,134,967</b>	<b>(292,889)</b>	<b>2,856,330</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,403,207</b>	<b>\$ 744,633</b>	<b>\$ 3,163,758</b>

CITY OF SOUTH PASADENA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2006

	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>		
Pooled cash and investments	\$ 2,187,080	\$ 8,705,498
Receivables:		
Accounts	125,638	347,312
Taxes	116,110	1,054,710
Accrued interest	20,509	104,959
Due from other governments	1,013,829	1,890,142
Due from other funds	-	1,352,148
Inventories	-	117,951
Restricted assets:		
Cash and investments with fiscal agents	-	202,044
<b>Total Assets</b>	<b>\$ 3,463,166</b>	<b>\$ 13,774,764</b>
<b>Liabilities and Fund Balances:</b>		
Accounts payable	\$ 589,000	\$ 1,126,354
Accrued liabilities	41,914	190,015
Due to other funds	707,134	1,352,148
Deferred revenues	376,211	960,430
Advances from other funds	-	253,250
Deposits payable	3,253	448,505
Unearned revenues	40,000	40,000
<b>Total Liabilities</b>	<b>1,757,512</b>	<b>4,370,702</b>
<b>Fund Balances:</b>		
Reserved:		
Reserved for encumbrances	1,500,007	2,582,891
Reserved for self insurance	-	401,000
Reserved for inventories	-	117,951
Unreserved:		
Undesignated, reported in nonmajor:		
Special revenue funds	205,647	205,647
Designated for equipment replacement	-	504,000
Designated for low and moderate housing	-	463,776
Designated for Arroyo Golf Course Facilities	-	4,780
Designated for debt service	-	202,044
Undesignated	-	4,921,973
<b>Total Fund Balances</b>	<b>1,705,654</b>	<b>9,404,062</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,463,166</b>	<b>\$ 13,774,764</b>

CITY OF SOUTH PASADENA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2006

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Fund balances of governmental funds	\$ 9,404,062
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	56,175,137
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Bonds payable	(2,220,000)
Claims and judgments	(2,650,361)
Compensated absences	(658,073)
Accrued interest payable for the current portion of interest due on Tax Allocation Bonds has not been reported in the governmental funds.	(20,884)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	960,430
<b>Net assets of governmental activities</b>	<b><u>\$ 60,990,311</u></b>

CITY OF SOUTH PASADENA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2006

	General	Special Revenue Fund  Rogan HR 5394 Grant	Capital Projects Fund  Community Redevelopment Agency
<b>Revenues:</b>			
Taxes	\$ 12,742,090	\$ -	\$ 456,822
Assessments	223,675	-	-
Licenses and permits	810,907	-	-
Intergovernmental	299,603	470,914	-
Charges for services	2,017,996	-	-
Use of money and property	455,592	-	124,386
Fines and forfeitures	603,086	-	-
Contributions	-	-	-
Miscellaneous	442,357	-	-
<b>Total Revenues</b>	<b>17,595,306</b>	<b>470,914</b>	<b>581,208</b>
<b>Expenditures:</b>			
Current:			
General government	3,252,543	14,894	198,170
Public safety	9,698,634	-	-
Community development	766,775	-	-
Community services	1,986,906	-	-
Public works	818,621	-	-
Capital outlay	246,253	744,633	-
Debt service:			
Principal retirement	47,359	-	65,000
Interest and fiscal charges	52,710	-	124,847
<b>Total Expenditures</b>	<b>16,869,801</b>	<b>759,527</b>	<b>388,017</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	725,505	(288,613)	193,191
<b>Net Change in Fund Balances</b>	<b>725,505</b>	<b>(288,613)</b>	<b>193,191</b>
Fund Balances, Beginning of Year, as originally reported	4,002,084	(4,276)	2,663,139
Restatements	407,378	-	-
Fund Balances, Beginning of Year, as restated	4,409,462	(4,276)	2,663,139
<b>Fund Balances, End of Year</b>	<b>\$ 5,134,967</b>	<b>\$ (292,889)</b>	<b>\$ 2,856,330</b>

CITY OF SOUTH PASADENA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2006

	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>		
Taxes	\$ 773,205	\$ 13,972,117
Assessments	844,886	1,068,561
Licenses and permits	32,040	842,947
Intergovernmental	2,813,619	3,584,136
Charges for services	665,699	2,683,695
Use of money and property	62,972	642,950
Fines and forfeitures	-	603,086
Contributions	14,053	14,053
Miscellaneous	788,857	1,231,214
<b>Total Revenues</b>	<b>5,995,331</b>	<b>24,642,759</b>
<b>Expenditures:</b>		
Current:		
General government	1,002,139	4,467,746
Public safety	5,000	9,703,634
Community development	-	766,775
Community services	312,658	2,299,564
Public works	1,902,909	2,721,530
Capital outlay	2,799,984	3,790,870
Debt service:		
Principal retirement	-	112,359
Interest and fiscal charges	-	177,557
<b>Total Expenditures</b>	<b>6,022,690</b>	<b>24,040,035</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,359)	602,724
Net Change in Fund Balances	(27,359)	602,724
Fund Balances, Beginning of Year, as originally reported	1,723,532	8,384,479
Restatements	9,481	416,859
Fund Balances, Beginning of Year, as restated	1,733,013	8,801,338
<b>Fund Balances, End of Year</b>	<b>\$ 1,705,654</b>	<b>\$ 9,404,062</b>

CITY OF SOUTH PASADENA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2006

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Net change in fund balances - total governmental funds	\$ 602,724
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,255,924
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	112,359
Accrued Interest for Tax Allocation Bonds. This is the net change in accrued interest for the current period.	4,859
Compensated absences and claims and judgment expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	(37,692)
Certain revenues were recorded as deferred revenue in the governmental funds because they do not meet the revenue recognition criteria of availability. However, they are included as revenue in the statement of activity under full accrual basis.	<u>633,255</u>
<b>Change in net assets of governmental activities</b>	<b><u>\$ 2,571,429</u></b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON STATEMENT BY DEPARTMENT  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,409,462	\$ 4,409,462	\$ 4,409,462	\$ -
<b>Resources (Inflows):</b>				
Taxes	11,813,000	11,813,000	12,742,090	929,090
Assessments	225,000	225,000	223,675	(1,325)
Licenses and permits	692,700	692,700	810,907	118,207
Intergovernmental	234,750	234,750	299,603	64,853
Charges for services	1,993,950	2,003,950	2,017,996	14,046
Use of money and property	374,420	374,420	455,592	81,172
Fines and forfeitures	645,000	645,000	603,086	(41,914)
Other	459,500	449,500	442,357	(7,143)
<b>Amounts Available for Appropriations</b>	<b>20,847,782</b>	<b>20,847,782</b>	<b>22,004,768</b>	<b>1,156,986</b>
<b>Charges to Appropriation (Outflow):</b>				
City council	41,715	41,715	34,818	6,897
City clerk	219,340	219,340	194,553	24,787
City manager	348,912	348,910	353,232	(4,322)
Personnel	82,230	96,805	150,491	(53,686)
Environmental services	116,397	119,405	81,619	37,786
Transportation planning	281,545	281,545	760,271	(478,726)
Legal services	200,000	200,000	356,136	(156,136)
Finance	312,319	312,319	329,645	(17,326)
City treasurer	10,250	10,250	10,446	(196)
Information services	133,800	133,800	147,580	(13,780)
Non-departmental	911,525	911,525	915,371	(3,846)
Police	6,082,202	6,082,202	6,266,612	(184,410)
Fire	3,587,726	3,587,726	3,432,022	155,704
Public Works Admin.	88,919	91,508	97,328	(5,820)
Park maintenance	302,516	303,469	265,371	38,098
Facilities maintenance	345,376	345,376	374,303	(28,927)
Planning & Building	849,845	920,846	766,775	154,071
Library	1,393,888	1,393,248	1,347,343	45,905
Senior Citizens Center	161,263	167,264	156,212	11,052
Community services	153,049	153,048	147,054	5,994
Recreation and Youth Services	362,223	362,223	336,297	25,926
Capital outlay	271,073	399,377	246,253	153,124
Transfers out	104,775	104,775	-	104,775
Debt service - principal	47,359	47,359	47,359	-
Debt service - interest	2,676	2,676	52,710	(50,034)
<b>Total Charges to Appropriations</b>	<b>16,410,923</b>	<b>16,636,711</b>	<b>16,869,801</b>	<b>(233,090)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,436,859</b>	<b>\$ 4,211,071</b>	<b>\$ 5,134,967</b>	<b>\$ 923,896</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON STATEMENT  
 ROGAN HR5394 GRANT  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,276)	\$ (4,276)	\$ (4,276)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	4,259,450	4,259,450	470,914	(3,788,536)
<b>Amounts Available for Appropriations</b>	<b>4,255,174</b>	<b>4,255,174</b>	<b>466,638</b>	<b>(3,788,536)</b>
<b>Charges to Appropriations (Outflow):</b>				
General government	454,450	454,450	14,894	439,556
Capital outlay	3,805,000	3,805,000	744,633	3,060,367
<b>Total Charges to Appropriations</b>	<b>4,259,450</b>	<b>4,259,450</b>	<b>759,527</b>	<b>3,499,923</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (4,276)</b>	<b>\$ (4,276)</b>	<b>\$ (292,889)</b>	<b>\$ (288,613)</b>

CITY OF SOUTH PASADENA

BALANCE SHEET  
 PROPRIETARY FUNDS  
 JUNE 30, 2006

	<u>Enterprise Fund</u>
	<u>Water</u>
<b>Assets:</b>	
Current:	
Cash and investments	\$ 4,598,991
Receivables:	
Accounts	612,998
Accrued interest	64,822
Inventories	172,964
	<u>5,449,775</u>
<b>Total Current Assets</b>	
Noncurrent assets:	
Restricted cash and investments:	
Cash with fiscal agent	4,933,840
Advances to other funds	253,250
Unamortized debt issuance cost	199,609
Capital assets - net of accumulated depreciation	6,714,081
	<u>12,100,780</u>
<b>Total Noncurrent Assets</b>	
<b>Total Assets</b>	<u>\$ 17,550,555</u>
<b>Liabilities and Net Assets:</b>	
<b>Liabilities:</b>	
Current:	
Accounts payable	\$ 988,551
Accrued payroll payable	62,840
Accrued interest	106,050
Deposits payable	19,204
	<u>1,176,645</u>
<b>Total Current Liabilities</b>	
Noncurrent:	
Bonds, notes and loans payable	8,619,442
	<u>8,619,442</u>
<b>Total Noncurrent Liabilities</b>	
<b>Total Liabilities</b>	<u>9,796,087</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	3,042,921
Restricted for capital improvements	1,391,957
Unrestricted	3,319,590
	<u>7,754,468</u>
<b>Total Net Assets</b>	
<b>Total Liabilities and Net Assets</b>	<u>\$ 17,550,555</u>

CITY OF SOUTH PASADENA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2006

	<u>Enterprise Fund</u>
	<u>Water</u>
<b>Operating Revenues:</b>	
Sales and service charges	\$ 4,442,966
Miscellaneous	90,764
	<hr/>
<b>Total Operating Revenues</b>	<b>4,533,730</b>
	<hr/>
<b>Operating Expenses:</b>	
Source of supply	552,523
Pumping	525,926
Transmission/collection	1,620,297
Administration and general	918,738
Depreciation	109,963
	<hr/>
<b>Total Operating Expenses</b>	<b>3,727,447</b>
	<hr/>
Operating Income (Loss)	806,283
	<hr/>
<b>Nonoperating Revenues (Expenses):</b>	
Interest revenue	369,399
Interest expense	(433,543)
	<hr/>
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(64,144)</b>
	<hr/>
Changes in Net Assets	742,139
	<hr/>
<b>Net Assets:</b>	
Beginning of Fiscal Year	7,012,329
	<hr/>
<b>End of Fiscal Year</b>	<b>\$ 7,754,468</b>
	<hr/> <hr/>

CITY OF SOUTH PASADENA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Enterprise Fund</u>
	<u>Water</u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers and users	\$ 4,515,959
Cash paid to supplies for good and services	(2,583,068)
Cash paid to employees for services	(948,668)
	<hr/>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>984,223</b>
	<hr/>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Purchases of capital assets	(3,533,538)
Principal paid on capital debt	(195,000)
Interest paid on capital debt	(426,926)
	<hr/>
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(4,155,464)</b>
	<hr/>
<b>Cash Flows from Investing Activities:</b>	
Interest received	338,228
	<hr/>
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>338,228</b>
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,833,013)
	<hr/>
Cash and Cash Equivalents at Beginning of Year	12,365,844
	<hr/>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 9,532,831</b>
	<hr/> <hr/>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	\$ 806,283
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	109,963
(Increase) decrease in accounts receivable	(17,771)
(Increase) decrease in inventory	2,939
Increase (decrease) in accounts payable	106,553
Increase (decrease) in accrued liabilities	(29,930)
Increase (decrease) in deposits payable	6,186
	<hr/>
<b>Total Adjustments</b>	<b>177,940</b>
	<hr/>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 984,223</b>
	<hr/> <hr/>
<b>Non-Cash Investing, Capital and Financing Activities:</b>	
There was no non-cash activities during the year.	

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NOTES TO THE FINANCIAL STATEMENTS [TAB]



**CITY OF SOUTH PASADENA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**Note 1: Summary of Significant Accounting Policies**

**a. Description of the Reporting Entity**

The accompanying basic financial statements of the City of South Pasadena (the City) include the financial activities of the City and the Community Redevelopment Agency of the City (the Agency).

**City of South Pasadena**

The City of South Pasadena was incorporated on March 2, 1888, under the general laws of the State of California. The City provides the full range of municipal services, including public safety (police and fire), streets, sanitation, refuse collection, sewer, water, parks and recreation, public improvements, planning and zoning, housing and community development and general administrative and support services.

**Community Redevelopment Agency of the City of South Pasadena**

The Agency was established in 1953 by the South Pasadena City Council, pursuant to the California state law. The purpose of the Agency is to eliminate deterioration of the community and promote economic revitalization within the City through the process of redevelopment.

The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Statement Nos. 14 and 39. The City of South Pasadena is the primary governmental unit. The Agency is a component unit of the City. Component units are those entities which are financially accountable to the primary government, either because the component unit will provide financial benefit or impose a financial burden on the primary government. The specific criterion used in determining that the Agency is a component unit of the City is that the members of the City Council are the same as the members of the Agency's governing board and all administrative and operational matters are performed by the City's staff acting on behalf of the Agency. The activities of the Redevelopment Agency are included within the Capital Projects Fund. The Agency's financial statements have been issued under a separate cover and may be obtained from the City of South Pasadena City Hall.

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**Note 1: Summary of Significant Accounting Policies (Continued)**

The statement of activities, demonstrate the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The Rogan HR 5394 Grant Fund accounts for grant funding for design and engineering services for traffic improvements along major and minor arterials.

The Community Redevelopment Agency Capital Projects Fund accounts for the costs associated with the implementation of separate redevelopment projects and the required 20% set aside of tax increment revenues for low and moderate income housing.

**Note 1: Summary of Significant Accounting Policies (Continued)**

The City reports the following major proprietary fund:

The Water Fund is used to account for the construction, operation and maintenance of the City-owned water system.

Private-sector standards of accounting and financial reporting issued prior to December 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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 Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**d. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the Governmental and Proprietary Funds.

Investments for the City, as well as for its component units, are reported at fair value. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**City of South Pasadena**  
**Notes to Financial Statements (Continued)**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans), or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

**Functional Classifications**

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.

Public Safety includes those activities which involve the protection of people and property.

Community Development includes those activities which involve the enhancing of the general quality of life.

Community Services includes activities such as administering the Senior Center, recreation classes and special events committees.

**City of South Pasadena**  
**Notes to Financial Statements (Continued)**

**Note 1: Summary of Significant Accounting Policies (Continued)**

Public Works includes those activities that involve the maintenance and improvement of City streets, roads and park department development and maintenance.

Debt Service includes those activities that account for the payment of long-term debt principal, interest and fiscal charges.

**Inventories**

Inventory consisting primarily of materials and supplies is held by the Water Enterprise Fund. Such goods are valued using the average-cost method applied on a first-in, first-out (FIFO) basis. Inventories reported in the City's General Fund are reported as assets and are offset by the corresponding reservations of fund balance to indicate that the inventory balance does not constitute "available expendable financial resources" even though they are a component of net current assets. Such General Fund materials and supplies are charged to inventories when purchased and treated as an expenditure when issued.

**Restricted Assets**

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with GASB Statement No. 34, the City has reported current and prior year's infrastructure assets.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

City of South Pasadena  
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements other than buildings	10 - 25
Machinery and equipment	3 - 30
Vehicles	8
<u>Infrastructure</u>	<u>Years</u>
Sewer collection system	60
Storm drain system	60
Bridges	60
Hardscape	40
Parkways and medians	40
Pavement, curb & gutter and sidewalks	35
Streetlights	20
Electronic traffic control devices	20

Compensated Absences

It is the policy of the City to record the cost of annual vacation as accrued. Employees are 100% vested in accrued vacation after six months of employment. The entire compensated absence liability for the Enterprise Fund is accrued as earned in the Enterprise Fund. All accumulated compensated absence liability of governmental funds is accrued when incurred in the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured.

At June 30, 2006, the accumulated unused benefits were:

<u>Fund Type</u>	<u>Vacation Pay</u>
Governmental funds - current portion	\$ 436,859
Governmental funds - long term portion	221,214
Proprietary funds - current portion	<u>23,630</u>
	<u>\$ 681,703</u>

It is the policy of the City to pay sick leave as used; accordingly, the expenditures are recorded when paid. Sick leave does not vest with employees. Accordingly, employees do not receive a payout for unused sick leave upon termination, although employees do receive credit for unused sick leave upon retirement.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

**City of South Pasadena  
Notes to Financial Statements (Continued)**

**Note 1: Summary of Significant Accounting Policies (Continued)**

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**e. Reconciliation of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - of total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$1,255,924 difference, are as follows:

Capital outlay	\$ 3,419,998
Depreciation expense	(2,100,379)
Loss from Disposition of Capital Assets	<u>(63,695)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,255,924</u>

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$112,359 difference are as follows:

Principal repayments:	
Tax allocation bonds	\$ 65,000
Capital leases payable	<u>47,359</u>
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$ 112,359</u>

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Appropriations and Budgetary Control

Budgetary control is an essential element in governmental financial reporting. The City, a general law city in the State of California, does not legally require a budget. However, the City Council annually reviews and adopts a budget for the General, Special Revenue, Capital Projects and Enterprise Fund types. To facilitate a greater understanding of the City's operations, budget information for the General, Special Revenue and Capital Projects Funds is included in the accompanying basic financial statements. This detailed budget document is published and is a matter of public record. Each year, the City Manager submits his proposed budget to the City Council. The City Council holds public hearings and may modify the appropriations by majority approval. The legal level of expenditures is controlled at the fund level and operating appropriations lapse at the end of each fiscal year. All budgeted amounts are reported on the same basis as the fund types and adopted on a basis consistent with accounting principles generally accepted in the United States of America. Changes in appropriations at the fund level during the year must be submitted by the City's departments for City Council review and approval. The City Manager may, without Council approval, amend individual line items within any fund and between divisions and programs, in personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for that fund. Department heads may, without Council approval, amend individual line items within any fund in the maintenance and operations portions of the budget without increasing total appropriations for that division. Budget revisions made during fiscal year 2006 were not significant.

The City did not adopt a budget for Gold Line Betterments and Federal Police Grant Fund Types and, accordingly, such information is not included in the accompanying financial statements.

b. Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, and similar governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts-in-process at year-end are completed. They do not constitute expenditures or estimated liabilities.

c. Excess of expenditures over appropriations by department or function is as follows:

Fund	Expenditures	Appropriations	Excess
General fund:			
City manager	\$ 353,232	\$ 348,910	\$ 4,322
Personnel	150,491	96,805	53,686
Transportation planning	760,271	281,545	478,726
Legal services	356,136	200,000	156,136
Finance	329,645	312,319	17,326
City treasurer	10,446	10,250	196
Information services	147,580	133,800	13,780
Non-departmental	915,371	911,525	3,846
Police	6,266,612	6,082,202	184,410
Public works admin.	97,328	91,508	5,820
Facilities maintenance	374,303	345,376	28,927

City of South Pasadena  
Notes to Financial Statements (Continued)

Note 2: Stewardship, Compliance and Accountability (Continued)

d. Deficit Fund Balance

The following funds contained deficit fund balances at June 30, 2006:

Fund	Amount
Nonmajor governmental funds:	
Traffic Improvement	\$ 86,637
Proposition "A"	6,323
CTC Traffic Improvement Grant	120,355
MTA Traffic Improvement Grant	39,689
MTA Circulator Bus Purchase Grant	150,059
State Prop 40 Bond	15,793
State Park Bond	25,201
Bike and Pedestrian Paths	11,212

The City intends to fund these with future revenues, transfers, and reduction of expenditures/expenses in future years.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2006, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 8,907,542
Business-type activities	9,532,831
Total Cash and Investments	<u>\$ 18,440,373</u>

The City of South Pasadena maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

Deposits

At June 30, 2006, the carrying amount of the City's deposits was (\$185,321), and the bank balance was \$249,388. The \$64,067 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$100,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors.

**City of South Pasadena  
Notes to Financial Statements (Continued)**

**Note 3: Cash and Investments (Continued)**

Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

**Investments**

Under provision of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- Local Agency Investment Fund
- Certificates of Deposit (or time deposits, Fully insured by the FDIC)
- Securities of the U.S. Government
- Securities Issued by other Government Agencies (No options or like instruments)
- Callable Bonds and Notes

**Investments Authorized by Debt Agreements**

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a 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.

**Investments in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

**GASB Statement No. 31**

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for certain investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

**Credit Risk**

Investments in U.S. government securities are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2006, the City's investments in external investment pools and money market mutual funds are unrated.

**City of South Pasadena**  
**Notes to Financial Statements (Continued)**

**Note 3: Cash and Investments (Continued)**

**Custodial Credit Risk**

The 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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2006, none of the City's deposits or investments were exposed to custodial credit risk.

**Concentration of Credit Risk**

The City's investment policy does not impose restrictions on the percentage that the City can invest in a single type of investment. In addition, GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2006, the City has not invested more than 5% of its total investments in any one issuer. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

**Interest Rate Risk**

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2006, the City had the following investments and original maturities:

	Remaining Investment Maturities			Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	
Local agency investment fund	\$ 12,765,071	\$ -	\$ -	\$ 12,765,071
U.S. treasury notes	362,630	241,077	120,300	724,007
Cash with Fiscal Agent:				
Money market mutual funds	203,126	-	-	203,126
Local agency investment fund	4,933,490	-	-	4,933,490
	<u>\$ 18,264,317</u>	<u>\$ 241,077</u>	<u>\$ 120,300</u>	<u>\$ 18,625,694</u>

City of South Pasadena  
Notes to Financial Statements (Continued)

IV. OTHER INFORMATION

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2006, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,103,538	\$ -	\$ -	\$ -	\$ 1,103,538
Construction-in-progress	4,642,816	3,006,073	-	(1,474,371)	6,174,518
<b>Total Capital Assets, Not Being Depreciated</b>	<b>5,746,354</b>	<b>3,006,073</b>	<b>-</b>	<b>(1,474,371)</b>	<b>7,278,056</b>
Capital assets, being depreciated:					
Buildings	9,768,313	-	-	-	9,768,313
Improvements other than buildings	1,427,136	-	-	-	1,427,136
Machinery, equipment and vehicles	6,036,778	413,925	110,449	-	6,340,254
Infrastructure	65,739,332	-	93,531	1,474,371	67,120,172
<b>Total Capital Assets, Being Depreciated</b>	<b>82,971,559</b>	<b>413,925</b>	<b>203,980</b>	<b>1,474,371</b>	<b>84,655,875</b>
Less accumulated depreciation:					
Buildings	4,176,197	200,239	-	-	4,376,436
Improvements other than buildings	633,507	23,188	-	-	656,695
Machinery, equipment and vehicles	3,974,955	264,664	94,712	-	4,144,907
Infrastructure	25,014,041	1,612,288	45,573	-	26,580,756
<b>Total Accumulated Depreciation</b>	<b>33,798,700</b>	<b>2,100,379</b>	<b>140,285</b>	<b>-</b>	<b>35,758,794</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>49,172,859</b>	<b>(1,686,454)</b>	<b>63,695</b>	<b>1,474,371</b>	<b>48,897,081</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 54,919,213</b>	<b>\$ 1,319,619</b>	<b>\$ 63,695</b>	<b>\$ -</b>	<b>\$ 56,175,137</b>

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City of South Pasadena  
Notes to Financial Statements (Continued)

Note 4: Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 84,685	\$ -	\$ -	\$ 84,685
Construction-in-progress	1,602,268	3,533,538	-	5,135,806
<b>Total Capital Assets, Not Being Depreciated</b>	<b>1,686,953</b>	<b>3,533,538</b>	<b>-</b>	<b>5,220,491</b>
Capital assets, being depreciated:				
Buildings	1,159,292	-	-	1,159,292
Improvements other than buildings	3,042,971	-	-	3,042,971
Machinery, equipment and vehicles	1,813,984	-	-	1,813,984
<b>Total Capital Assets, Being Depreciated</b>	<b>6,016,247</b>	<b>-</b>	<b>-</b>	<b>6,016,247</b>
Less accumulated depreciation:				
Buildings	269,780	23,488	-	293,268
Improvements other than buildings	2,892,517	16,895	-	2,909,412
Machinery, equipment and vehicles	1,250,397	69,580	-	1,319,977
<b>Total Accumulated Depreciation</b>	<b>4,412,694</b>	<b>109,963</b>	<b>-</b>	<b>4,522,657</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>1,603,553</b>	<b>(109,963)</b>	<b>-</b>	<b>1,493,590</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 3,290,506</b>	<b>\$ 3,423,575</b>	<b>\$ -</b>	<b>\$ 6,714,081</b>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 117,986
Public safety	126,756
Community development	2,647
Community services	141,847
Public works	1,711,143
<b>Total Governmental Activities</b>	<b>\$ 2,100,379</b>
Business-Type Activities:	
Water	\$ 109,963

**City of South Pasadena**  
**Notes to Financial Statements (Continued)**

**Note 4: Capital Assets (Continued)**

Construction Commitments

The City of South Pasadena has active construction projects as of June 30, 2006. The projects include street and water improvements though out the City. At year end, the City's commitments with contractors are as follows.

<u>Projects</u>	<u>Spent-to-Date June 30, 2006</u>	<u>Remaining Commitment</u>
<u>Street Improvements:</u>		
1- Orange Grove Avenue/SR-110 Improvements Construction & CM Contracts	\$ 1,073,272	\$ 1,298,170
2- South Pasadena Signal Synchronization Construction & CM	7,331	1,149,197
3- Fair Oaks/SR-110 Interchange Improvements Construction & CM	-	966,041
4- Fair Oaks Corridor Improvements Construction & CM	-	252,000
5- Business District Pedestrian Improvements Construction	-	1,291,951
<u>Water Infrastructure:</u>		
6- Grand Reservoirs & Pump Station Construction & CM	-	6,787,188
7- Supervisory Control & Data Acquisition (SCADA) improvement for the Water System Design/Construction	-	274,933
<b>TOTAL</b>	<b>\$ 1,080,603</b>	<b>\$12,019,480</b>

The commitment for the street improvement Project Nos. 1, 2, 3, & 4 is being financed from a combination of grants from Federal Funds, Rogan Bill Funds, MTA Funds, and City Funds. The commitment for the street improvement Project No. 5 is being financed from a combination of grants from Federal TIP/ (FSTIP) and City Funds.

The commitment for the water improvement Project No. 6 is being financed entirely by revenue bonds secured by capital improvement project (CIP) surcharge water revenues. The SCADA improvement Project No. 7 is being financed entirely from the water enterprise revenue.

**City of South Pasadena**  
**Notes to Financial Statements (Continued)**

**Note 5: Interfund Receivable, Payable and Transfers**

The composition of interfund balances as of June 30, 2006, is as follows:

Due To/From Other Funds

Funds	Due to Other Funds			Total
	Rogan HR 5394 Grant	Community Redevelopment Agency	Nonmajor Funds	
Due From Other Funds:				
General	\$ 642,673	\$ -	\$ 707,134	\$ 1,349,807
Community Redevelopment Agency	-	2,341	-	2,341
Total	<u>\$ 642,673</u>	<u>\$ 2,341</u>	<u>\$ 707,134</u>	<u>\$ 1,352,148</u>

The due from General Fund of \$1,349,807 to various nonmajor funds was a result of temporary deficit cash balances in those funds. The amount of \$2,341 was a result from the allocation of the 20% set-aside of tax increment revenue to the housing fund within Redevelopment Agency Funds.

Advances To/From Other Funds

Funds	Advances To Other Funds Water Fund
Advances From Other Funds:	
Community Redevelopment Agency	<u>\$ 253,250</u>

The City's Water Enterprise Fund advanced funds to the Downtown Project to fund redevelopment activities. Principal is being repaid from available tax increment revenue generated by the Agency's Downtown Project. Payment of interest by the Redevelopment Agency has been forgiven by the city council.

City of South Pasadena  
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt

a. Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2006:

	Outstanding July 1, 2005	Additions	Deletions	Balance June 30, 2006	Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 200,413	\$ 1,136,879	\$ 679,219	\$ 658,073	\$ 436,859
Capital Leases	47,359	-	47,359	-	-
2000 Tax Allocation Bonds	2,285,000	-	65,000	2,220,000	70,000
Claims and Judgments Payable	2,633,470	720,101	703,210	2,650,361	662,590
Total Governmental Funds	<u>\$ 5,166,242</u>	<u>\$ 1,856,980</u>	<u>\$ 1,494,788</u>	<u>\$ 5,528,434</u>	<u>\$ 1,169,449</u>
<b>Business-Type Activities:</b>					
2004 Water Revenue Bonds	\$ 8,800,000	\$ -	\$ 195,000	8,605,000	\$ 205,000
Total Proprietary Funds	<u>\$ 8,800,000</u>	<u>\$ -</u>	<u>\$ 195,000</u>	<u>8,605,000</u>	<u>\$ 205,000</u>
Add: Unamortized bond premium				14,442	
Net Proprietary Funds				<u>\$ 8,619,442</u>	

b. Compensated Absences

See Note 1.d. for the City's policy on compensated absences.

\$ 658,073

c. A description of individual issues of bonds (excluding defeased bonds) outstanding as of June 30 follows:

2000 Tax Allocation Bonds

In July 2000, the Agency issued \$2,600,000 in tax allocation bonds for the Downtown Revitalization Project No. 1, which mature annually from May 1, 2001 to May 1, 2025, in increasing amounts from \$55,000 to \$195,000, plus interest at 4.4% to 6.0%, payable semiannually on May 1 and November 1, commencing on November 1, 2000. Bonds are subject to redemption at the option of the Agency beginning May 1, 2010, at a price ranging from 102% to 100% of principal value. Debt service on the bonds is provided by incremental property tax revenues generated within the Downtown Redevelopment Project Area. At June 30, 2006, \$2,220,000 was outstanding.

**City of South Pasadena  
Notes to Financial Statements (Continued)**

**Note 6: Long-Term Debt (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2006, including interest are as follows:

<u>Fiscal Year</u>	<u>2000 Tax Allocation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2006 - 2007	\$ 70,000	\$ 128,083
2007 - 2008	75,000	124,583
2008 - 2009	75,000	120,758
2009 - 2010	80,000	116,858
2010 - 2011	85,000	112,658
2011 - 2016	500,000	487,246
2016 - 2021	655,000	325,616
2021 - 2026	680,000	105,000
Total	<u>\$ 2,220,000</u>	<u>\$ 1,520,802</u>

**2004 Water Revenue Bonds**

In June 2004, the California Statewide Communities Development Authority issued \$56,880,000 Water and Wastewater Revenue Bonds, 2004 Series A. The City of South Pasadena's portion of the proceeds of the bonds is \$8,800,000. The bonds were issued to finance certain capital improvements to the City's water system and to construct two water storage reservoirs. The bonds are secured by pledges of a Capital Improvement Program surcharge which is collected from each water bill.

Bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

The bonds consisted of \$2,945,000 of serial bonds and \$5,855,000 of term bonds due October 1, 2029.

The serial bonds mature annually from October 1, 2004 to October 1, 2016, in increasing amounts from \$195,000 to \$310,000. The bonds bear interest at rates ranging from 1.5% to 5.0%. The term bonds mature on October 1, 2029 and carry an interest rate of 5.0%. Interest is payable semi-annually on April and October, commencing on October 1, 2004 and October 1, 2016, respectively.

The bonds are subject to optional redemption in whole or in part on or after October 1, 2013. On October 1, 2029, the bonds are subject to mandatory redemption which payments will become due.

**City of South Pasadena  
Notes to Financial Statements (Continued)**

**Note 6: Long-Term Debt (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2006, including interest are as follows:

<u>Fiscal Year</u>	<u>2004 Water Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2006 - 2007	\$ 205,000	\$ 421,125
2007 - 2008	210,000	413,850
2008 - 2009	220,000	405,250
2009 - 2010	225,000	396,800
2010 - 2011	235,000	388,050
2011 - 2016	1,345,000	1,754,875
2016 - 2021	1,720,000	1,367,425
2021 - 2026	2,220,000	853,925
2026 - 2031	2,225,000	229,625
Total	<u>\$ 8,605,000</u>	<u>\$ 6,230,925</u>

**e. Claims and Judgments Payable**

This represents the estimated liability for claims and lawsuits for general liability and workers' compensation (see Note 10).

**Note 7: Leases**

**Operating Leases**

The City leases equipment under noncancelable operating leases. Total costs for such leases were \$13,127 for the year ended June 30, 2006. As of June 30, 2006, the lease was fully paid.

**Capital Lease**

The City entered into a lease for the purchase of a fire truck. This asset has been capitalized with the obligation shown in the statement of net assets. As of June 30, 2006, the lease was fully paid.

The asset acquired through this capital lease is as follows:

Asset:	
Vehicle	\$ 395,600
Less: accumulated depreciation	<u>(395,600)</u>
Total	<u>\$ -</u>

**City of South Pasadena  
Notes to Financial Statements (Continued)**

**Note 8: City Employees Retirement Plan (Defined Benefit Pension Plan)**

Plan Description

The City of South Pasadena contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office located at 400 P Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 7% (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. The City is required to contribute at an actuarially determined rate; the current rate is 11.795% for miscellaneous employees and 20.188% for safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2006, the City's annual pension cost of \$1,425,417 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2004, actuarial valuation using the entry age normal actuarial cost method.

(Amounts in Thousands)		
Fiscal Year	Required Contributions	Percentage Contributed
6/30/2004	\$ 277	100%
6/30/2005	1,112	100%
6/30/2006	1,425	100%

For fiscal year 2005-2006, the City of South Pasadena participated in risk pooling. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Participation in risk pools is mandatory for all rate plans with less than 100 active members. Mandated participation in risk pools was initially based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The first year in risk pools, the employer contribution rates are almost identical to what the rates would have been outside pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis. If on any valuation date starting with the June 30, 2003 valuation, a rate plan has less than 100 active members, it will be mandated in one of the risk pools effective on that valuation date.

**City of South Pasadena**  
**Notes to Financial Statements (Continued)**

**Note 9: Other Post-Employment Employee Benefits**

The City provides certain post-employment health care benefits. Specifically, the City provides health insurance for its retired employees according to the Personnel Rules and Regulations for each of the five employee groups. The authority to do so is included annually in the Memorandum of Understanding between the City and each of its employee groups and ultimately passed by Council action. The expenditure is accounted for within the general government funds and is funded on a pay as you go (cash) basis. The total post-employment health insurance expenditures for the fiscal year 2005-2006 were \$457,796. There are currently 107 participants receiving benefits.

**Note 10: Self-Insurance Program**

**a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 109 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section 6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance and to arrange for group-purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the board of directors. The Board operates through a nine-member Executive Committee.

**b. Self-Insurance Programs of the Authority**

General Liability

The City pays a primary deposit to cover estimated losses for fiscal year 2006. Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Loss development reserves are allocated by pool and by loss layer. Costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member; costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on a member's share of losses under \$30,000. Losses from \$750,000 to \$10,000,000 and the loss development reserve associated with losses \$750,000 to \$10,000,000 are pooled based on payroll. Costs of covered claims above \$10,000,000 are currently paid by excess insurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate. Administrative expenses are paid from the Authority's investment earnings.

Changes in the aggregate liabilities for general liability for the years ended June 30, 2005 and June 30, 2006, are as follows:

Year Ended	Beginning Balance July 1	Additions/ Adjustments	Deletions/ Adjustments	Ending Balance June 30
June 30, 2006	\$ 1,035,807	\$ 299,449	\$ (78,204)	\$ 1,257,052
June 30, 2005	775,308	300,987	(40,488)	1,035,807

**City of South Pasadena  
Notes to Financial Statements (Continued)**

**Note 10: Self-Insurance Program (Continued)**

**Workers' Compensation**

The City also participates in the workers' compensation pool administered by the Authority. Claims are pooled separately between public safety and non-public safety. Loss development reserves are allocated by pool and by loss layer. Members retain the first \$50,000 of each claim. Losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000. Losses from \$100,000 and \$2,000,000 and loss development reserves associated with losses from \$100,000 to \$2,000,000 are pooled based on payroll. Costs from \$2,000,000 and \$150,000,000 are transferred to an excess insurance policy. Costs in excess of \$150,000,000 are pooled among the members based on payroll. Administrative expenses are paid from the Authority's investment earnings.

Changes in the aggregate liabilities for workers' compensation liability for the years ended June 30, 2005 and June 30, 2006, are as follows:

Year Ended	Beginning Balance June 30	Additions/ Adjustments	Deletions/ Adjustments	Ending Balance June 30
June 30, 2006	\$ 1,597,663	\$ 420,651	\$ (625,005)	\$ 1,393,309
June 30, 2005	1,172,677	928,077	(503,091)	1,597,663

**c. Purchased Insurance**

**Environmental Insurance**

The City participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the three-year period from July 1, 2005 through June 30, 2008. Each member of the Authority has a \$10,000,000 limit during the three-year term of the policy.

**Property Insurance**

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City property is currently insured according to a schedule of covered property submitted by the City of South Pasadena to the Authority. Total all-risk property insurance coverage is \$19,784,199. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

**Fidelity Bonds**

The City purchases blanket fidelity bond coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

**City of South Pasadena  
Notes to Financial Statements (Continued)**

**Note 10: Self-Insurance Program (Continued)**

**d. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

**e. Rights and Responsibilities**

The city is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; automobile liability and accident claims, injuries to employees (workers' compensation); and natural disasters.

**Note 11: Contingencies**

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City beyond that already accrued for in the basic financial statements. Additionally, City management believes that sufficient resources are available to the City to cover any potential losses, should an unfavorable outcome materialize.

**Note 12: Fund Equity and Net Assets**

**a. Restatements**

Beginning fund balance has been restated as follows:

Major governmental funds:

General Fund

To remove compensated absences balance and include it with Long-Term Debt.	\$ 407,378
----------------------------------------------------------------------------	------------

Nonmajor governmental funds:

Proposition A	8,416
Sewer	2,900
Street Lighting	7,676
State Gas Tax	10,489

To remove compensated absences balance and include it with Long-Term Debt.

S.C.A.G.

To record prior year's revenue received in advance as unearned.	<u>(20,000)</u>
-----------------------------------------------------------------	-----------------

Total fund balance restatements	<u>\$ 416,859</u>
---------------------------------	-------------------

Net assets have been restated as follows:

Governmental activities:

To record prior year's revenue received in advance as unearned.	<u>\$ (20,000)</u>
-----------------------------------------------------------------	--------------------

Total net asset restatements	<u>\$ (20,000)</u>
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SUPPLEMENTARY SCHEDULES [TAB]



## Special Revenue Funds

**Special Revenue Funds** - to account for the proceeds of specific revenue sources (other than Capital Projects Funds) that are legally restricted to expenditures for specified purposes. Funds included are:

**CALTRANS Gold Line Parking** - to account for State funds used for the Gold Line/Blue line parking structure project.

**Traffic Improvement Fund** - to account for grant funds used for traffic congestion improvements on Fair Oaks Street and our other busiest intersections.

**Proposition "A"** - to account for all revenues and expenditures associated with the .5% sales tax approved by Proposition A in 1980. All revenues of this fund must be expended for transportation-related items as established by the Los Angeles County Transportation Commission.

**Proposition "C"** - to account for all revenues and expenditures associated with the .5% sales tax approved by Proposition C in 1990. All revenues of this fund must be expended for transportation-related items as established by the Los Angeles County Transportation Commission.

**ISTEA/ Metro Fund** - to account for project funds received from the federal government for restoration and paving projects.

**Gold Line Betterments Fund** - to account for Grant funds used for the Gold Line Station improvements.

**Sewer** - to account for the provision of sewer construction, maintenance and operation services to residents of the City.

**CTC Traffic Improvement Grant** - to account for State grant funds used for traffic congestion improvements.

**Street Lighting/Landscaping** - to account for the costs associated with the City's street lighting and median landscaping programs. These costs are deemed to benefit all property owners who are assessed their proportionate share of the costs. These assessments are placed on the property tax bill and collected and remitted to the City by the County of Los Angeles.

**Clean Air Act** - to account for all revenues and expenditures associated with AB2766. All revenues and expenditures of this fund must be expended for air quality improvement projects as established by the South Coast Air Quality Management District.

**Parking and Business Improvement** - to account for taxes collected by the City from business licensees for the purpose of promoting retail business activities.

**MTA Traffic Improvement Grants** - to account for grants used for street and intersection improvements relieving congestion at our busiest intersections.

**MTA Circulator Bus Purchase Grant Fund** - to account for Grant Funds to fund the purchase of circulator gold link buses or trolleys.

**Gold Line Mitigation** - to account for revenues relating to potential settlement funds from the Construction Authority and the resulting construction related expenditures.

**Special Revenue Funds**  
**(Continued)**

**Mission Oaks Parking** - to account for assessments from members of the Mission Oaks Parking district expended for parking improvements.

**Mission Meridian Public Garage** - to account for revenues and expenditures relating to the city's share of the general operation of the Mission Meridian Public Garage.

**State Gas Tax** - to account for all state gas tax related revenues and expenditures, including street repair, reconstruction and maintenance. State law requires these gasoline taxes to be used to maintain the City's street and highway system.

**State Prop 40 Bond** - to account for State Prop 40 funds used for the improvements in park landscape architecture.

**County Park Bond Fund** - to account for Prop A Safe Neighborhood Park Propositions of 1992 and 1996 County Park Bond funds used for park playground and picnic area improvements.

**State Park Bond Fund** - to account for State park bond funds (Prop 12) used for the improvements in park playground and restrooms.

**Bike and Pedestrian Paths** - to account for SCAG administered local transportation funds of the County, TDA Article 3 used for the improvement of the City's bike and pedestrian pathways.

**Capital Growth Requirement** - to account for fees paid to the City for building development to be applied towards the costs of public facilities improvements.

**CDBG** - to account for Community Development Block Grants used for various CDBG projects in the City.

**Asset Forfeiture** - to account for proceeds received from forfeiture in narcotics investigations allocated for law enforcement activities.

**Federal Police Grant** - to account for the Local Law Enforcement Block Grant funds used to underwrite projects that reduce crime and improve public safety in the City.

**State Police Grant** - to account for State COPS funds restricted for enhancing front line police operations

**CLEEP** - to account for the California Law Enforcement Equipment Program grant used for the acquisition of high technology equipment in Public Safety.

**Public Library Grant** - to account for State PLF allocations used to fund the purchase of updated computers and equipment.

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CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2006

	Special Revenue Funds			
	Caltrans Gold Line Grant	Traffic Improvement	Proposition "A"	Proposition "C"
<b>Assets:</b>				
Pooled cash and investments	\$ 273	\$ -	\$ 117,888	\$ 270,463
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	63,470	52,640
Accrued interest	-	-	1,702	3,959
Due from other governments	-	177,718	-	-
<b>Total Assets</b>	<b>\$ 273</b>	<b>\$ 177,718</b>	<b>\$ 183,060</b>	<b>\$ 327,062</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 35,172	\$ 172,541	\$ 44,322
Accrued liabilities	-	-	6,209	5,893
Due to other funds	-	150,084	-	-
Deferred revenues	-	79,099	10,633	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>264,355</b>	<b>189,383</b>	<b>50,215</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	-	253,692	90,000	178,978
Unreserved:				
Undesignated	273	(340,329)	(96,323)	97,869
<b>Total Fund Balances</b>	<b>273</b>	<b>(86,637)</b>	<b>(6,323)</b>	<b>276,847</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 273</b>	<b>\$ 177,718</b>	<b>\$ 183,060</b>	<b>\$ 327,062</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2006

	Special Revenue Funds			
	ISTEA/METRO	Gold Line Betterments	Sewer	CTC Traffic Improvement Grant
<b>Assets:</b>				
Pooled cash and investments	\$ 10,842	\$ 14,913	\$ 303,372	\$ -
Receivables:				
Accounts	-	-	29,922	-
Taxes	-	-	-	-
Accrued interest	-	-	4,371	-
Due from other governments	-	18,051	-	291,519
<b>Total Assets</b>	<b>\$ 10,842</b>	<b>\$ 32,964</b>	<b>\$ 337,665</b>	<b>\$ 291,519</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 10,474	\$ 48,118
Accrued liabilities	-	-	8,946	-
Due to other funds	-	-	-	243,812
Deferred revenues	-	-	-	119,944
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>19,420</b>	<b>411,874</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	-	-	133,118	399,094
Unreserved:				
Undesignated	10,842	32,964	185,127	(519,449)
<b>Total Fund Balances</b>	<b>10,842</b>	<b>32,964</b>	<b>318,245</b>	<b>(120,355)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,842</b>	<b>\$ 32,964</b>	<b>\$ 337,665</b>	<b>\$ 291,519</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2006

	Special Revenue Funds			
	Street Lighting	Clean Air Act	Parking and Business Improvement	MTA Traffic Improvement Grant
<b>Assets:</b>				
Pooled cash and investments	\$ 62,331	\$ 81,131	\$ 68,140	\$ -
Receivables:				
Accounts	93,839	-	-	-
Taxes	-	-	-	-
Accrued interest	-	1,134	-	-
Due from other governments	-	-	-	91,234
<b>Total Assets</b>	<b>\$ 156,170</b>	<b>\$ 82,265</b>	<b>\$ 68,140</b>	<b>\$ 91,234</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 21,406	\$ 24,469	\$ 6,354	\$ 16,932
Accrued liabilities	10,934	-	-	-
Due to other funds	-	-	-	82,665
Deferred revenues	-	-	-	31,326
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<b>32,340</b>	<b>24,469</b>	<b>6,354</b>	<b>130,923</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	14,693	-	-	110,578
Unreserved:				
Undesignated	109,137	57,796	61,786	(150,267)
<b>Total Fund Balances</b>	<b>123,830</b>	<b>57,796</b>	<b>61,786</b>	<b>(39,689)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 156,170</b>	<b>\$ 82,265</b>	<b>\$ 68,140</b>	<b>\$ 91,234</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2006

	Special Revenue Funds			
	MTA Circulator Bus Purchase Grant	Gold Line Mitigation	Mission Oaks Parking	Mission Meridian Public Garage
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ 414,680	\$ 3,406	\$ 148,000
Receivables:				
Accounts	-	-	627	-
Taxes	-	-	-	-
Accrued interest	-	-	34	-
Due from other governments	135,209	-	-	-
<b>Total Assets</b>	<b>\$ 135,209</b>	<b>\$ 414,680</b>	<b>\$ 4,067</b>	<b>\$ 148,000</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 135,209	\$ -	\$ 653	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	14,850	-	-	-
Deferred revenues	135,209	-	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<b>285,268</b>	<b>-</b>	<b>653</b>	<b>-</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	-	49,795	-	-
Unreserved:				
Undesignated	(150,059)	364,885	3,414	148,000
<b>Total Fund Balances</b>	<b>(150,059)</b>	<b>414,680</b>	<b>3,414</b>	<b>148,000</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 135,209</b>	<b>\$ 414,680</b>	<b>\$ 4,067</b>	<b>\$ 148,000</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2006

	Special Revenue Funds			
	State Gas Tax	State Prop 40 Bond	County Park Bond	State Park Bond
<b>Assets:</b>				
Pooled cash and investments	\$ 75,519	\$ -	\$ 31,072	\$ -
Receivables:				
Accounts	1,250	-	-	-
Taxes	-	-	-	-
Accrued interest	736	-	-	-
Due from other governments	79,072	33,078	16,375	-
<b>Total Assets</b>	<b>\$ 156,577</b>	<b>\$ 33,078</b>	<b>\$ 47,447</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 14,148	\$ 13,649	\$ 548	\$ -
Accrued liabilities	9,763	-	-	-
Due to other funds	-	35,222	-	25,201
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<b>23,911</b>	<b>48,871</b>	<b>548</b>	<b>25,201</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	-	101,961	15,000	50,572
Unreserved:				
Undesignated	132,666	(117,754)	31,899	(75,773)
<b>Total Fund Balances</b>	<b>132,666</b>	<b>(15,793)</b>	<b>46,899</b>	<b>(25,201)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 156,577</b>	<b>\$ 33,078</b>	<b>\$ 47,447</b>	<b>\$ -</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2006

	Special Revenue Funds			
	Bike and Pedestrian Paths	Capital Growth Requirement	C.D.B.G.	Asset Forfeiture
<b>Assets:</b>				
Pooled cash and investments	\$ 28,381	\$ 235,696	\$ -	\$ 14,855
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	407	3,296	-	211
Due from other governments	-	-	171,573	-
<b>Total Assets</b>	<b>\$ 28,788</b>	<b>\$ 238,992</b>	<b>\$ 171,573</b>	<b>\$ 15,066</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 34,926	\$ 10,079	\$ -
Accrued liabilities	-	-	169	-
Due to other funds	-	-	155,300	-
Deferred revenues	-	-	-	-
Deposits payable	-	-	3,253	-
Unearned revenues	40,000	-	-	-
<b>Total Liabilities</b>	<b>40,000</b>	<b>34,926</b>	<b>168,801</b>	<b>-</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	60,000	26,869	-	-
Unreserved:				
Undesignated	(71,212)	177,197	2,772	15,066
<b>Total Fund Balances</b>	<b>(11,212)</b>	<b>204,066</b>	<b>2,772</b>	<b>15,066</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 28,788</b>	<b>\$ 238,992</b>	<b>\$ 171,573</b>	<b>\$ 15,066</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2006

	Special Revenue Funds			Public Library Grant	Total Nonmajor Governmental Funds
	Federal Police Grants	State Police Grants	CLEEP		
<b>Assets:</b>					
Pooled cash and investments	\$ 3,486	\$ 288,776	\$ 4,055	\$ 9,801	\$ 2,187,080
Receivables:					
Accounts	-	-	-	-	125,638
Taxes	-	-	-	-	116,110
Accrued interest	50	4,365	244	-	20,509
Due from other governments	-	-	-	-	1,013,829
<b>Total Assets</b>	<b>\$ 3,536</b>	<b>\$ 293,141</b>	<b>\$ 4,299</b>	<b>\$ 9,801</b>	<b>\$ 3,463,166</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 589,000
Accrued liabilities	-	-	-	-	41,914
Due to other funds	-	-	-	-	707,134
Deferred revenues	-	-	-	-	376,211
Deposits payable	-	-	-	-	3,253
Unearned revenues	-	-	-	-	40,000
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,757,512</b>
<b>Fund Balances:</b>					
Reserved:					
Reserved for encumbrances	-	15,657	-	-	1,500,007
Unreserved:					
Undesignated	3,536	277,484	4,299	9,801	205,647
<b>Total Fund Balances</b>	<b>3,536</b>	<b>293,141</b>	<b>4,299</b>	<b>9,801</b>	<b>1,705,654</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,536</b>	<b>\$ 293,141</b>	<b>\$ 4,299</b>	<b>\$ 9,801</b>	<b>\$ 3,463,166</b>

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CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2006

	Special Revenue Funds			
	Caltrans Gold Line Grant	Traffic Improvement	Proposition "A"	Proposition "C"
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 415,855	\$ 357,350
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,242,000	98,618	-	-
Charges for services	-	-	3,119	-
Use of money and property	-	-	7,813	11,131
Contributions	-	-	-	-
Miscellaneous	-	-	9,673	-
<b>Total Revenues</b>	<b>1,242,000</b>	<b>98,618</b>	<b>436,460</b>	<b>368,481</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	629,706	111,681
Public safety	-	-	-	-
Community services	-	-	148,779	154,275
Public works	-	-	-	-
Capital outlay	1,242,000	177,718	-	64,478
<b>Total Expenditures</b>	<b>1,242,000</b>	<b>177,718</b>	<b>778,485</b>	<b>330,434</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(79,100)	(342,025)	38,047
Net Change in Fund Balances	-	(79,100)	(342,025)	38,047
Fund Balances, Beginning of Year, as originally reported	273	(7,537)	327,286	238,800
Restatements	-	-	8,416	-
Fund Balances, Beginning of Year, as restated	273	(7,537)	335,702	238,800
<b>Fund Balances, End of Year</b>	<b>\$ 273</b>	<b>\$ (86,637)</b>	<b>\$ (6,323)</b>	<b>\$ 276,847</b>

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2006

	Special Revenue Funds			
	ISTEA/METRO	Gold Line Betterments	Sewer	CTC Traffic Improvement Grant
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	115,460	18,051	-	171,575
Charges for services	-	-	554,992	-
Use of money and property	-	-	13,575	-
Contributions	-	-	-	-
Miscellaneous	-	-	17,554	-
<b>Total Revenues</b>	<b>115,460</b>	<b>18,051</b>	<b>586,121</b>	<b>171,575</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	441,757	-
Capital outlay	100,313	-	42,628	291,520
<b>Total Expenditures</b>	<b>100,313</b>	<b>-</b>	<b>484,385</b>	<b>291,520</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,147	18,051	101,736	(119,945)
Net Change in Fund Balances	15,147	18,051	101,736	(119,945)
Fund Balances, Beginning of Year, as originally reported	(4,305)	14,913	213,609	(410)
Restatements	-	-	2,900	-
Fund Balances, Beginning of Year, as restated	(4,305)	14,913	216,509	(410)
<b>Fund Balances, End of Year</b>	<b>\$ 10,842</b>	<b>\$ 32,964</b>	<b>\$ 318,245</b>	<b>\$ (120,355)</b>

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2006

	Special Revenue Funds			
	Street Lighting	Clean Air Act	Parking and Business Improvement	MTA Traffic Improvement Grant
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	844,886	-	-	-
Licenses and permits	-	-	32,040	-
Intergovernmental	-	30,907	-	61,841
Charges for services	-	-	-	-
Use of money and property	-	3,234	-	-
Contributions	14,053	-	-	-
Miscellaneous	60,873	-	97,912	-
<b>Total Revenues</b>	<b>919,812</b>	<b>34,141</b>	<b>129,952</b>	<b>61,841</b>
<b>Expenditures:</b>				
Current:				
General government	-	19,619	126,664	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	954,837	-	-	-
Capital outlay	96,773	20,481	-	93,168
<b>Total Expenditures</b>	<b>1,051,610</b>	<b>40,100</b>	<b>126,664</b>	<b>93,168</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,798)	(5,959)	3,288	(31,327)
Net Change in Fund Balances	(131,798)	(5,959)	3,288	(31,327)
Fund Balances, Beginning of Year, as originally reported	247,952	63,755	58,498	(8,362)
Restatements	7,676	-	-	-
Fund Balances, Beginning of Year, as restated	255,628	63,755	58,498	(8,362)
<b>Fund Balances, End of Year</b>	<b>\$ 123,830</b>	<b>\$ 57,796</b>	<b>\$ 61,786</b>	<b>\$ (39,689)</b>

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2006

	Special Revenue Funds			
	MTA Circulator Bus Purchase Grant	Gold Line Mitigation	Mission Oaks Parking	Mission Meridian Public Garage
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	58	-
Contributions	-	-	-	-
Miscellaneous	-	415,000	7,378	148,000
<b>Total Revenues</b>	<b>-</b>	<b>415,000</b>	<b>7,436</b>	<b>148,000</b>
<b>Expenditures:</b>				
Current:				
General government	-	320	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	3,038	-	6,459	-
Capital outlay	132,171	-	-	-
<b>Total Expenditures</b>	<b>135,209</b>	<b>320</b>	<b>6,459</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,209)	414,680	977	148,000
Net Change in Fund Balances	(135,209)	414,680	977	148,000
Fund Balances, Beginning of Year, as originally reported	(14,850)	-	2,437	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as restated	(14,850)	-	2,437	-
<b>Fund Balances, End of Year</b>	<b>\$ (150,059)</b>	<b>\$ 414,680</b>	<b>\$ 3,414</b>	<b>\$ 148,000</b>

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2006

	Special Revenue Funds			
	State Gas Tax	State Prop 40 Bond	County Park Bond	State Park Bond
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	584,342	102,273	-	22,306
Charges for services	-	-	-	-
Use of money and property	1,125	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>585,467</b>	<b>102,273</b>	<b>-</b>	<b>22,306</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	486,529	-	10,289	-
Capital outlay	69,829	112,522	-	10,723
<b>Total Expenditures</b>	<b>556,358</b>	<b>112,522</b>	<b>10,289</b>	<b>10,723</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,109	(10,249)	(10,289)	11,583
Net Change in Fund Balances	29,109	(10,249)	(10,289)	11,583
Fund Balances, Beginning of Year, as originally reported	93,068	(5,544)	57,188	(36,784)
Restatements	10,489	-	-	-
Fund Balances, Beginning of Year, as restated	103,557	(5,544)	57,188	(36,784)
<b>Fund Balances, End of Year</b>	<b>\$ 132,666</b>	<b>\$ (15,793)</b>	<b>\$ 46,899</b>	<b>\$ (25,201)</b>

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2006

	Special Revenue Funds			
	Bike and Pedestrian Paths	Capital Growth Requirement	C.D.B.G.	Asset Forfeiture
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	253,038	3,081
Charges for services	-	107,588	-	-
Use of money and property	894	9,827	-	602
Contributions	-	-	-	-
Miscellaneous	-	-	32,467	-
<b>Total Revenues</b>	<b>894</b>	<b>117,415</b>	<b>285,505</b>	<b>3,683</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	114,149	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	107,937	170,040	-
<b>Total Expenditures</b>	<b>-</b>	<b>107,937</b>	<b>284,189</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	894	9,478	1,316	3,683
Net Change in Fund Balances	894	9,478	1,316	3,683
Fund Balances, Beginning of Year, as originally reported	7,894	194,588	1,456	11,383
Restatements	(20,000)	-	-	-
Fund Balances, Beginning of Year, as restated	(12,106)	194,588	1,456	11,383
<b>Fund Balances, End of Year</b>	<b>\$ (11,212)</b>	<b>\$ 204,066</b>	<b>\$ 2,772</b>	<b>\$ 15,066</b>

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2006

	Special Revenue Funds			Total Nonmajor Governmental Funds	
	Federal Police Grants	State Police Grants	CLEEP		Public Library Grant
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 773,205
Assessments	-	-	-	-	844,886
Licenses and permits	-	-	-	-	32,040
Intergovernmental	-	100,000	-	10,127	2,813,619
Charges for services	-	-	-	-	665,699
Use of money and property	157	13,530	1,026	-	62,972
Contributions	-	-	-	-	14,053
Miscellaneous	-	-	-	-	788,857
<b>Total Revenues</b>	<b>157</b>	<b>113,530</b>	<b>1,026</b>	<b>10,127</b>	<b>5,995,331</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	1,002,139
Public safety	-	5,000	-	-	5,000
Community services	-	-	-	9,604	312,658
Public works	-	-	-	-	1,902,909
Capital outlay	-	42,902	24,781	-	2,799,984
<b>Total Expenditures</b>	<b>-</b>	<b>47,902</b>	<b>24,781</b>	<b>9,604</b>	<b>6,022,690</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	157	65,628	(23,755)	523	(27,359)
<b>Net Change in Fund Balances</b>	<b>157</b>	<b>65,628</b>	<b>(23,755)</b>	<b>523</b>	<b>(27,359)</b>
Fund Balances, Beginning of Year, as originally reported	3,379	227,513	28,054	9,278	1,723,532
Restatements	-	-	-	-	9,481
Fund Balances, Beginning of Year, as restated	3,379	227,513	28,054	9,278	1,733,013
<b>Fund Balances, End of Year</b>	<b>\$ 3,536</b>	<b>\$ 293,141</b>	<b>\$ 4,299</b>	<b>\$ 9,801</b>	<b>\$ 1,705,654</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 CALTRANS GOLD LINE GRANT  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 273	\$ 273	\$ 273	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,242,000	1,242,000	1,242,000	-
<b>Amounts Available for Appropriations</b>	<b>1,242,273</b>	<b>1,242,273</b>	<b>1,242,273</b>	<b>-</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	1,242,273	1,242,273	1,242,000	273
<b>Total Charges to Appropriations</b>	<b>1,242,273</b>	<b>1,242,273</b>	<b>1,242,000</b>	<b>273</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 273</b>	<b>\$ 273</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC IMPROVEMENT  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (7,537)	\$ (7,537)	\$ (7,537)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	297,645	297,645	98,618	(199,027)
<b>Amounts Available for Appropriations</b>	<b>290,108</b>	<b>290,108</b>	<b>91,081</b>	<b>(199,027)</b>
<b>Charges to Appropriations (Outflow):</b>				
General government	5,000	5,000	-	5,000
Capital outlay	290,000	290,000	177,718	112,282
<b>Total Charges to Appropriations</b>	<b>295,000</b>	<b>295,000</b>	<b>177,718</b>	<b>117,282</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (4,892)</b>	<b>\$ (4,892)</b>	<b>\$ (86,637)</b>	<b>\$ (81,745)</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION "A"  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 335,702	\$ 335,702	335,702	\$ -
<b>Resources (Inflows):</b>				
Taxes	347,000	347,000	415,855	68,855
Charges for Services	3,125	3,125	3,119	(6)
Use of money and property	8,153	8,153	7,813	(340)
Other	8,850	8,850	9,673	823
<b>Amounts Available for Appropriations</b>	<b>702,830</b>	<b>702,830</b>	<b>772,162</b>	<b>69,332</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	343,978	651,206	629,706	21,500
Community services	130,211	130,211	148,779	(18,568)
Capital outlay	-	90,000	-	90,000
<b>Total Charges to Appropriations</b>	<b>474,189</b>	<b>871,417</b>	<b>778,485</b>	<b>92,932</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 228,641</b>	<b>\$ (168,587)</b>	<b>\$ (6,323)</b>	<b>\$ 162,264</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION "C"  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 238,800	\$ 238,800	\$ 238,800	\$ -
<b>Resources (Inflows):</b>				
Taxes	288,000	288,000	357,350	69,350
Use of money and property	3,600	3,600	11,131	7,531
<b>Amounts Available for Appropriations</b>	<b>530,400</b>	<b>530,400</b>	<b>607,281</b>	<b>76,881</b>
<b>Charges to Appropriations (Outflow):</b>				
General government	72,392	113,512	111,681	1,831
Community services	152,520	152,520	154,275	(1,755)
Capital outlay	-	243,749	64,478	179,271
<b>Total Charges to Appropriations</b>	<b>224,912</b>	<b>509,781</b>	<b>330,434</b>	<b>179,347</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 305,488</b>	<b>\$ 20,619</b>	<b>\$ 276,847</b>	<b>\$ 256,228</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 ISTE/METRO  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,305)	\$ (4,305)	\$ (4,305)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	418,932	418,932	115,460	(303,472)
<b>Amounts Available for Appropriations</b>	<b>414,627</b>	<b>414,627</b>	<b>111,155</b>	<b>(303,472)</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	-	203,705	100,313	103,392
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>203,705</b>	<b>100,313</b>	<b>103,392</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 414,627</b>	<b>\$ 210,922</b>	<b>\$ 10,842</b>	<b>\$ (200,080)</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 SEWER  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 216,509	\$ 216,509	\$ 216,509	\$ -
<b>Resources (Inflows):</b>				
Charges for Services	547,000	547,000	554,992	7,992
Use of money and property	4,650	4,650	13,575	8,925
Other	16,250	16,250	17,554	1,304
<b>Amounts Available for Appropriations</b>	<b>784,409</b>	<b>784,409</b>	<b>802,630</b>	<b>18,221</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	428,413	428,413	441,757	(13,344)
Capital outlay	156,500	180,500	42,628	137,872
<b>Total Charges to Appropriations</b>	<b>584,913</b>	<b>608,913</b>	<b>484,385</b>	<b>124,528</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 199,496</b>	<b>\$ 175,496</b>	<b>\$ 318,245</b>	<b>\$ 142,749</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 CTC TRAFFIC IMPROVEMENT GRANT  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (410)	\$ (410)	\$ (410)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	566,410	566,410	171,575	(394,835)
<b>Amounts Available for Appropriations</b>	<b>566,000</b>	<b>566,000</b>	<b>171,165</b>	<b>(394,835)</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	566,000	566,000	291,520	274,480
<b>Total Charges to Appropriations</b>	<b>566,000</b>	<b>566,000</b>	<b>291,520</b>	<b>274,480</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (120,355)</b>	<b>\$ (120,355)</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 STREET LIGHTING  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 255,628	\$ 255,628	\$ 255,628	\$ -
<b>Resources (Inflows):</b>				
Assessments	884,000	884,000	844,886	(39,114)
Contributions	-	-	14,053	14,053
Other	40,500	40,500	60,873	20,373
<b>Amounts Available for Appropriations</b>	<b>1,180,128</b>	<b>1,180,128</b>	<b>1,175,440</b>	<b>(4,688)</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	934,681	900,927	954,837	(53,910)
Capital outlay	66,900	123,287	96,773	26,514
<b>Total Charges to Appropriations</b>	<b>1,001,581</b>	<b>1,024,214</b>	<b>1,051,610</b>	<b>(27,396)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 178,547</b>	<b>\$ 155,914</b>	<b>\$ 123,830</b>	<b>\$ (32,084)</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 CLEAN AIR ACT  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 63,755	\$ 63,755	\$ 63,755	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	32,000	32,000	30,907	(1,093)
Use of money and property	2,000	2,000	3,234	1,234
<b>Amounts Available for Appropriations</b>	<b>97,755</b>	<b>97,755</b>	<b>97,896</b>	<b>141</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	15,800	24,800	19,619	5,181
Capital outlay	22,000	22,000	20,481	1,519
<b>Total Charges to Appropriations</b>	<b>37,800</b>	<b>46,800</b>	<b>40,100</b>	<b>6,700</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 59,955</b>	<b>\$ 50,955</b>	<b>\$ 57,796</b>	<b>\$ 6,841</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 PARKING AND BUSINESS IMPROVEMENT  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 58,498	\$ 58,498	\$ 58,498	\$ -
<b>Resources (Inflows):</b>				
Licenses and Permits	34,000	34,000	32,040	(1,960)
Other	84,000	84,000	97,912	13,912
<b>Amounts Available for Appropriations</b>	<b>176,498</b>	<b>176,498</b>	<b>188,450</b>	<b>11,952</b>
<b>Charges to Appropriations (Outflow):</b>				
General government	126,500	126,500	126,664	(164)
<b>Total Charges to Appropriations</b>	<b>126,500</b>	<b>126,500</b>	<b>126,664</b>	<b>(164)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 49,998</b>	<b>\$ 49,998</b>	<b>\$ 61,786</b>	<b>\$ 11,788</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 MTA TRAFFIC IMPROVEMENT GRANT  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (8,362)	\$ (8,362)	\$ (8,362)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,892,000	1,892,000	61,841	(1,830,159)
<b>Amounts Available for Appropriations</b>	<b>1,883,638</b>	<b>1,883,638</b>	<b>53,479</b>	<b>(1,830,159)</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	-	15,191	-	15,191
Capital outlay	1,892,000	1,298,000	93,168	1,204,832
<b>Total Charges to Appropriations</b>	<b>1,892,000</b>	<b>1,313,191</b>	<b>93,168</b>	<b>1,220,023</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (8,362)</b>	<b>\$ 570,447</b>	<b>\$ (39,689)</b>	<b>\$ (610,136)</b>

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE  
MTA CIRCULATOR BUS PURCHASE GRANT  
YEAR ENDED JUNE 30, 2006**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (14,850)	\$ (14,850)	\$ (14,850)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	244,333	244,333	-	(244,333)
<b>Amounts Available for Appropriations</b>	<b>229,483</b>	<b>229,483</b>	<b>(14,850)</b>	<b>(244,333)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	-	-	3,038	(3,038)
Capital outlay	244,333	244,333	132,171	112,162
<b>Total Charges to Appropriations</b>	<b>244,333</b>	<b>244,333</b>	<b>135,209</b>	<b>109,124</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (14,850)</b>	<b>\$ (14,850)</b>	<b>\$ (150,059)</b>	<b>\$ (135,209)</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 GOLD LINE MITIGATION  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Other	-	50,000	415,000	365,000
<b>Amounts Available for Appropriations</b>	-	<b>50,000</b>	<b>415,000</b>	<b>365,000</b>
<b>Charges to Appropriations (Outflow):</b>				
General government	-	50,000	320	49,680
<b>Total Charges to Appropriations</b>	-	<b>50,000</b>	<b>320</b>	<b>49,680</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 414,680</b>	<b>\$ 414,680</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 MISSION OAKS PARKING  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,437	\$ 2,437	\$ 2,437	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	27	27	58	31
Other	4,900	4,900	7,378	2,478
<b>Amounts Available for Appropriations</b>	<b>7,364</b>	<b>7,364</b>	<b>9,873</b>	<b>2,509</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	6,700	6,700	6,459	241
<b>Total Charges to Appropriations</b>	<b>6,700</b>	<b>6,700</b>	<b>6,459</b>	<b>241</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 664</b>	<b>\$ 664</b>	<b>\$ 3,414</b>	<b>\$ 2,750</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 MISSION MERIDIAN PUBLIC GARAGE  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Other	-	-	148,000	148,000
<b>Amounts Available for Appropriations</b>	-	-	<b>148,000</b>	<b>148,000</b>
<b>Charges to Appropriations (Outflow):</b>				
General government	-	12,570	-	12,570
<b>Total Charges to Appropriations</b>	-	<b>12,570</b>	-	<b>12,570</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ (12,570)</b>	<b>\$ 148,000</b>	<b>\$ 160,570</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 STATE GAS TAX  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 103,557	\$ 103,557	\$ 103,557	\$ -
<b>Resources (inflows):</b>				
Intergovernmental	481,000	481,000	584,342	103,342
Use of money and property	5,100	5,100	1,125	(3,975)
Transfers from other funds	104,775	104,775	-	(104,775)
<b>Amounts Available for Appropriations</b>	<b>694,432</b>	<b>694,432</b>	<b>689,024</b>	<b>(5,408)</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	495,190	495,191	486,529	8,662
Capital outlay	-	69,389	69,829	(440)
<b>Total Charges to Appropriations</b>	<b>495,190</b>	<b>564,580</b>	<b>556,358</b>	<b>8,222</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 199,242</b>	<b>\$ 129,852</b>	<b>\$ 132,666</b>	<b>\$ 2,814</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 STATE PROP 40 BOND  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (5,544)	\$ (5,544)	\$ (5,544)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	253,000	148,863	102,273	(46,590)
<b>Amounts Available for Appropriations</b>	<b>247,456</b>	<b>143,319</b>	<b>96,729</b>	<b>(46,590)</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	253,000	257,866	112,522	145,344
<b>Total Charges for Appropriations</b>	<b>253,000</b>	<b>257,866</b>	<b>112,522</b>	<b>145,344</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (5,544)</b>	<b>\$ (114,547)</b>	<b>\$ (15,793)</b>	<b>\$ 98,754</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 COUNTY PARK BOND  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 57,188	\$ 57,188	\$ 57,188	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	49,300	49,300	-	(49,300)
<b>Amounts Available for Appropriations</b>	<b>106,488</b>	<b>106,488</b>	<b>57,188</b>	<b>(49,300)</b>
<b>Charges to appropriation (outflow):</b>				
Public works	32,900	32,900	10,289	22,611
Capital outlay	16,400	16,400	-	16,400
<b>Total Charges to Appropriations</b>	<b>49,300</b>	<b>49,300</b>	<b>10,289</b>	<b>39,011</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 57,188</b>	<b>\$ 57,188</b>	<b>\$ 46,899</b>	<b>\$ (10,289)</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 STATE PARK BOND  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (36,784)	\$ (36,784)	\$ (36,784)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	65,138	65,138	22,306	(42,832)
<b>Amounts Available for Appropriations</b>	<b>28,354</b>	<b>28,354</b>	<b>(14,478)</b>	<b>(42,832)</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	65,138	65,138	10,723	54,415
<b>Total Charges to Appropriations</b>	<b>65,138</b>	<b>65,138</b>	<b>10,723</b>	<b>54,415</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (36,784)</b>	<b>\$ (36,784)</b>	<b>\$ (25,201)</b>	<b>\$ 11,583</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 BIKE AND PEDESTRIAN PATHS  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (12,106)	\$ (12,106)	\$ (12,106)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	20,000	20,000	-	(20,000)
Use of money and property	138	138	894	756
<b>Amounts Available for Appropriations</b>	<b>8,032</b>	<b>8,032</b>	<b>(11,212)</b>	<b>(19,244)</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	20,000	60,000	-	60,000
<b>Total Charges to Appropriations</b>	<b>20,000</b>	<b>60,000</b>	<b>-</b>	<b>60,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (11,968)</b>	<b>\$ (51,968)</b>	<b>\$ (11,212)</b>	<b>\$ 40,756</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL GROWTH REQUIREMENT  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 194,588	\$ 194,588	\$ 194,588	\$ -
<b>Resources (Inflows):</b>				
Charges for services	80,000	80,000	107,588	27,588
Use of money and property	5,600	5,600	9,827	4,227
<b>Amounts Available for Appropriations</b>	<b>280,188</b>	<b>280,188</b>	<b>312,003</b>	<b>31,815</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	156,100	168,171	107,937	60,234
<b>Total Charges to Appropriations</b>	<b>156,100</b>	<b>168,171</b>	<b>107,937</b>	<b>60,234</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 124,088</b>	<b>\$ 112,017</b>	<b>\$ 204,066</b>	<b>\$ 92,049</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE

C.D.B.G.

YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,456	\$ 1,456	\$ 1,456	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	249,328	249,328	253,038	3,710
Other	34,000	34,000	32,467	(1,533)
<b>Amounts Available for Appropriations</b>	<b>284,784</b>	<b>284,784</b>	<b>286,961</b>	<b>2,177</b>
<b>Charges to Appropriations (Outflow):</b>				
General government	128,328	128,326	114,149	14,177
Capital outlay	155,000	171,869	170,040	1,829
<b>Total Charges for Appropriations</b>	<b>283,328</b>	<b>300,195</b>	<b>284,189</b>	<b>16,006</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,456</b>	<b>\$ (15,411)</b>	<b>\$ 2,772</b>	<b>\$ 18,183</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 ASSET FORFEITURE  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 11,383	\$ 11,383	\$ 11,383	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	3,081	3,081
Use of money and property	197	197	602	405
<b>Amounts Available for Appropriations</b>	<b>11,580</b>	<b>11,580</b>	<b>15,066</b>	<b>3,486</b>
<b>Charges to Appropriations (Outflow):</b>				
Public safety	-	14,274	-	14,274
<b>Total Charges for Appropriations</b>	<b>-</b>	<b>14,274</b>	<b>-</b>	<b>14,274</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 11,580</b>	<b>\$ (2,694)</b>	<b>\$ 15,066</b>	<b>\$ 17,760</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 STATE POLICE GRANTS  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 227,513	\$ 227,513	\$ 227,513	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	100,000	100,000	100,000	-
Use of money and property	4,400	4,400	13,530	9,130
<b>Amounts Available for Appropriations</b>	<b>331,913</b>	<b>331,913</b>	<b>341,043</b>	<b>9,130</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	23,500	5,000	18,500
Capital outlay	-	238,585	42,902	195,683
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>262,085</b>	<b>47,902</b>	<b>214,183</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 331,913</b>	<b>\$ 69,828</b>	<b>\$ 293,141</b>	<b>\$ 223,313</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE

CLEEP

YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 28,054	\$ 28,054	\$ 28,054	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	1,100	1,100	1,026	(74)
<b>Amounts Available for Appropriations</b>	<b>29,154</b>	<b>29,154</b>	<b>29,080</b>	<b>(74)</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	-	28,000	24,781	3,219
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>28,000</b>	<b>24,781</b>	<b>3,219</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 29,154</b>	<b>\$ 1,154</b>	<b>\$ 4,299</b>	<b>\$ 3,145</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 PUBLIC LIBRARY GRANT  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,278	\$ 9,278	\$ 9,278	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	9,000	9,000	10,127	1,127
<b>Amounts Available for Appropriations</b>	<b>18,278</b>	<b>18,278</b>	<b>19,405</b>	<b>1,127</b>
<b>Charges to Appropriations (Outflow):</b>				
Community services	9,000	9,000	9,604	(604)
<b>Total Charges to Appropriations</b>	<b>9,000</b>	<b>9,000</b>	<b>9,604</b>	<b>(604)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 9,278</b>	<b>\$ 9,278</b>	<b>\$ 9,801</b>	<b>\$ 523</b>

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY REDEVELOPMENT AGENCY - MAJOR CAPITAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2006

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,663,139	\$ 2,663,139	\$ 2,663,139	\$ -
<b>Resources (Inflows):</b>				
Taxes	399,700	399,700	456,822	57,122
Use of money and property	58,856	58,856	124,386	65,530
<b>Amounts Available for Appropriations</b>	<b>3,121,695</b>	<b>3,121,695</b>	<b>3,244,347</b>	<b>122,652</b>
<b>Charges to Appropriations (Outflow):</b>				
General government	316,444	339,826	198,170	141,656
Debt service:				
Principal	65,000	65,000	65,000	-
Interest and fiscal charges	131,268	131,268	124,847	6,421
<b>Total Charges to Appropriations</b>	<b>512,712</b>	<b>536,094</b>	<b>388,017</b>	<b>148,077</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,608,983</b>	<b>\$ 2,585,601</b>	<b>\$ 2,856,330</b>	<b>\$ 270,729</b>

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STATISTICAL SECTION [TAB]



# Statistical Section

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

## Contents

### **Financial Trends**

*These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.*

### **Revenue Capacity**

*These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.*

### **Debt Capacity**

*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.*

### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.*

### **Operating Information**

*These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.*

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

**CITY OF SOUTH PASADENA**

**Net Assets by Component  
Last Four Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year			
	2003	2004	2005	2006
<b>Government activities</b>				
Invested in capital assets, net of related debt	\$ 53,848,000	\$ 53,712,779	\$ 52,586,854	\$ 53,938,246
Restricted	875,676	3,134,933	2,985,309	3,700,356
Unrestricted	5,037,527	3,109,784	2,866,719	3,351,709
<b>Total governmental activities net assets</b>	<b>\$ 59,761,203</b>	<b>\$ 59,957,496</b>	<b>\$ 58,438,882</b>	<b>\$ 60,990,311</b>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ -	\$ 2,084,629	\$ 3,290,506	\$ 3,042,921
Restricted	-	-	769,344	1,391,957
Unrestricted	5,645,780	4,323,054	2,952,479	3,319,590
<b>Total business-type activities net assets</b>	<b>\$ 5,645,780</b>	<b>\$ 6,407,683</b>	<b>\$ 7,012,329</b>	<b>\$ 7,754,468</b>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 53,848,000	\$ 55,797,408	\$ 55,877,360	\$ 56,981,167
Restricted	875,676	3,134,933	3,754,653	5,092,313
Unrestricted	10,683,307	7,432,838	5,819,198	6,671,299
<b>Total primary government activities net assets</b>	<b>\$ 65,406,983</b>	<b>\$ 66,365,179</b>	<b>\$ 65,451,211</b>	<b>\$ 68,744,779</b>

CITY OF SOUTH PASADENA

Changes in Net Assets  
Last Four Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
<b>Expenses</b>				
Governmental Activities:				
General government	\$ 3,347,378	\$ 4,539,884	\$ 5,238,131	\$ 4,623,433
Public safety	7,629,324	8,926,614	9,631,689	9,823,747
Community development	874,087	763,683	786,021	770,006
Community Services	2,225,418	2,183,071	2,426,270	2,446,291
Public works	4,416,784	3,672,143	4,351,990	4,804,715
Interest on long-term debt	149,200	146,641	178,245	172,698
<b>Total Governmental Activities expenses</b>	<b>18,642,191</b>	<b>20,232,036</b>	<b>22,612,346</b>	<b>22,640,890</b>
Business-Type Activities:				
Water utility	2,643,259	2,558,200	3,607,186	4,160,990
<b>Total Business-Type Activities Expenses</b>	<b>2,643,259</b>	<b>2,558,200</b>	<b>3,607,186</b>	<b>4,160,990</b>
<b>Total Primary Government Expenses</b>	<b>\$ 21,285,450</b>	<b>\$ 22,790,236</b>	<b>\$ 26,219,532</b>	<b>\$ 26,801,880</b>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services:				
General government	\$ 1,511,286	\$ 2,162,608	\$ 1,896,524	\$ 2,635,356
Public safety	652,013	800,415	1,326,582	1,576,318
Community development	552,806	579,502	715,107	715,970
Community Services	641,967	786,449	739,172	739,573
Public works	5,815,204	3,185,463	2,574,316	3,787,781
<b>Total Governmental Activities Program Revenues</b>	<b>9,173,276</b>	<b>7,514,437</b>	<b>7,251,701</b>	<b>9,454,998</b>
Business-Type Activities:				
Charges for services:				
Water utility	2,850,357	3,217,446	3,902,977	4,442,966
<b>Total Business-Type Activities Program Revenues</b>	<b>2,850,357</b>	<b>3,217,446</b>	<b>3,902,977</b>	<b>4,442,966</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 12,023,633</b>	<b>\$ 10,731,883</b>	<b>\$ 11,154,678</b>	<b>\$ 13,897,964</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(9,468,915)	(12,717,599)	(15,360,645)	(13,185,892)
Business-Type Activities	207,098	659,246	295,791	281,976
<b>Total primary Government Net Expense</b>	<b>(9,261,817)</b>	<b>(12,058,353)</b>	<b>(15,064,854)</b>	<b>(12,903,916)</b>

	Fiscal Year			
	2003	2004	2005	2006
<b>General Revenues and Other Charges in Net Assets</b>				
Governmental Activities:				
Taxes:				
Property taxes, levied for general purpose	\$ 5,401,391	\$ 5,878,748	\$ 6,152,773	\$ 8,367,587
Sales taxes	2,334,636	2,388,269	2,572,929	2,890,126
Franchise taxes	566,280	624,327	671,111	717,624
Business licenses taxes	257,047	257,799	273,432	323,055
Other taxes	1,826,864	1,988,990	2,113,733	2,104,870
Motor Vehicle in Lieu	1,428,810	1,167,965	2,034,071	88,757
Use of money and property	438,050	439,308	489,121	619,237
Gain on sale of assets	12,683	(63,817)	-	-
Other	33,086	97,564	154,813	646,065
<b>Total Governmental Activities</b>	<b>12,298,847</b>	<b>12,779,153</b>	<b>14,461,983</b>	<b>15,757,321</b>
Business-Type Activities:				
Use of money and property	64,757	48,131	211,678	369,399
Other	186,132	54,526	97,177	90,764
<b>Total Business-Type Activities</b>	<b>250,889</b>	<b>102,657</b>	<b>308,855</b>	<b>460,163</b>
<b>Total Primary Government</b>	<b>12,549,736</b>	<b>12,881,810</b>	<b>14,770,838</b>	<b>16,217,484</b>
<b>Changes in Net Assets</b>				
Governmental Activities	2,829,932	61,554	(898,662)	2,571,429
Business-Type Activities	457,987	761,903	604,646	742,139
<b>Total Primary Government</b>	<b>\$ 3,287,919</b>	<b>\$ 823,457</b>	<b>\$ (294,016)</b>	<b>\$ 3,313,568</b>

CITY OF SOUTH PASADENA

Fund Balances of Governmental Funds  
 Last Four Fiscal Years  
 (Modified Accrual Basis Of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	368,202	455,087	542,341	645,341
Unreserved	3,100,339	3,414,972	3,459,743	4,489,626
Total General Fund	<u>3,468,541</u>	<u>3,870,059</u>	<u>4,002,084</u>	<u>5,134,967</u>
All Other Governmental Funds				
Reserved	755,491	266,517	293,809	2,456,501
Unreserved:				
Unreserved, reported in nonmajor, Special revenue funds	1,223,747	1,321,075	1,440,330	205,647
Designated for:				
Low & moderate housing	-	-	436,976	463,776
Debt service	-	-	198,968	202,044
Undesignated	2,191,930	2,512,672	2,012,312	941,127
Total all other Governmental Funds	<u>4,171,168</u>	<u>4,100,264</u>	<u>4,382,395</u>	<u>4,269,095</u>

**CITY OF SOUTH PASADENA**

**Changes In Fund Balances Of Governmental Funds  
Last Four Fiscal Years  
(Modified Accrual Basis Of Accounting)**

	Fiscal Year			
	2003	2004	2005	2006
<b>Revenues:</b>				
Taxes	\$ 10,130,600	\$ 10,880,019	\$ 11,449,664	\$ 13,972,117
Assessments	1,106,389	1,113,278	1,097,970	1,068,561
Licenses and permits	646,955	750,566	791,522	842,947
Intergovernmental	6,601,782	3,237,991	3,996,994	3,584,136
Charges for services	1,949,856	2,386,005	2,649,613	2,683,695
Use of money and property	438,050	439,308	509,282	642,950
Fines and forfeitures	303,814	561,435	544,883	603,086
Contributions	-	-	-	14,053
Miscellaneous	294,677	548,180	790,231	1,231,214
<b>Total revenues</b>	<b>21,472,123</b>	<b>19,916,782</b>	<b>21,830,159</b>	<b>24,642,759</b>
<b>Expenditures:</b>				
Current:				
General government	3,293,781	3,950,276	4,427,679	4,467,746
Public safety	7,416,733	8,808,933	9,496,581	9,703,634
Community development	870,779	769,466	781,903	766,775
Community services	2,049,272	2,029,889	2,270,982	2,299,564
Public works	2,248,896	2,501,017	2,511,989	2,721,530
Capital outlay	4,897,143	1,280,203	1,634,550	3,790,870
Debt service:				
Principal retirement	105,140	104,110	109,826	112,359
Interest and fiscal charges	149,612	142,274	179,240	177,557
<b>Total expenses</b>	<b>21,031,356</b>	<b>19,586,168</b>	<b>21,412,750</b>	<b>24,040,035</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	440,767	330,614	417,409	602,724
Other financing sources (uses):				
Transfers in	-	10,032	96,541	-
Transfers out	-	(10,032)	(96,541)	-
Capital leases	15,105	-	-	-
<b>Total other financing sources     (uses)</b>	<b>15,105</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances / net assets</b>	<b>\$ 455,872</b>	<b>\$ 330,614</b>	<b>\$ 417,409</b>	<b>\$ 602,724</b>
Debt service as a percentage of noncapital expenditures	1.6%	1.3%	1.5%	1.4%

CITY OF SOUTH PASADENA

Assessed Value and Estimated Actual Value of Taxable Property,  
Last Ten Fiscal Years  
(in thousands of dollars)

Fiscal Year	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>a</sup>	Taxable Assessed Value as a Percentage of Actual Taxable Value
1997	\$ 1,322,316	\$ 128,507	\$ 86,651	\$ (12,865)	\$ 1,524,609	\$1.00	N/A	N/A
1998	1,346,192	130,627	87,685	(13,051)	1,551,453	1.00	N/A	N/A
1999	1,391,462	137,560	90,463	(11,567)	1,607,918	1.00	N/A	N/A
2000	1,475,059	138,637	99,709	(14,851)	1,698,554	1.00	N/A	N/A
2001	1,569,274	144,395	106,400	(15,643)	1,804,426	1.00	N/A	N/A
2002	1,667,313	151,345	110,090	(11,430)	1,917,318	1.00	N/A	N/A
2003	1,783,248	157,091	109,963	(19,275)	2,031,027	1.00	N/A	N/A
2004	1,930,016	168,874	117,217	(13,863)	2,202,244	1.00	N/A	N/A
2005	2,087,821	177,629	118,885	(20,516)	2,363,819	1.00	N/A	N/A
2006	2,262,942	189,286	132,004	(28,647)	2,555,585	1.00	N/A	N/A

Source: County of Los Angeles Auditor-Controller and HDL Coren & Cone.

Note: <sup>a</sup>Estimated Actual Taxable Value is not available.

**CITY OF SOUTH PASADENA**

**Direct and Overlapping Property Tax Rates,  
Last Ten Fiscal Years  
(rate per \$1,000 of assessed value)**

Fiscal Year	City Direct Rates		Overlapping Rates				Total
	General Basic Tax Levy	Total Direct Rate	South Pasadena Unified School District	L.A. County Flood District	Metropolitan Water District	Los Angeles County	
1997	\$ 1.0000	\$ 1.0000	\$ 0.0023	\$ 0.0020	\$ 0.0089	\$ 0.0016	\$ 1.0148
1998	1.0000	1.0000	0.0709	0.0022	0.0089	0.0016	1.0836
1999	1.0000	1.0000	0.0610	0.0020	0.0089	0.0015	1.0734
2000	1.0000	1.0000	0.0620	0.0020	0.0089	0.0014	1.0743
2001	1.0000	1.0000	0.0643	0.0016	0.0088	0.0013	1.0760
2002	1.0000	1.0000	0.0673	0.0005	0.0077	0.0011	1.0766
2003	1.0000	1.0000	0.0676	0.0009	0.0067	0.0010	1.0762
2004	1.0000	1.0000	0.1105	0.0005	0.0061	0.0010	1.1181
2005	1.0000	1.0000	0.1041	0.0002	0.0058	0.0009	1.1110
2006	1.0000	1.0000	0.0998	0.0001	0.0052	0.0008	1.1058

Source: County of Los Angeles Auditor-Controller and HDL Coren and Cone.

CITY OF SOUTH PASADENA

Principal Property Tax Payers,  
Current Year and Nine Years Ago

<u>Taxpayer</u>	2006			1997		
	<u>Taxable Assessed Value (1)</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value (1)</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
H & O Fair Oaks Partners	\$ 15,055,816	1	0.59%	12,739,296	1	0.84%
Roman Catholic Archbishop of Los Angeles	11,764,148	2	0.46%	-	-	-
Mt. Olive Sepulveda Limited Partnership	9,755,650	3	0.38%	-	-	-
Golden Oaks investment Limited Partnership	8,455,880	4	0.33%	-	-	-
NNC Terraces of South Pasadena	8,346,050	5	0.33%	-	-	-
Cal Empire Limited Partnership	8,097,791	6	0.32%	-	-	-
Kan Investment Limited LLC	8,090,132	7	0.32%	-	-	-
CCCC Growth Fund LLC	7,466,400	8	0.29%	-	-	-
Ralphs Grocery Company	7,144,760	9	0.28%	-	-	-
H P III Limited	7,067,825	10	0.28%	-	-	-
Andrew J. & Peggy T. Cherng	-	-	-	8,025,516	2	0.53%
Jerry B. & Roberta L. Furrey	-	-	-	7,386,124	3	0.48%
James L. Roper	-	-	-	5,608,382	4	0.37%
Braewood Estate Partnership	-	-	-	4,237,333	5	0.28%
Joseph M. & Linda E. Di Paulo Trust	-	-	-	4,625,174	6	0.30%
L & W Partnership	-	-	-	4,080,480	7	0.27%
1808 Foothill Associates	-	-	-	3,928,110	8	0.26%
Pasadena Industrial Associates	-	-	-	3,700,000	9	0.24%
Ralphs Grocery Company	-	-	-	3,681,985	10	0.24%
<b>Total</b>	<b>\$ 91,244,452</b>		<b>3.57%</b>	<b>\$ 58,012,400</b>		<b>3.81%</b>

Source: (1) HDL Coren & Cone and Los Angeles County Assessor.

**CITY OF SOUTH PASADENA**

**Property Tax Levies and Collections,  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 3,315,023	\$ 3,077,954	92.8%	53,973	\$ 3,131,927	94.5%
1998	3,696,112	3,531,412	95.5%	52,973	3,584,385	97.0%
1999	3,793,688	3,631,407	95.7%	(4,495)	3,626,912	95.6%
2000	4,072,985	3,826,047	93.9%	(27,553)	3,798,494	93.3%
2001	4,287,879	4,079,596	95.1%	(10,207)	4,069,389	94.9%
2002	4,602,846	4,494,678	97.6%	29,821	4,524,499	98.3%
2003	4,729,803	4,656,978	98.5%	25,961	4,682,939	99.0%
2004	4,855,643	4,760,451	98.0%	77,643	4,838,094	99.6%
2005	5,241,559	4,807,080	91.7%	157,836	4,964,916	94.7%
2006	5,700,244	5,288,176	92.8%	117,615	5,405,791	94.8%

Sources: Los Angeles County Tax Collector and City of South Pasadena, Finance Division.

CITY OF SOUTH PASADENA

Ratios of Outstanding Debt by Type,  
Last Four Fiscal Years

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Fiscal Year	Government Activities	Business-type Activities	Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Tax Allocation Bonds	Water Revenue Bonds			
2003	2,410,000	-	\$ 2,410,000	0.58%	97
2004	2,350,000	8,880,000	\$ 11,230,000	2.63%	445
2005	2,285,000	8,800,000	\$ 11,085,000	2.44%	434
2006	2,220,000	8,685,000	\$ 10,905,000	2.29%	423

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Demographic and Economic Statistics schedule for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**CITY OF SOUTH PASADENA**

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2006**

Fiscal Year 2005-06 Assessed Valuation : \$2,253,492,777 After Deducting \$302,091,788 Redevelopment increment.

<u>Overlapping Tax and Assessment Debt:</u>	<u>Debt Outstanding</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 6/30/06</u>
Detention Facilities 1987 Debt	\$ 8,395,000	0.307%	\$ 25,765
Los Angeles County Flood Control Storm Drain	1,080,000	0.312%	3,366
Orig Area UP San Gabriel Valley MWD	182,369,156	0.331%	603,939
Pasadena Area Comm College District	28,040,000	5.641%	1,581,783
Total Overlapping Tax and Assessment Debt			<u>\$ 2,214,853</u>
 <u>Direct and Overlapping General Fund Obligation Debt:</u>			
South Pasadena Unified 96 Ser A	\$ 4,485,000	100.000%	\$ 4,485,000
South Pasadena Unified DS 95 Ser B	6,889,877	100.000%	6,889,877
South Pasadena Unified SD DS 95 S-C	9,146,777	100.000%	9,146,777
South Pasadena USD SD DS 95 Ser D	1,960,890	100.000%	1,960,890
South Pasadena USD DS 2002 S-03 A	19,945,000	100.000%	19,945,000
Total Direct and Overlapping General Fund Obligation Debt			<u>\$ 42,427,544</u>
COMBINED TOTAL DEBT			<u>\$ 44,642,397</u> (2)

**Source:** HDL Coren & Cone and Los Angeles County Assessor.

**Note:**

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Debt to Assessed Valuation Ratios :

Direct Debt	1.88%
Overlapping Debt	0.10%
Total Debt	1.98%

**CITY OF SOUTH PASADENA**

**Legal Debt Margin Information,  
Last Ten Fiscal Years**  
*(dollars in thousands)*

**Legal Debt Margin Calculation for Fiscal Year 2006**

Assessed value	\$ 2,555,585
Debt limit (15% of assessed value)	383,338
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 383,338</u>

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total net debt Applicable to Limit</b>	<b>Legal Debt Limit</b>	<b>Total net debt Applicable to the Limit as a Percentage of Debt limit</b>
1997	\$ 228,691	\$ -	\$ 228,691	0.00%
1998	232,718	-	232,718	0.00%
1999	241,188	-	241,188	0.00%
2000	254,783	-	254,783	0.00%
2001	270,664	-	270,664	0.00%
2002	287,598	-	287,598	0.00%
2003	304,654	-	304,654	0.00%
2004	330,337	-	330,337	0.00%
2005	354,573	-	354,573	0.00%
2006	383,338	-	383,338	0.00%

**CITY OF SOUTH PASADENA**

**Pledged-Revenue Coverage  
Last Four Fiscal Years  
(in thousands)**

Fiscal Year	Water Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	3,217	2,522	695	-	-	N/A
2005	3,903	3,170	733	-	432	1.70
2006	4,443	3,727	716	195	434	1.14

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

The Water Revenue bonds were issued in 2004.

**Source:** City of South Pasadena Finance Department.

**CITY OF SOUTH PASADENA**

**Demographic and Economic Statistics  
Last Ten Calendar Years**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income * (2) (thousands of dollars)</b>	<b>Per Capita * Personal Income (2)</b>	<b>Unemployment Rate (3)</b>
1997	25,138	\$ 315,995	\$ 26,519	N/A
1998	25,399	344,096	28,469	N/A
1999	25,743	360,275	29,402	N/A
2000	25,997	385,053	31,045	2.6%
2001	24,820	403,519	32,152	2.7%
2002	24,952	412,753	32,522	3.5%
2003	25,226	427,041	33,318	3.6%
2004	25,519	453,902	35,188	3.4%
2005	25,789	477,101	36,917	2.6%
2006	25,674	N/A	N/A	2.2%

\* NOTE: This is the data of the Los Angeles-Long Beach-Santa Ana Metropolitan Statistical Area. The data for the City is not available.

**Sources:** (1) State of California Department of Finance  
 (2) U.S. Department of Commerce Bureau of Economic Analysis  
 (3) State of California Economic Development Department

CITY OF SOUTH PASADENA

Principal Employers  
Current Year and Nine Years Ago

Employer	2005-06			1996-97 *		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Bristol Farms	149	1	0.97%			
WNC Insurance Services, Inc.	121	2	0.79%			
So. Pasadena Convalescent Hospital	113	3	0.74%			
Hospice Cheer	111	4	0.73%			
Microdot Connectors	104	5	0.68%			
Alert Communications	90	6	0.59%			
Abbott Diagnostics Div. Abbott Labs	82	7	0.54%			
Cogent Systems Inc.	77	8	0.50%			
Law Offices of Harris and Zide	75	9	0.49%			
Ralph's Groceries #21	69	10	0.45%			
	<u>991</u>		<u>6.48%</u>	<u>0</u>		<u>0.00%</u>

\* Information not available.

Source: South Pasadena Finance Department/Business License

CITY OF SOUTH PASADENA

**Full-time-Equivalent City Government Employees by Function/Program**

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	<u>As of 06/30/06</u>	<u>As of 06/30/05</u>	<u>As of 06/30/04</u>
<b><u>Function/Program</u></b>			
General government			
Legislative	7	7	7
City Manager	7	7	7
Finance	8	9	8
Public Safety	81	81	78
Community Development	6	6	6
Community Services	36	34	34
Public Works	16	16	16
Water Utility	14	14	14
Total	<u>175</u>	<u>174</u>	<u>170</u>

**Source:** South Pasadena Finance Department

**Notes:** A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

CITY OF SOUTH PASADENA

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government										
Building permits issued	444	512	615	522	535	544	551	578	311	381
Building inspections conducted	N/A	N/A	N/A	2,223	2,083	2,125	2,310	2,355	1,888	2,154
Refuse collection										
Refuse collected (tons per day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79.3
Recyclables collected (tons per day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	32.6
Other public works										
Street resurfacing (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.9
Potholes repaired ***	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	545
Water										
New connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18
Water main breaks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	9
Average daily consumption (million gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.52
Peak daily consumption (million gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.65
Fire Department										
Total number of emergency calls responded in a year	N/A	N/A	N/A	N/A	1,691	1,992	2,028	2,017	1,902	1,620
Total number of fire inspections in a year	N/A	N/A	N/A	N/A	N/A	N/A	N/A	360	317	480
Police Department										
Arrest stats **	N/A	N/A	N/A	627	804	1,093	1,051	1,113	1,127	N/A
Traffic citations	N/A	N/A	N/A	N/A	N/A	N/A	3,734	4,136	4,101	5,762
Parking citations	N/A	N/A	N/A	N/A	N/A	N/A	9,145	16,117	14,401	13,308
Community Services										
Facility rentals	N/A	N/A	N/A	N/A	N/A	31	21	36	29	36
Recreation classes	N/A	N/A	N/A	N/A	N/A	175	174	188	212	207

NOTE:

\*\*\* Based on average sized potholes and cold patch purchased.

\*\* Data is kept on a calendar year basis.

Sources: Various city departments.

CITY OF SOUTH PASADENA

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other public works										
Streets (miles)	55	55	55	55	55	55	55	55	59	59
Traffic signals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30
Parks and recreation										
Parks	5	5	5	5	5	5	5	5	6	6
Acreage	85	85	85	85	85	85	85	85	86	89
Playgrounds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
Baseball/softball diamonds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5
Soccer/football fields	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
Community centers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
Water										
Water mains (miles)	68	68	68	68	68	68	68	68	68	68
Fire hydrants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	165
Storage capacity (million gallons)	13	13	13	13	13	13	13	13	13	13
Sewage System										
Sanitary sewers (miles)	55	55	55	55	55	55	55	55	55	55
Storm sewers (miles)	2	2	2	2	2	2	2	2	2	2

Notes: No capital asset indicators are available for the general government.

Sources: Various city departments.





