

City of South Pasadena, CA



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2010

CITY OF SOUTH PASADENA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2010

PREPARED BY: FINANCE DEPARTMENT

CITY OF SOUTH PASADENA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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November 23, 2010

Honorable Mayor and Members of the City Council,

We proudly present to you the City of South Pasadena's Comprehensive Annual Financial Report (CAFR). 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 licensed certified public accounting firm. 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, 2010, 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, 2010, 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.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City'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 25,832. 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; library operations; and general administrative and support services.

The annual budget serves as the foundation of 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 their departments, within the same fund and only within the maintenance and operations portions of the budget, without increasing total appropriations. 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. For FY 2009/10, the City of South Pasadena, the greater Los Angeles region and the State of California, all realized continued reductions in revenues due to the tumultuous economy. South Pasadena General Fund revenues were flat compared to the previous year as the slowdown in the housing market, idleness in retail sales, and fluctuations in gas prices all impact the city's economic base.

Property taxes are the City's largest tax source and make up approximately half of the General Fund revenues. Property taxes have demonstrated several years of strong increases in growth in assessed values and in corresponding tax collections, partially because the City's extremely high quality of life makes it a desirable place to live and work. Moreover, the City's proximity to commercial and cultural developments in greater Pasadena offers our residents distinct lifestyle advantages. Valuation of South Pasadena properties grew by an average of 7.74% over the five-year period prior to FY 2009/10. However, for this year, property tax showed on a \$22,480 (0.2%) increase, which is stable compared to other cities within Los Angeles County. South Pasadena, assessed values and property taxes are expected to continue performing above the Los Angeles County average or Statewide average. Data also shows that South Pasadena retains \$0.24 for every dollar of property tax collected within the City, while new cities receive only \$0.05 for every dollar of property tax collected within their city boundaries.

FY 2009/10 was the second year in which the City collected an additional 3%, above the current 5%, Utility Users Tax (UUT). The additional 3% UUT brought in \$1,132,909, and was used to offset increased personnel and infrastructure expenses. The 3% UUT is set to expire in March 2013, and will be considered for voter approval for continuation at the November 2011 local elections. Utility Users Tax is the second largest revenue source for the General Fund.

Overall, South Pasadena continues to remain in satisfactory financial condition thanks to a relatively diverse and 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 at least \$2 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 various financial review committees, including a full allocation of costs between funds and a professional cost recovery/fee study in FY 2009/10. These changes have modestly maintained or improved the General Fund bottom line.

Long-term financial planning for infrastructure. In FY 2003/04, the City established a long-range vision for its sewer system and water enterprise by adjusting charges for service to finance many necessary improvements. In June 2009, the City Council approved additional water and sewer rate adjustments to expedite the restoration and rehabilitation of the aging water and sewer infrastructure within the City. Water rates were approved to increase by 15%, 15%, 14% and 11% each consecutive fiscal year. Sewer rates were approved to increase by 15%, 15%, and 25% for three consecutive years starting on July 1, 2009. The City also issued \$43.4 million of water revenue bonds to work on various reservoirs, water mains and transmission lines throughout the city. In FY 2009/10, the City Council also committed at least \$1.2 million annually towards the rehabilitation of city streets.

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 require estimates and sound judgments by management.

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, 2010 the City was providing benefits to an average of 104 participants. Beginning with the annual financial report for fiscal year ending June 30, 2009, the City has also included information pertinent to the unfunded actuarially accrued liability resulting from this post-employment benefit in conformity with the requirements of Government Accounting Standards Board Statement number 45.

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, 2009. 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. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of South Pasadena has received a Certificate of Achievement for the last 22 consecutive years (fiscal years ended 1987 through 2009). 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.

The preparation and publication of this report is made possible through the dedication of the entire Finance Department staff, and especially from David Batt, Assistant Finance Director.

This report would also not have been possible without the leadership of the City Manager, John Davidson, and continued commitment from the City Council in conducting the financial operations and corresponding financial disclosures of the City in an open, public and transparent manner. Finally, thanks are again extended to the firm of Lance, Soll & Lunghard, who added many contributions to our internal control structure and improvements in our financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'CTH', with a long horizontal flourish extending to the right.

Chu Thai
Finance Director

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, 2009

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.



President

Executive Director

CITY OF SOUTH PASADENA, CALIFORNIA

OFFICIALS OF THE CITY OF SOUTH PASADENA

CITY COUNCIL

Dr. Richard D. Schneider
Mayor

Mike Ten
Mayor Pro Tempore

Michael A. Cacciotti
Council member

Philip C. Putnam
Council member

David Sifuentes
Council member

ADMINISTRATION AND DEPARTMENT HEADS

City Manager and Executive Director of
South Pasadena Redevelopment Agency

John Davidson

Assistant City Manager

Sergio Gonzalez

City Clerk

Sally Kilby

City Treasurer

Victor Robinette

Director of Finance

Chu Thai

Director of Public Works

Matthew Sweeney

Director of Planning and Building

David Watkins

City Librarian

Steve Fjeldsted

Police Chief

Joseph Payne

Fire Chief

Gerald Wallace

Director of Community Services

Sheila Pautsch

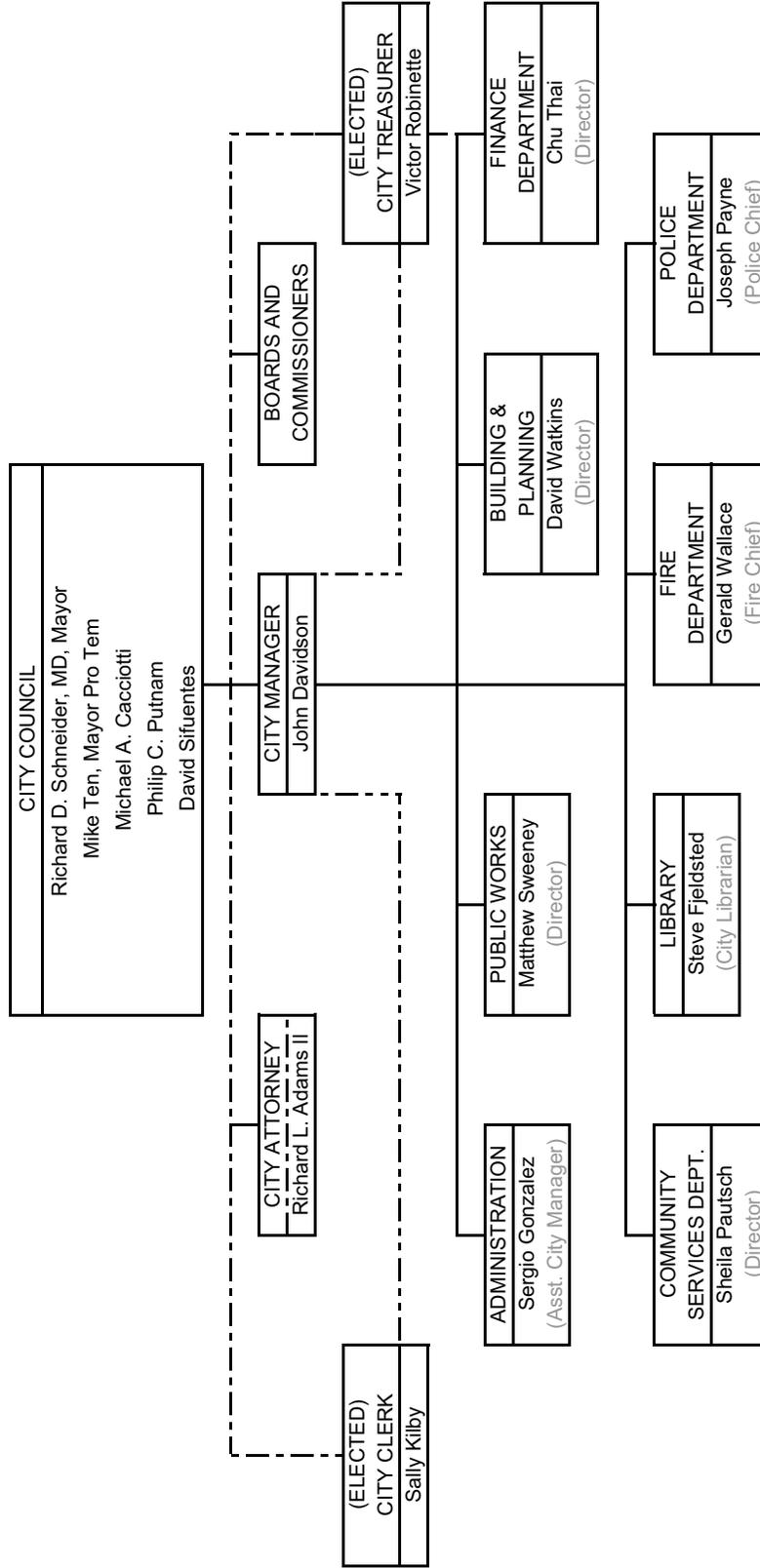
City Attorney

Richard L. Adams II

CITY OF SOUTH PASADENA

ORGANIZATIONAL CHART

2009 - 2010





CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- Donald L. Parker, CPA
- Michael K. Chu, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA

DRAFT

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, 2010, 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, 2010. The respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General 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 November 23, 2010, 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 & Luyhard, LLP

November 23, 2010

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, 2010. 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.

(A) Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$77,472,758 (*net assets*). Of this amount, \$6,937,924 (*unrestricted net assets of governmental activities*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$3,681,846.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$14,709,158 a decrease of \$3,177,704. Of this amount, \$8,768,489 or approximately 59.6% of total fund balances are available for spending at the City's discretion (*unreserved and undesignated fund balance*).
- The decrease in the City's governmental funds reported combined fund balances was primarily the result of decreases in grants received, significant increases in capital expenditures, and decreases in charges for services resulting from the reclassification of the Sewer Fund from a Special Revenue Fund to an Enterprise Fund.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$8,768,489, or 40.9% of total General Fund Expenditures.
- The City's net capital assets increased \$3,721,935 from the prior year.

(B) 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, recreation and debt service. The business-type activities of the City are its water and sewer enterprises.

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 34 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, which is considered to be a major fund for the purposes of this report. Data from the other 33 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 its General Fund and each of its special revenue funds. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with this budget. The budgetary comparison statement for the General Fund is located in the basic financial statements; the budgetary comparison schedules for the nonmajor governmental funds are presented in the Additional Financial Information section of this report.

Proprietary funds. The City of South Pasadena maintains one type of proprietary fund, an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utilities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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 combining statements referred to earlier in connection with nonmajor governmental funds together with information are presented immediately following the notes to the financial statements.

(C) Government-wide Financial Analysis.

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 \$77,472,758 at the close of the most recent fiscal year. This represents a decrease of \$3,681,846 or 4.6% from the prior year, driven primarily by large increases in the liability for post-employment benefits and interest expense on the 2009 Water Revenue Bonds, along with decreases in grant revenues in the current year. By far the largest portion of the City's net assets, \$58,818,378 or 75.9% reflects its investment in non-liquid capital assets (e.g. land, infrastructure, buildings, and 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, 2010 and 2009**

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|--------------------------------|--------------|---------------------------------|--------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$17,660,054 | \$21,358,797 | \$49,835,346 | \$51,831,101 | \$67,495,400 | \$73,189,898 |
| Capital assets | 59,574,447 | 58,243,554 | 12,180,756 | 9,789,714 | 71,755,203 | 68,033,268 |
| Total assets | \$77,234,501 | \$79,602,351 | \$62,016,102 | \$61,620,815 | \$139,250,603 | \$141,223,166 |
| Long-term liabilities outstanding | \$6,184,524 | \$4,668,861 | \$50,137,196 | \$50,309,289 | \$56,321,720 | \$54,978,150 |
| Other liabilities | 2,501,022 | 3,257,177 | 2,955,103 | 1,833,235 | 5,456,125 | 5,090,412 |
| Total liabilities | \$8,685,546 | \$7,926,038 | \$53,092,299 | \$52,142,524 | \$61,777,845 | \$60,068,562 |
| Net assets: | | | | | | |
| Invested in capital assets | \$57,541,752 | \$56,086,968 | \$1,276,626 | \$1,890,240 | \$58,818,378 | \$62,290,380 |
| Restricted | 4,069,279 | 6,609,467 | 36,135,935 | 36,642,005 | 40,205,214 | 43,251,472 |
| Unrestricted | 6,937,924 | 8,979,878 | (28,488,758) | (29,053,954) | (21,550,834) | (24,387,248) |
| Total Net Assets | \$68,548,955 | \$71,676,313 | \$8,923,803 | \$9,478,291 | \$77,472,758 | \$81,154,604 |

The second largest portion of the City net assets of \$40,205,214 represents special revenue resources and bond proceeds that are subject to external restrictions on how they may be used. Unrestricted net assets show a deficit balance of \$21,550,834 which is a reflection of the debt that was issued in the Water Enterprise Fund for capital improvements.

The City's governmental current assets decreased by \$3,698,743, offset by an increase of \$1,330,893 in capital assets as several large grants for capital improvements received in the prior year were expended. Another major factor in the decrease was the reclassification of the Sewer Fund from a Special Revenue Fund to an Enterprise Fund, with the assets now associated with business-type activities. The City's business-type assets increased by \$395,287, due primarily to the establishment of the Sewer Enterprise Fund. The City reported a net increase of \$3,721,935 in capital assets, as several large projects were completed, including increased spending on street improvement projects.

The City's governmental restricted assets decreased by \$2,540,188 while the City's business-type restricted assets decreased by \$506,070 as grants and Water Bond proceeds were expended for capital projects.

Governmental Activities

City of South Pasadena Changes in Net Assets As of June 30, 2010 and 2009

| | Gov Activities | Gov Activities | Bus-Type Activities | Bus-Type Activities | Total | Total |
|------------------------------------|-------------------|-------------------|------------------------|------------------------|---------------|--------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Program revenues: | | | | | | |
| Charges for services | \$4,374,919 | \$4,909,665 | \$4,927,289 | \$4,549,062 | \$9,302,208 | \$9,458,727 |
| Operating contributions and grants | 1,246,435 | 795,063 | | | 1,246,435 | 795,063 |
| Capital contributions and grants | 820,447 | 1,868,187 | | | 820,447 | 1,868,187 |
| General revenues: | | | | | | |
| Property taxes | 10,426,753 | 10,404,273 | | | 10,426,753 | 10,404,273 |
| Other taxes | 8,008,467 | 7,516,010 | | | 8,008,467 | 7,516,010 |
| Intergovernmental | 76,294 | 74,215 | | | 76,294 | 74,215 |
| Use of Money & Property | 517,079 | 658,997 | 681,532 | 227,528 | 1,198,611 | 886,525 |
| Other | 207,937 | 73,594 | 12,379 | 13,814 | 220,316 | 87,408 |
| Transfers | (1,829,787) | | 1,829,787 | | | |
| Total revenues | \$23,848,544 | \$26,300,004 | \$7,450,987 | \$4,790,404 | \$31,299,531 | \$31,090,408 |
| Expenses: | | | | | | |
| General government | \$5,816,414 | \$5,513,124 | | | \$5,816,414 | \$5,513,124 |
| Public safety | 11,589,395 | 11,525,403 | | | 11,589,395 | 11,525,403 |
| Public works | 5,484,601 | 5,482,505 | | | 5,484,601 | 5,482,505 |
| Community Services | 3,033,614 | 2,914,235 | | | 3,033,614 | 2,914,235 |
| Community Development | 920,339 | 839,568 | | | 920,339 | 839,568 |
| Interest on long-term debt | 131,539 | 136,769 | | | 131,539 | 136,769 |
| Water | | | 7,144,268 | 4,451,292 | 7,144,268 | 4,451,292 |
| Sewer | | | 861,207 | | 861,207 | |
| Total expenses | \$26,975,902 | \$26,411,604 | \$8,005,475 | \$4,451,292 | \$34,981,377 | \$30,862,896 |
| Increase in net assets | (\$3,127,358) | (\$111,600) | (\$554,488) | \$339,112 | (\$3,681,846) | \$227,512 |
| Net assets - July 1, 2009 | 71,676,313 | 71,756,405 | 9,478,291 | 9,212,398 | 81,154,604 | 80,968,803 |
| Restatement of Net Assets | | 31,508 | | (73,219) | | (41,711) |
| Net assets - June 30, 2010 | \$68,548,955 | \$71,676,313 | \$8,923,803 | \$9,478,291 | \$77,472,758 | \$81,154,604 |

Governmental activities net assets decreased by \$3,127,358. Key elements of the change in governmental activities net assets are as follows:

- Establishment of the Sewer Enterprise Fund resulted in a transfer of assets of \$1,829,787 from governmental to business-type activities, along with the allocation of \$657,045 in charges for services that would have been included with governmental activities in FY 2009.

- Total taxes from governmental activities, increased by \$514,937 (2.8%) from the prior year.
- Property taxes are levied based on assessed values, although increases in the assessed values of properties that do not change ownership are generally limited to 2% annually. The real estate environment in FY 2010 remained stable, resulting in a \$22,480 (0.2%) increase.
- Sales taxes generally are a direct reflection of the general economy, and South Pasadena sales tax revenue increased by \$397,877 (16.5%) as the recession appears to have bottomed out for the City's mature tax bases, i.e. no big box stores, car dealerships, etc.
- Program revenues decreased by \$1,131,114 or 14.9% primarily as a result of an decrease in capital grant funding.
- Investment earnings decreased by \$141,918 (21.5%) during the year. This was primarily a result of continuing substantial declines in interest rates.
- Governmental activities expense increased by \$564,298 or 2.1% during FY 2009, driven largely by labor and benefit costs.

Business-type Activities

The City's proprietary funds (or enterprise funds) provide the same type of information found in the government-wide financial statements, but offers more detail in the form of a statement of cash flows. Assets restricted for capital improvements were \$36,135,935, and unrestricted net assets of the fund at the end of the year show a deficit balance of \$28,488,758. Total net assets for these funds were \$8,923,803, a decrease of \$554,488 (5.8%) over the prior year, primarily as a result of major increases in the cost of purchased water and associated operations.

(D) Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows and outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,709,158 a decrease of \$3,177,704 from the prior year. This decrease is primarily the result of the shift of Sewer Fund assets to a proprietary fund, as well as decreases in capital grants and charges for services.

Approximately 59.6% of fund balances constitute the unreserved undesignated fund balance, which is available for spending at the City's discretion; an additional 21.0% represents unreserved fund balances reported in the Special Revenue and Capital Projects funds. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it: 1) has already been committed to liquidate contracts and purchase orders for the prior period (6.5%), and 2) represents net assets that are not available spendable resources (1.0%).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved undesignated fund balance of the General Fund was \$8,768,489, while the total fund balance reached \$11,199,357. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The unreserved fund balance represents of 40.9% General Fund expenditures, while the total fund balance represents 52.3% of that same amount.

The fund balance of the City's General Fund increased by \$156,728 during the current fiscal year. This represents an increase of 1.4% in fund balance from FY 2009. Key factors in this increase are as follows:

- Tax revenues increased \$314,858 or 1.9%. The majority of tax revenues is reported in and benefits General Fund activities. The nature of the taxes and the reasons for the change in these revenue sources is the same as described earlier for governmental activities.
- Intergovernmental revenues increased by \$479,926 or 284.2%.
- Expenditures increased by \$2,085,118 or 10.6% primarily as a result of employee salary and benefit increases, and significant capital outlay.

Other governmental funds' fund balances decreased \$3,334,432 (48.7%) from FY 2009. This resulted primarily from the reclassification of the Sewer Fund and a decrease in capital grants.

General Fund Budgetary Highlights

The City adopts annual appropriated operating budgets for its governmental funds (General Fund, special revenue and capital projects funds) and reports the results of operations on a budgetary comparison basis. The City also uses annual financial plans as a management tool for its enterprise fund, although the City does not report the results of these funds on a budgetary comparison basis.

In preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues if available to allow for expansion of existing programs. During the course of the year, the City Council amended the originally adopted budget for various additional programs.

The General Fund reflected a net total favorable budget variance of \$2,414,781 (before transfers) when comparing actual amounts to the final budget for the current fiscal year. This budget variance reflects a favorable variance in revenues of \$204,948 and a favorable variance in total expenditures of \$2,209,833. The only significant budgetary variances between the final amended budget and actual results was in the area of capital outlay.

Capital Asset and Debt Administration

Capital assets. The City’s investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$59,574,447 (net of accumulated depreciation). This investment in capital assets includes land, buildings, park improvements, roadways, vehicles, computer equipment, furniture, other equipment, and construction in progress.

Additional information on the City’s capital assets can be found in Note 4 in the Notes to Financial Statements section of this report.

Long-term debt. At the end of the current fiscal year, the City of South Pasadena had total debt outstanding related to governmental activities of \$6,184,524.

City of South Pasadena Long-Term Debt

| | Governmental Activities | |
|-------------------------------|-------------------------|-------------|
| | 2010 | 2009 |
| Employee compensated absences | \$878,169 | \$761,227 |
| Capital Leases | 312,281 | 356,172 |
| 2000 Tax Allocation Bonds | 1,920,000 | 2,000,000 |
| Net OPEB Liability | 3,074,074 | 1,551,462 |
| Total | \$6,184,524 | \$4,668,861 |

The City’s long-term debt increased during the current fiscal year primarily due to recording the liability for Other Post-Employment Benefits.

Proprietary Fund Long-Term Debt

| | Business-Type Activities | |
|----------------------------------|--------------------------|--------------|
| | 2010 | 2009 |
| 2004 Water Revenue Bonds | \$7,745,000 | \$7,970,000 |
| 2009 Water Revenue Bonds | 43,405,000 | 43,405,000 |
| Compensated Absences | 55,907 | 39,315 |
| Unamortized Bond Premium (2004) | 11,921 | 12,551 |
| Unamortized Bond Discount (2009) | (1,080,632) | (1,105,026) |
| Total | \$50,137,196 | \$50,309,289 |

Proprietary fund long-term debt decreased by \$172,093 during the current fiscal year due primarily to debt service payments on the 2004 Water Revenue Bonds. Further details on long-term debt can be found in Note 6 in the Notes to Financials Statements section of this report.

Economic Factors and Next Year's Budget

- The primary factor affecting cities throughout California and the City of South Pasadena in particular at this time is the State of California's budget crisis. In FY 2010 the State borrowed 8% of all city property taxes, to be repaid in 2013; for South Pasadena, this amounted to approximately \$800,943. However, the California Communities Joint Powers Authority was established, which issued bonds to purchase the outstanding receivable and pay participating cities, including South Pasadena the full amount of the taxes due during the 2010 fiscal year. The State has also been taking tax increment from redevelopment agencies, including \$216,108 from South Pasadena in order to help fund school systems, with an additional \$44,449 expected to be taken in FY 2011, though the constitutionality of these actions is being challenged. The State has also been deferring payment of gasoline taxes for several months.
- There exists regional concern over housing values. This concern notwithstanding, South Pasadena's assessed property values and property tax collections remain stable. Assessed valuation increases of 1.9% and 1.7% have been realized in FY 2010 and FY 2009, respectively. Property tax revenue (40.9% of City-wide revenues for governmental activities) remains the primary foundation of general fund revenues.
- Increases in the contributions toward employee pensions through the California Public Employees Retirement System (PERS) remain a concern.

During the 2010 fiscal year, unrestricted fund balance in the General Fund remained substantial at \$8,768,489. While budgeting with the assumption that 2011 fiscal year General Fund revenues are expected to balance General Fund expenditures, the fiscal year 2011 Budget also includes \$18,188,149 for the much-needed capital improvements to the City's water systems, funded with proceeds from the 2009 Water Revenue Bond issue. It remains the intention of City management not to use other available fund balance reserves for purposes of meeting costs of operations.

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 Chu Thai, Finance Director, cthai@ci.south-pasadena.ca.us, 626.403.7252, or by U.S. mail: Finance Department, 1414 Mission Street, South Pasadena, CA, 91030.

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CITY OF SOUTH PASADENA

STATEMENT OF NET ASSETS
JUNE 30, 2010

| | Primary Government | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Assets: | | | |
| Cash and investments | \$ 15,026,243 | \$ 7,114,690 | \$ 22,140,933 |
| Receivables: | | | |
| Accounts | 411,555 | 638,671 | 1,050,226 |
| Taxes | 1,121,984 | - | 1,121,984 |
| Notes and loans | 250,000 | - | 250,000 |
| Accrued interest | 6,688 | 6,744 | 13,432 |
| Internal balances | 106,750 | (106,750) | - |
| Due from other governments | 380,937 | - | 380,937 |
| Inventories | 156,312 | 206,558 | 362,870 |
| Deferred charges | - | 1,368,249 | 1,368,249 |
| Restricted assets: | | | |
| Cash with fiscal agent | 199,585 | 40,607,184 | 40,806,769 |
| Capital assets not being depreciated | 10,592,523 | 6,272,610 | 16,865,133 |
| Capital assets, net of depreciation | 48,981,924 | 5,908,146 | 54,890,070 |
| Total Assets | 77,234,501 | 62,016,102 | 139,250,603 |
| Liabilities: | | | |
| Accounts payable | 990,352 | 2,209,109 | 3,199,461 |
| Accrued liabilities | 398,796 | 41,682 | 440,478 |
| Accrued interest | 32,965 | 609,613 | 642,578 |
| Unearned revenue | 598,250 | - | 598,250 |
| Deposits payable | 479,147 | 35,994 | 515,141 |
| Retentions payable | 1,512 | 58,705 | 60,217 |
| Noncurrent liabilities: | | | |
| Due within one year | 218,855 | 240,591 | 459,446 |
| Due in more than one year | 5,965,669 | 49,896,605 | 55,862,274 |
| Total Liabilities | 8,685,546 | 53,092,299 | 61,777,845 |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 57,541,752 | 1,276,626 | 58,818,378 |
| Restricted for: | | | |
| Community development | 1,841,843 | - | 1,841,843 |
| Public safety | 340,563 | - | 340,563 |
| Community services | 476,733 | - | 476,733 |
| Capital projects | 1,210,555 | 36,135,935 | 37,346,490 |
| Debt service | 199,585 | - | 199,585 |
| Unrestricted | 6,937,924 | (28,488,758) | (21,550,834) |
| Total Net Assets | \$ 68,548,955 | \$ 8,923,803 | \$ 77,472,758 |

CITY OF SOUTH PASADENA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

| | <u>Expenses</u> | <u>Program Revenues</u> | | |
|---------------------------------------|----------------------|-----------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Contributions and Grants</u> | <u>Capital Contributions and Grants</u> |
| Functions/Programs | | | | |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General government | \$ 5,816,414 | \$ 1,319,410 | \$ 71,059 | \$ - |
| Public safety | 11,589,395 | 840,207 | 478,495 | - |
| Community development | 920,339 | 446,050 | 457,670 | - |
| Community services | 3,033,614 | 672,765 | 29,449 | - |
| Public works | 5,484,601 | 1,096,487 | 209,762 | 820,447 |
| Interest on long-term debt | 131,539 | - | - | - |
| Total Governmental Activities | 26,975,902 | 4,374,919 | 1,246,435 | 820,447 |
| Business-Type Activities: | | | | |
| Water | 7,144,268 | 4,270,244 | - | - |
| Sewer | 861,207 | 657,045 | - | - |
| Total Business-Type Activities | 8,005,475 | 4,927,289 | - | - |
| Total Primary Government | \$ 34,981,377 | \$ 9,302,208 | \$ 1,246,435 | \$ 820,447 |

General Revenues:

Taxes:

Property taxes, levied for general purpose

Sales taxes

Franchise taxes

Business licenses taxes

Utility users tax

Other taxes

Motor vehicle in lieu - unrestricted

Use of money and property

Other

Transfers

**Total General Revenues, Contributions,
Special Items and Transfers**

Change in Net Assets

Net Assets at Beginning of Year

Net Assets at End of Year

Net (Expenses) Revenues and Changes in Net Assets
Primary Government

| Governmental Activities | Business-Type Activities | Total |
|--------------------------------|---------------------------------|----------------------|
| \$ (4,425,945) | \$ - | \$ (4,425,945) |
| (10,270,693) | - | (10,270,693) |
| (16,619) | - | (16,619) |
| (2,331,400) | - | (2,331,400) |
| (3,357,905) | - | (3,357,905) |
| (131,539) | - | (131,539) |
| (20,534,101) | - | (20,534,101) |
| - | (2,874,024) | (2,874,024) |
| - | (204,162) | (204,162) |
| - | (3,078,186) | (3,078,186) |
| (20,534,101) | (3,078,186) | (23,612,287) |
| 10,426,753 | - | 10,426,753 |
| 2,797,621 | - | 2,797,621 |
| 777,843 | - | 777,843 |
| 323,307 | - | 323,307 |
| 3,644,457 | - | 3,644,457 |
| 465,239 | - | 465,239 |
| 76,294 | - | 76,294 |
| 517,079 | 681,532 | 1,198,611 |
| 207,937 | 12,379 | 220,316 |
| (1,829,787) | 1,829,787 | - |
| 17,406,743 | 2,523,698 | 19,930,441 |
| (3,127,358) | (554,488) | (3,681,846) |
| 71,676,313 | 9,478,291 | 81,154,604 |
| \$ 68,548,955 | \$ 8,923,803 | \$ 77,472,758 |

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CITY OF SOUTH PASADENA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

| | <u>General</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-----------------------------|---|---|
| Assets: | | | |
| Pooled cash and investments | \$ 9,105,039 | \$ 5,921,204 | \$ 15,026,243 |
| Receivables: | | | |
| Accounts | 220,342 | 191,213 | 411,555 |
| Taxes | 1,087,646 | 34,338 | 1,121,984 |
| Notes and loans | 250,000 | - | 250,000 |
| Accrued interest | 1,590 | 5,098 | 6,688 |
| Due from other governments | - | 380,937 | 380,937 |
| Due from other funds | 1,907,158 | - | 1,907,158 |
| Inventories | 156,312 | - | 156,312 |
| Restricted assets: | | | |
| Cash and investments with fiscal agents | - | 199,585 | 199,585 |
| Total Assets | <u>\$ 12,728,087</u> | <u>\$ 6,732,375</u> | <u>\$ 19,460,462</u> |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable | \$ 572,634 | \$ 417,718 | \$ 990,352 |
| Accrued liabilities | 376,818 | 21,978 | 398,796 |
| Deferred revenues | 103,372 | 379,467 | 482,839 |
| Unearned revenues | - | 598,250 | 598,250 |
| Deposits payable | 474,394 | 4,753 | 479,147 |
| Due to other funds | - | 1,547,158 | 1,547,158 |
| Advances from other funds | - | 253,250 | 253,250 |
| Retentions payable | 1,512 | - | 1,512 |
| Total Liabilities | <u>1,528,730</u> | <u>3,222,574</u> | <u>4,751,304</u> |
| Fund Balances: | | | |
| Reserved: | | | |
| Reserved for encumbrances | 541,276 | 420,227 | 961,503 |
| Reserved for notes and loans | 250,000 | - | 250,000 |
| Reserved for inventories | 156,312 | - | 156,312 |
| Unreserved: | | | |
| Unreserved, reported in nonmajor: | | | |
| Special revenue funds | - | 1,112,446 | 1,112,446 |
| Capital projects funds | - | 1,977,128 | 1,977,128 |
| Designated for uninsured losses | 401,000 | - | 401,000 |
| Designated for equipment replacement | 504,000 | - | 504,000 |
| Designated for Arroyo Golf Course Facility | 78,280 | - | 78,280 |
| Designated for renewable energy sources | 250,000 | - | 250,000 |
| Designated for legal services | 250,000 | - | 250,000 |
| Undesignated | 8,768,489 | - | 8,768,489 |
| Total Fund Balances | <u>11,199,357</u> | <u>3,509,801</u> | <u>14,709,158</u> |
| Total Liabilities and Fund Balances | <u>\$ 12,728,087</u> | <u>\$ 6,732,375</u> | <u>\$ 19,460,462</u> |

CITY OF SOUTH PASADENA

GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

| | |
|---|------------------------------------|
| Fund balances of governmental funds | \$ 14,709,158 |
| 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 | 59,574,447 |
| Long-term liabilities that have not been included in the governmental fund activity: | |
| Long-term liabilities | (2,232,281) |
| Compensated Absences | (878,169) |
| Net OPEB Liability | (3,074,074) |
| Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds | (32,965) |
| Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity | <u>482,839</u> |
| Net assets of governmental activities | <u><u>\$ 68,548,955</u></u> |

CITY OF SOUTH PASADENA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

| | General | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------------------|--------------------------------|
| Revenues: | | | |
| Taxes | \$ 16,583,657 | \$ 1,453,726 | \$ 18,037,383 |
| Assessments | - | 883,681 | 883,681 |
| Licenses and permits | 891,556 | 43,152 | 934,708 |
| Intergovernmental | 648,741 | 1,294,141 | 1,942,882 |
| Charges for services | 1,961,556 | 21,307 | 1,982,863 |
| Use of money and property | 413,633 | 103,446 | 517,079 |
| Fines and forfeitures | 629,280 | - | 629,280 |
| Contributions | - | 10,050 | 10,050 |
| Miscellaneous | 440,658 | 67,367 | 508,025 |
| Total Revenues | 21,569,081 | 3,876,870 | 25,445,951 |
| Expenditures: | | | |
| Current: | | | |
| General government | 3,419,043 | 801,294 | 4,220,337 |
| Public safety | 11,039,801 | 107,978 | 11,147,779 |
| Community development | 919,697 | - | 919,697 |
| Community services | 2,362,383 | 524,720 | 2,887,103 |
| Public works | 1,834,680 | 1,462,967 | 3,297,647 |
| Capital outlay | 1,751,305 | 3,789,584 | 5,540,889 |
| Debt service: | | | |
| Principal retirement | 43,891 | 80,000 | 123,891 |
| Interest and fiscal charges | 17,417 | 116,858 | 134,275 |
| Total Expenditures | 21,388,217 | 6,883,401 | 28,271,618 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 180,864 | (3,006,531) | (2,825,667) |
| Other Financing Sources (Uses): | | | |
| Transfers in | - | 24,136 | 24,136 |
| Transfers out | (24,136) | (352,037) | (376,173) |
| Total Other Financing Sources (Uses) | (24,136) | (327,901) | (352,037) |
| Net Change in Fund Balances | 156,728 | (3,334,432) | (3,177,704) |
| Fund Balances, Beginning of Year | 11,042,629 | 6,844,233 | 17,886,862 |
| Fund Balances, End of Year | \$ 11,199,357 | \$ 3,509,801 | \$ 14,709,158 |

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, 2010**

| | |
|---|------------------------------|
| Net change in fund balances - total governmental funds | \$ (3,177,704) |
| 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 | 1,330,893 |
| Repayment of long term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets | 123,891 |
| Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period | 2,736 |
| Compensated absences 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 | (116,942) |
| Governmental funds report all contributions in relation to the Annual Required Contribution (ARC) for OPEB as expenditures, however in the statement of activities the expense is equal to the Annual OPEB Cost | (1,522,612) |
| Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity | <u>232,380</u> |
| Change in net assets of governmental activities | <u>\$ (3,127,358)</u> |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget |
|--|----------------------|---------------------|----------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Budgetary Fund Balance, July 1 | \$ 11,042,629 | \$ 11,042,629 | \$ 11,042,629 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 17,144,400 | 17,144,400 | 16,583,657 | (560,743) |
| Licenses and permits | 877,850 | 877,850 | 891,556 | 13,706 |
| Intergovernmental | 229,883 | 229,883 | 648,741 | 418,858 |
| Charges for services | 1,698,680 | 1,698,680 | 1,961,556 | 262,876 |
| Use of money and property | 520,520 | 520,520 | 413,633 | (106,887) |
| Fines and forfeitures | 643,000 | 643,000 | 629,280 | (13,720) |
| Miscellaneous | 249,800 | 249,800 | 440,658 | 190,858 |
| Amounts Available for Appropriation | 32,406,762 | 32,406,762 | 32,611,710 | 204,948 |
| Charges to Appropriation (Outflow): | | | | |
| General government | | | | |
| City council | 59,368 | 59,368 | 40,029 | 19,339 |
| City clerk | 315,337 | 323,361 | 286,996 | 36,365 |
| Elections | 42,150 | 42,150 | 90,239 | (48,089) |
| City manager | 631,334 | 731,334 | 743,368 | (12,034) |
| Personnel | 123,700 | 123,700 | 109,586 | 14,114 |
| Transportation planning | 286,250 | 377,037 | 236,680 | 140,357 |
| Legal services | 235,000 | 235,000 | 236,519 | (1,519) |
| Finance | 429,900 | 429,900 | 389,784 | 40,116 |
| City treasurer | 8,637 | 8,637 | 10,390 | (1,753) |
| Information services | 186,130 | 189,730 | 203,007 | (13,277) |
| Non-departmental | 1,219,250 | 1,119,250 | 1,072,445 | 46,805 |
| Public safety | | | | |
| Police | 7,153,327 | 7,159,417 | 7,131,087 | 28,330 |
| Fire | 4,225,625 | 4,225,625 | 3,908,714 | 316,911 |
| Community development | | | | |
| Community development | 899,907 | 929,982 | 919,697 | 10,285 |
| Parks and recreation | | | | |
| Library | 1,612,352 | 1,612,352 | 1,571,660 | 40,692 |
| Senior center | 180,695 | 180,695 | 160,702 | 19,993 |
| Recreation | 180,986 | 208,986 | 196,885 | 12,101 |
| After-school day care | 419,734 | 419,734 | 433,136 | (13,402) |
| Public works | | | | |
| Public works administration | 707,248 | 867,379 | 748,308 | 119,071 |
| Environmental services | 197,401 | 197,401 | 148,189 | 49,212 |
| Park maintenance | 434,900 | 452,900 | 349,224 | 103,676 |
| Facilities maintenance | 625,962 | 714,457 | 588,959 | 125,498 |
| Capital outlay | 1,109,850 | 2,928,655 | 1,751,305 | 1,177,350 |
| Debt service: | | | | |
| Principal retirement | 61,000 | 61,000 | 43,891 | 17,109 |
| Interest and fiscal charges | - | - | 17,417 | (17,417) |
| Transfers out | 360,000 | 360,000 | 24,136 | 335,864 |
| Total Charges to Appropriations | 21,706,043 | 23,958,050 | 21,412,353 | 2,545,697 |
| Budgetary Fund Balance, June 30 | \$ 10,700,719 | \$ 8,448,712 | \$ 11,199,357 | \$ 2,750,645 |

CITY OF SOUTH PASADENA

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2010

| | <u>Business-Type Activities - Enterprise Funds</u> | | |
|--|--|---------------------|----------------------|
| | <u>Water</u> | <u>Sewer</u> | <u>Totals</u> |
| Assets: | | | |
| Current: | | | |
| Cash and investments | \$ 6,381,416 | 733,274 | \$ 7,114,690 |
| Receivables: | | | |
| Accounts | 610,138 | 28,533 | 638,671 |
| Accrued interest | 6,346 | 398 | 6,744 |
| Inventories | 206,558 | - | 206,558 |
| Deferred Charges | 1,368,249 | - | 1,368,249 |
| Restricted: | | | |
| Cash with fiscal agent | 40,607,184 | - | 40,607,184 |
| Total Current Assets | 49,179,891 | 762,205 | 49,942,096 |
| Noncurrent: | | | |
| Advances to other funds | 253,250 | - | 253,250 |
| Capital assets - net of accumulated depreciation | 10,750,731 | 1,430,025 | 12,180,756 |
| Total Noncurrent Assets | 11,003,981 | 1,430,025 | 12,434,006 |
| Total Assets | \$ 60,183,872 | \$ 2,192,230 | \$ 62,376,102 |
| Liabilities and Net Assets: | | | |
| Liabilities: | | | |
| Current: | | | |
| Accounts payable | \$ 2,025,242 | \$ 183,867 | \$ 2,209,109 |
| Accrued liabilities | 33,988 | 7,694 | 41,682 |
| Accrued interest | 609,613 | - | 609,613 |
| Deposits payable | 35,994 | - | 35,994 |
| Due to other funds | - | 360,000 | 360,000 |
| Retentions payable | 58,705 | - | 58,705 |
| Accrued compensated absences | 5,335 | 256 | 5,591 |
| Bonds, notes, and capital leases | 235,000 | - | 235,000 |
| Total Current Liabilities | 3,003,877 | 551,817 | 3,555,694 |
| Noncurrent: | | | |
| Accrued compensated absences | 48,018 | 2,298 | 50,316 |
| Bonds, notes, and capital leases | 49,846,289 | - | 49,846,289 |
| Total Noncurrent Liabilities | 49,894,307 | 2,298 | 49,896,605 |
| Total Liabilities | 52,898,184 | 554,115 | 53,452,299 |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 1,276,626 | - | 1,276,626 |
| Restricted for capital improvements | 36,135,935 | - | 36,135,935 |
| Unrestricted | (30,126,873) | 1,638,115 | (28,488,758) |
| Total Net Assets | 7,285,688 | 1,638,115 | 8,923,803 |
| Total Liabilities and Net Assets | \$ 60,183,872 | \$ 2,192,230 | \$ 62,376,102 |

CITY OF SOUTH PASADENA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2010

| | Business-Type Activities - Enterprise Funds | | |
|---|--|---------------------|---------------------|
| | Water | Sewer | Totals |
| Operating Revenues: | | | |
| Sales and service charges | \$ 4,270,244 | 657,045 | \$ 4,927,289 |
| Miscellaneous | 12,379 | - | 12,379 |
| Total Operating Revenues | 4,282,623 | 657,045 | 4,939,668 |
| Operating Expenses: | | | |
| Administration and general | 595,559 | - | 595,559 |
| Water distribution | 1,159,974 | - | 1,159,974 |
| Water production | 2,734,184 | - | 2,734,184 |
| Treatment | - | 798,788 | 798,788 |
| Depreciation expense | 124,544 | 62,419 | 186,963 |
| Total Operating Expenses | 4,614,261 | 861,207 | 5,475,468 |
| Operating Income (Loss) | (331,638) | (204,162) | (535,800) |
| Nonoperating Revenues (Expenses): | | | |
| Interest revenue | 669,042 | 12,490 | 681,532 |
| Interest expense | (2,530,007) | - | (2,530,007) |
| Total Nonoperating Revenues (Expenses) | (1,860,965) | 12,490 | (1,848,475) |
| Income (Loss) Before Transfers | (2,192,603) | (191,672) | (2,384,275) |
| Transfers in | - | 1,829,787 | 1,829,787 |
| Changes in Net Assets | (2,192,603) | 1,638,115 | (554,488) |
| Net Assets: | | | |
| Beginning of Year | 9,478,291 | - | 9,478,291 |
| End of Fiscal Year | \$ 7,285,688 | \$ 1,638,115 | \$ 8,923,803 |

CITY OF SOUTH PASADENA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2010

| | <u>Business-Type Activities - Enterprise Funds</u> | | |
|---|--|-------------------|----------------------|
| | <u>Water</u> | <u>Sewer</u> | <u>Totals</u> |
| Cash Flows from Operating Activities: | | | |
| Cash received from customers and users | \$ 4,217,876 | \$ 628,512 | \$ 4,846,388 |
| Cash paid to suppliers for goods and services | (3,265,730) | (324,774) | (3,590,504) |
| Cash paid to employees for services | (576,137) | (279,899) | (856,036) |
| Net Cash Provided (Used) by Operating Activities | 376,009 | 23,839 | 399,848 |
| Cash Flows from Non-Capital Financing Activities: | | | |
| Cash transfers in | - | 352,037 | 352,037 |
| Due to other funds | - | 360,000 | 360,000 |
| Net Cash Provided (Used) by Non-Capital Financing Activities | - | 712,037 | 712,037 |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Acquisition and construction of capital assets | (1,085,561) | (14,694) | (1,100,255) |
| Principal paid on capital debt | (225,000) | - | (225,000) |
| Interest paid on capital debt | (2,131,864) | - | (2,131,864) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (3,442,425) | (14,694) | (3,457,119) |
| Cash Flows from Investing Activities: | | | |
| Interest received | 685,607 | 12,092 | 697,699 |
| Net Cash Provided (Used) by Investing Activities | 685,607 | 12,092 | 697,699 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (2,380,809) | 733,274 | (1,647,535) |
| Cash and Cash Equivalents at Beginning of Year | 49,369,409 | - | 49,369,409 |
| Cash and Cash Equivalents at End of Year | \$ 46,988,600 | \$ 733,274 | \$ 47,721,874 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating income (loss) | \$ (331,638) | \$ (204,162) | \$ (535,800) |
| Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities: | | | |
| Depreciation | 124,544 | 62,419 | 186,963 |
| (Increase) decrease in accounts receivable | (70,840) | (28,533) | (99,373) |
| (Increase) decrease in inventories | (10,007) | - | (10,007) |
| Increase (decrease) in accounts payable | 579,730 | 183,867 | 763,597 |
| Increase (decrease) in accrued liabilities | 5,384 | 7,694 | 13,078 |
| Increase (decrease) in deposits payable | 6,093 | - | 6,093 |
| Increase (decrease) in retentions payable | 58,705 | - | 58,705 |
| Increase (decrease) in compensated absences | 14,038 | 2,554 | 16,592 |
| Total Adjustments | 707,647 | 228,001 | 935,648 |
| Net Cash Provided (Used) by Operating Activities | \$ 376,009 | \$ 23,839 | \$ 399,848 |

Non-Cash Investing, Capital, and Financing Activities:

Capital assets were transferred in from governmental activities of \$1,477,750

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, with the exception of state gas tax which is 120 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 fund:

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 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.

Note 1: Summary of Significant Accounting Policies (Continued)

The Sewer Fund is used to account for the construction, operation and maintenance of the City sewer 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.

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.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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 \$5,000 for non-infrastructure assets and \$25,000 for infrastructure assets (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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 1: Summary of Significant Accounting Policies (Continued)

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:

| <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.

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.

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.

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 2010 were not significant.

The City did not adopt a budget for the following funds: Gold Line Betterments, Sewer Special Revenue Fund, CTC Traffic Improvement Grant, MTA circulator bus purchase grant, Park Impact Fees, and ARRA Grants Fund. Accordingly, such information is not included in the 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 for the general fund and major special revenue funds is as follows:

| <u>Fund</u> | <u>Expenditures</u> | <u>Appropriations</u> | <u>Excess</u> |
|-----------------------------|---------------------|-----------------------|---------------|
| General fund: | | | |
| Elections | \$ 90,239 | \$ 42,150 | \$ 48,089 |
| City manager | 743,368 | 731,334 | 12,034 |
| Legal services | 236,519 | 235,000 | 1,519 |
| City treasurer | 10,390 | 8,637 | 1,753 |
| Information services | 203,007 | 189,730 | 13,277 |
| After-school day care | 433,136 | 419,734 | 13,402 |
| Interest and fiscal charges | 17,417 | - | 17,417 |

CITY OF SOUTH PASADENA

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

Note 2: Stewardship, Compliance and Accountability (Continued)

d. Deficit Fund Balance

The following funds contained deficit fund balances at June 30, 2010:

| <u>Fund</u> | <u>Amount</u> |
|--------------------------------|---------------|
| Nonmajor governmental funds: | |
| MTA Pedestrian Improvement | \$ (388,729) |
| Proposition A | (272,922) |
| Clean Air Act | (349,291) |
| Mission Oaks Parking | (2,395) |
| Mission Meridian Public Garage | (133,690) |
| County Park Bond | (38,510) |
| Capital Growth Requirements | (9,911) |
| Homeland Security Grant | (269,684) |
| ARRA Grant | (19) |
| Safe Routes to School | (154,500) |

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, 2010, cash and investments were reported in the accompanying financial statements as follows:

| | |
|----------------------------|----------------------|
| Governmental activities | \$ 15,225,828 |
| Business-type activities | <u>47,721,874</u> |
| Total Cash and Investments | <u>\$ 62,947,702</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, 2010, the carrying amount of the City's deposits was \$4,076,732 and the bank balance was \$4,883,085. The \$806,353 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 \$250,000 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.

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

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "A" or better by a nationally recognized statistical rating organization. As of June 30, 2010, all MTN's were rated "AAA" by Standard & Poors (S&P). At June 30, 2010, the City's investments with money market mutual funds were rated "AAA" by S&P. Investments in U.S. government securities are not considered to have credit risk and, therefore, their credit quality is not disclosed.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

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, 2010, 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, 2010, 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. It states that no investments shall have a maturity date of more than three years and no more than one third of the investment portfolio shall have a maturity longer than two and a half years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2010, 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 | 3 to 5 years | |
| Local agency investment fund | \$ 7,655,614 | \$ - | \$ - | \$ - | \$ 7,655,614 |
| Money market mutual funds | 210,825 | - | - | - | 210,825 |
| Corporate bonds | 1,788,452 | - | 5,783,125 | - | 7,571,577 |
| Certificates of deposits | 851,451 | 96,098 | 1,678,737 | - | 2,626,185 |
| Cash with Fiscal Agent: | | | | | |
| Investment agreement | - | - | 23,653,186 | 3,413,681 | 27,066,867 |
| Money market mutual funds | 12,889,602 | - | - | - | 12,889,602 |
| Local agency investment fund | 850,300 | - | - | - | 850,300 |
| | <u>\$ 24,246,244</u> | <u>\$ 96,098</u> | <u>\$ 31,115,048</u> | <u>\$ 3,413,681</u> | <u>\$ 58,870,970</u> |

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|----------------------|--------------|--------------|-----------|-------------------|
| Governmental Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 1,103,538 | \$ 1,012,977 | \$ - | \$ - | \$ 2,116,515 |
| Construction-in-progress | 6,145,357 | 2,668,223 | - | (337,572) | 8,476,008 |
| Total Capital Assets, Not Being Depreciated | 7,248,895 | 3,681,200 | - | (337,572) | 10,592,523 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 9,964,965 | 212,250 | - | 163,708 | 10,340,923 |
| Improvements other than buildings | 1,794,535 | 30,857 | - | - | 1,825,392 |
| Machinery, equipment and vehicles | 6,658,907 | 775,241 | 415,303 | - | 7,018,845 |
| Infrastructure | 74,750,660 | 665,996 | 3,433,114 | 173,864 | 72,157,406 |
| Total Capital Assets, Being Depreciated | 93,169,067 | 1,684,344 | 3,848,417 | 337,572 | 91,342,566 |
| Less accumulated depreciation: | | | | | |
| Buildings | 4,966,182 | 203,060 | - | - | 5,169,242 |
| Improvements other than buildings | 839,668 | 22,406 | - | - | 862,074 |
| Machinery, equipment and vehicles | 4,586,577 | 391,845 | 320,988 | - | 4,657,434 |
| Infrastructure | 31,781,981 | 1,939,284 | 2,049,373 | - | 31,671,892 |
| Total Accumulated Depreciation | 42,174,408 | 2,556,595 | 2,370,361 | - | 42,360,642 |
| Total Capital Assets, Being Depreciated, Net | 50,994,659 | (872,251) | 1,478,056 | 337,572 | 48,981,924 |
| Governmental Activities Capital Assets, Net | \$ 58,243,554 | \$ 2,808,949 | \$ 1,478,056 | \$ - | \$ 59,574,447 |

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

| | |
|-------------------------------|--------------|
| Governmental Activities: | |
| General government | \$ 24,616 |
| Public safety | 382,850 |
| Community Service | 142,643 |
| Public works | 2,006,486 |
| Total Governmental Activities | \$ 2,556,595 |

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 4: Capital Assets (Continued)

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|----------------------|---------------------|-------------|-------------|----------------------|
| Business-Type Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 84,685 | \$ - | \$ - | \$ - | \$ 84,685 |
| Construction-in-progress | 5,218,460 | 982,365 | - | (12,900) | 6,187,925 |
| Total Capital Assets, Not Being Depreciated | 5,303,145 | 982,365 | - | (12,900) | 6,272,610 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 4,105,150 | - | - | - | 4,105,150 |
| Improvements other than buildings | 3,532,042 | 79,172 | - | 12,900 | 3,624,114 |
| Infrastructure | - | 3,433,114 | - | - | 3,433,114 |
| Machinery, equipment & vehicles | 566,990 | 412,819 | - | - | 979,809 |
| Total Capital Assets, Being Depreciated | 8,204,182 | 3,925,105 | - | 12,900 | 12,142,187 |
| Less Accumulated Depreciation | | | | | |
| Buildings | 401,689 | 71,474 | - | - | 473,163 |
| Improvements other than buildings | 2,987,545 | 32,854 | - | - | 3,020,399 |
| Infrastructure | - | 2,092,519 | - | - | 2,092,519 |
| Machinery, equipment & vehicles | 328,379 | 319,581 | - | - | 647,960 |
| Total Accumulated Depreciation | 3,717,613 | 2,516,428 | - | - | 6,234,041 |
| Total Capital Assets, Being Depreciated, Net | 4,486,569 | 1,408,677 | - | 12,900 | 5,908,146 |
| Business-Type Activities Capital Assets, Net | <u>\$ 9,789,714</u> | <u>\$ 2,391,042</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 12,180,756</u> |

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

| | |
|--------------------------------|---------------------|
| Business-Type Activities: | |
| Water | \$ 124,544 |
| Sewer | 2,391,884 |
| Total Business-Type Activities | <u>\$ 2,516,428</u> |

Note 5: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due To/From Other Funds

| Funds | Due To Other Funds | | Total |
|-----------------------|---------------------|---------------------|---------------------|
| | Nonmajor Funds | Enterprise Sewer | |
| Due From Other Funds: | | | |
| General | <u>\$ 1,547,158</u> | <u>\$ 360,000</u> | <u>\$ 1,907,158</u> |

The due from General Fund of \$1,547,158 to various nonmajor funds was a result of temporary deficit cash balances in those funds. The amount due to the General Fund from the Sewer Enterprise Funds of \$360,000 was for the completion of sewer capital projects

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 5: Interfund Receivable, Payable and Transfers (Continued)

Advances To/From Other Funds

| Funds | Advances To Other Funds |
|----------------------------|----------------------------|
| Advances From Other Funds: | Water Fund |
| Nonmajor funds | \$ 253,250 |

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.

Transfers In/Out

| Funds | Transfers Out | | | Total |
|-----------------------|------------------|-------------------|---|---------------------|
| | General | Nonmajor Funds | Government-wide Governmental Activities | |
| Transfers In: | | | | |
| Sewer Enterprise Fund | \$ - | \$ 352,037 | \$ 1,477,750 | \$ 1,829,787 |
| Nonmajor Funds | 24,136 | - | - | 24,136 |
| Total | <u>\$ 24,136</u> | <u>\$ 352,037</u> | <u>\$ 1,477,750</u> | <u>\$ 1,853,923</u> |

Transfers of \$24,136 were made to move excess revenues to other non-major funds. Transfers to Sewer enterprise fund of \$1,829,787 were to create the Sewer enterprise fund.

Transfers on fund financial statements do not balance as a result of \$1,477,750 of capital assets being moved from governmental activities to business-type activities to create the Sewer Fund enterprise fund which had been accounted for as a governmental fund.

Note 6: Long-Term Debt

a. Changes in Long-Term Debt

The following is a summary of changes in long-term debt for year ended June 30, 2010:

| | Balance July 1, 2009 | Additions | Deletions | Balance June 30, 2010 | Due Within One Year |
|---|-------------------------|---------------------|---------------------|--------------------------|------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences | \$ 761,227 | \$ 690,332 | \$ (573,390) | \$ 878,169 | \$ 87,817 |
| Capital Leases | 356,172 | - | (43,891) | 312,281 | 46,038 |
| 2000 Tax Allocation Bonds | 2,000,000 | - | (80,000) | 1,920,000 | 85,000 |
| Net OPEB liability | 1,551,462 | 1,522,612 | - | 3,074,074 | - |
| Total Governmental Funds | <u>\$ 4,668,861</u> | <u>\$ 2,212,944</u> | <u>\$ (697,281)</u> | <u>\$ 6,184,524</u> | <u>\$ 218,855</u> |
| Business-Type Activities: | | | | | |
| Compensated Absences | \$ 39,315 | \$ 58,908 | \$ (42,316) | \$ 55,907 | \$ 5,591 |
| 2004 Water Revenue Bonds | 7,970,000 | - | (225,000) | 7,745,000 | 235,000 |
| 2009 Water Revenue Bonds | 43,405,000 | - | - | 43,405,000 | - |
| Total Proprietary Funds | <u>\$ 51,414,315</u> | <u>\$ 58,908</u> | <u>\$ (267,316)</u> | 51,205,907 | <u>\$ 240,591</u> |
| Add: Unamortized bond premium(discount) | | | | (1,068,711) | |
| Net Proprietary Funds | | | | <u>\$ 50,137,196</u> | |

CITY OF SOUTH PASADENA

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

Note 6: Long-Term Debt (Continued)

b. Compensated Absences

The City's policies relating to compensated absences are described in Note 1 of the Notes to Financial Statements. The liability will be paid in future years as it becomes due by the General Fund.

c. Capital Lease

During fiscal year 2007–2008, the City entered into a \$495,173, ten-year equipment lease purchase agreement with Oshkosh Capital, for the purchase of a fire truck. The lease bears interest at a rate of 4.89%. The related asset has been capitalized in the government-wide financial statements in the equipment asset category. Amortization of the leased assets is included as part of depreciation expense. At June 30, 2010, the outstanding balance was \$312,281.

The annual requirements to amortize the capital lease as of June 30, 2010, including interest are as follows:

| | Fire Truck Lease | |
|--------------|-------------------|------------------|
| | Principal | Interest |
| 2010-2011 | \$ 46,038 | \$ 15,271 |
| 2011-2012 | 48,289 | 13,019 |
| 2012-2013 | 50,650 | 10,658 |
| 2013-2014 | 53,127 | 8,181 |
| 2014-2015 | 55,725 | 5,583 |
| 2015-2016 | 58,452 | 2,858 |
| Total | \$ 312,281 | \$ 55,570 |

d. A description of individual issues of bonds (excluding defeased bonds) outstanding as of June 30, 2010, are as 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, 2010, \$1,920,000 was outstanding.

The City has pledged a portion of future tax increment revenues to repay \$2,600,000 in tax allocation bonds issued in July of 2000. The bonds were issued to finance redevelopment activities within or of benefit to the project area. The bonds are payable solely from tax increment revenues. Tax increment revenues are projected to produce 147% of the debt services requirements over the life of the bonds. Total principal and interest requirements for the bonds is \$2,950,522 (\$1,920,000 principal, \$1,030,522 interest), payable semiannually through May 2025. For the current year, principal and interest paid and tax increment revenues received were \$196,858 and \$549,681.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 6: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest are as follows:

| | 2000 Tax Allocation Bonds | |
|-----------|---------------------------|---------------------|
| | Principal | Interest |
| 2010-2011 | \$ 85,000 | \$ 112,658 |
| 2011-2012 | 90,000 | 108,089 |
| 2012-2013 | 95,000 | 103,139 |
| 2013-2014 | 100,000 | 97,819 |
| 2014-2015 | 105,000 | 92,119 |
| 2015-2020 | 620,000 | 362,198 |
| 2020-2025 | 825,000 | 154,500 |
| Total | <u>\$ 1,920,000</u> | <u>\$ 1,030,522</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. At June 30, 2010, \$7,745,000 was outstanding.

The City has pledged a portion of future Capital Improvement Program surcharge revenues to repay \$8,800,000 in Water and Wastewater Revenue bonds issued in June of 2004. Projections of future Capital Improvement Program surcharge revenues are not available. Total principal and interest requirements for the bonds is \$12,338,900 (\$7,745,000 principal, \$4,593,900 interest), payable semiannually through October 2029. For the current year, principal and interest paid and Capital Improvement Program surcharge revenues received were \$621,800 and \$165,016.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 6: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest are as follows:

| | 2004 Water Revenue Bonds | |
|-----------|--------------------------|---------------------|
| | Principal | Interest |
| 2010-2011 | \$ 235,000 | \$ 388,050 |
| 2011-2012 | 245,000 | 377,225 |
| 2012-2013 | 255,000 | 364,725 |
| 2013-2014 | 270,000 | 351,600 |
| 2014-2015 | 280,000 | 337,850 |
| 2015-2020 | 1,635,000 | 1,454,350 |
| 2020-2025 | 2,110,000 | 966,975 |
| 2025-2030 | 2,715,000 | 353,125 |
| Total | <u>\$ 7,745,000</u> | <u>\$ 4,593,900</u> |

2009 Water Revenue Bonds

In May 2009, the South Pasadena Public Financing Authority issued \$43,405,000 Water and Wastewater Revenue Bonds. 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 system net revenue as described in the official statement.

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 \$10,530,000 of serial bonds and \$32,875,000 of term bonds due October 1, 2039.

The serial bonds mature annually from October 1, 2013 to October 1, 2024, in increasing amounts from \$715,000 to \$1,090,000. The bonds bear interest at rates ranging from 3.000% to 4.625%. The term bonds mature on October 1, 2039, and carry interest rates ranging from 5.100% to 5.270%. Interest is payable semi-annually on April and October, commencing on October 1, 2013 and October 1, 2029, respectively.

The bonds are subject to optional redemption in whole or in part on or after October 1, 2019. On October 1, 2029, the bonds are subject to mandatory redemption which payments will become due. At June 30, 2010, \$43,405,000 was outstanding.

The City has committed to appropriate each year, from these resources amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$86,713,237 (\$43,405,000 principal, \$43,308,237 interest), payable semiannually through October 2039. For the current year, principal and interest paid and system net revenue received were \$1,761,575 and \$461,948.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 6: Long-Term Debt (Continued)

| | 2009 Water Revenue Bonds | |
|-----------|--------------------------|----------------------|
| | Principal | Interest |
| 2010-2011 | \$ - | \$ 2,045,700 |
| 2011-2012 | - | 2,045,700 |
| 2012-2013 | - | 2,045,700 |
| 2013-2014 | 715,000 | 2,034,975 |
| 2014-2015 | 740,000 | 2,013,150 |
| 2015-2020 | 4,090,000 | 9,685,031 |
| 2020-2025 | 4,985,000 | 8,800,106 |
| 2025-2030 | 6,335,000 | 7,458,375 |
| 2030-2035 | 11,620,000 | 5,240,000 |
| 2035-2040 | 14,920,000 | 1,939,500 |
| Total | <u>\$ 43,405,000</u> | <u>\$ 43,308,237</u> |

e. Net OPEB Liability

The City's policies relating to OPEB are described in Note 8 of the Notes to Financial Statements. The liability will be paid in future years as it becomes due by the General Fund.

IV. OTHER INFORMATION

Note 7: 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 22.036% for miscellaneous employees and 13.514% for safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 7: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Annual Pension Cost

For 2010, the City's annual pension cost of \$2,438,113 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2007, actuarial valuation using the entry age normal actuarial cost method.

| Three-Year Trend Information for PERS (Amounts in Thousands) | | |
|---|-----------------------------------|-----------------------------------|
| <u>Fiscal Year</u> | <u>Required Contributions</u> | <u>Percentage Contributed</u> |
| 6/30/2008 | \$ 2,173 | 100% |
| 6/30/2009 | 2,177 | 100% |
| 6/30/2010 | 2,438 | 100% |

For fiscal year 2009-2010, 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.

Note 8: Other Post-Employment Employee Benefits

The City provides certain other postemployment benefits (OPEB) through a single-employer defined benefit healthcare plan which provides health insurance for its retired employees according to the Personnel Rules and Regulations for each of the five employee groups. Benefit provisions are included annually in the Memorandum of Understanding between the City and each of its employee groups and ultimately passed by Council action. Separate financial statements for the plan are not available.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 8: Other Post-Employment Employee Benefits (Continued)**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. Currently, contributions are not required from plan members. A contribution of \$457,088 was made during the 2009-2010 fiscal year in current premiums.

As a result, the City calculated and recorded a Net OPEB Liability, representing the difference between the Annual OPEB Cost and actual contributions, as presented below:

| | |
|---|----------------------------|
| Annual required contribution (ARC) | \$ 1,975,586 |
| Interest on net OPEB obligation | 62,058 |
| Adjustment to ARC | <u>(57,944)</u> |
| Annual OPEB Cost | 1,979,700 |
| Contributions made | <u>457,088</u> |
| (Decrease) increase in Net OPEB obligation | 1,522,612 |
| Net OPEB obligation liability June 30, 2009 | <u>1,551,462</u> |
| Net OPEB obligation liability June 30, 2010 | <u><u>\$ 3,074,074</u></u> |

The contribution rate of 21% is based on the ARC of \$1,975,586, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (or funding excess) over a twenty year period.

Annual OPEB Costs and Net OPEB Obligation (Asset)

For the fiscal year 2009-2010, the City's annual OPEB cost (expense) of \$1,975,586 was equal to the ARC. The trend information for the past two years is only available as last year the City implemented GASB 45:

| Fiscal Year End | Annual OPEB Cost | Actual Contribution (Net of Adjustments) | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation (Asset) |
|--------------------|------------------------|--|--|-----------------------------------|
| 6/30/2009 | \$ 1,975,586 | \$ 424,124 | 21% | \$ 1,551,462 |
| 6/30/2010 | 1,979,700 | 457,088 | 23% | 3,074,074 |

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 8: Other Post-Employment Employee Benefits (Continued)

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The trend information is only available for one year as this is the only valuation received after implementation of GASB 45:

| Type of Valuation | Actuarial Valuation Date | Actuarial Value of Assets | Unfunded Actuarial Accrued Liability | Funded Ratio | Covered Payroll | UAAL as percent of Covered Payroll | Interest Rate | Salary Scale |
|-------------------|--------------------------|---------------------------|--------------------------------------|--------------|-----------------|------------------------------------|---------------|--------------|
| Actual | 1/1/2009 | \$ - | \$ 18,580,256 | 0.0% | \$ 9,393,343 | 198% | 4.00% | 3.25% |

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions include a 4.0% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate of 7.5% beginning January 1, 2009, and reduced by decrements to an ultimate rate of 4.5% after 68 years. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2010, was 19 years. The number of active participants is 263.

Note 9: Self-Insurance Program

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

City of South Pasadena is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §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 coverage. 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 9-member Executive Committee.

b. Self-Insurance Programs of the Authority

General Liability

Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are

Note 9: Self-Insurance Program (Continued)

valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000; (3) losses from \$750,000 to \$2,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$2,000,000 to \$50,000,000 are paid under reinsurance and excess insurance policies (4b) subject to a \$3,000,000 annual aggregate deductible (4c) and a quota-sharing agreement whereby the Authority is financially responsible for 40% of losses occurring within the \$2,000,000 to \$10,000,000 layer. The costs associated with 4a-c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits.

The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence. Costs of covered claims for subsidence losses are paid by excess insurance with the following sub-limits per member: \$25,000,000 per occurrence with a \$15,000,000 annual aggregate.

Workers' Compensation

City of South Pasadena also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). 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 public safety and non-public safety. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) 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; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law.

Employer's Liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

c. Purchased Insurance

Property Insurance

City of South Pasadena participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of South Pasadena property is currently insured according to a schedule of covered property submitted by City of South Pasadena to the Authority. City of South Pasadena property currently has all-risk property insurance protection in the amount of \$36,948,462. There is a \$5,000 deductible per occurrence except for

Note 9: Self-Insurance Program (Continued)

non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Crime Insurance

City of South Pasadena purchases crime insurance 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.

d. Adequacy of Protection

During the past three fiscal (claims) 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 10: 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 11: Transaction with the State of California

a. Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of South Pasadena was \$800,943.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the

Note 11: Transaction with the State of California (Continued)

Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

b. Delay of State Gas Tax Payments

In March 2010, the State Legislature passed legislation delaying a variety of State payments to local agencies in response to anticipated State cash flow problems in fiscal year 2010-2011. AB5 8x contains provisions to delay a portion (approximately 60%) of the payments of State Gas Tax monies for the first nine months of 2010-2011 (July 2010 through March 2011) to be paid no later than April 28, 2011.

c. SERAF Shift for fiscal year 2009-2010 and 2010-2011

On July 23, 2009, the State adopted legislation, requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). These monies were to be distributed to meet the State's Prop 98 obligations to schools. The California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010, the Sacramento Superior Court upheld the legislation. This decision is in the process of being appealed by CRA and its member agencies.

The payment of the SERAF was due on May 10, 2010, for fiscal year 2009-2010 and was made in the amount of \$216,108. The legislation allowed this payment to be made from any available monies present in any project area(s). Subsequent legislation was passed which even allowed the funding for this payment to be borrowed from the Low and Moderate Income Housing Fund with appropriate findings from its legislative body. Any amounts borrowed from Low and Moderate Income Housing (including any suspended set-aside amounts) are to be repaid by June 30, 2015. If those amounts are not repaid, by that date, then the set-aside percentage to Low and Moderate Income Housing will increase from 20% to 25% for the remainder of the life of the Agency.

To accomplish the payment, the Agency utilized \$216,108 from its available resources in the project areas. In the accompanying financial statements, the amount paid to the County has been reported as a use of current year resources.

It is estimated that the Agency's share of the SERAF shift for fiscal year 2010-2011 will amount to approximately \$44,449 and this amount will be payable in May 2011 if the appeal is not successful.

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:

MTA Pedestrian Improvement - To account or MTA grants used for the Fair Oaks / Mission pedestrian improvement projects which include pedestrian accessibility widen bikeways, landscaping, lighting modification and aesthetics.

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 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.

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.

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.

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.

Proposition 1B Local Return – to account for resources originating with the November 2006 voter-approved measure that enabled the State of California to issue \$19.9 billion in bonds for highway safety, traffic reduction, port security and air quality.

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

Homeland Security Grant – to account for Homeland Security grants from the Federal Government for local preparedness.

Park Impact Fees– to account for impact fees collected for development to address increased use of City's park facilities.

99 Pasadena Avenue – to account for the proceeds of the sale of City owned land.

ARRA Grant – to account for ARRA grants from the Federal Government

Measure R – to account for measure R monies received from the State of California

Safe Routes to School – to account for the safe routes to school grant program.

Capital Projects Funds

Capital Projects Funds - to account for financial resources to be used for the acquisition or construction of major capital facilities. Funds included are:

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

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

| | Special Revenue Funds | | | |
|---|----------------------------------|------------------------|--------------------|--------------------|
| | MTA Pedestrian Improvement | Traffic Improvement | Proposition "A" | Proposition "C" |
| Assets: | | | | |
| Pooled cash and investments | \$ - | \$ 110,551 | \$ - | \$ 373,978 |
| Receivables: | | | | |
| Accounts | - | - | 752 | - |
| Taxes | - | - | - | - |
| Accrued interest | - | - | - | 375 |
| Due from other governments | 221,617 | 95 | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | \$ 221,617 | \$ 110,646 | \$ 752 | \$ 374,353 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ 13,881 | \$ 7,217 |
| Accrued liabilities | - | - | 2,991 | 3,120 |
| Deferred revenues | 221,617 | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other funds | 388,729 | - | 256,802 | - |
| Advances from other funds | - | - | - | - |
| Total Liabilities | 610,346 | - | 273,674 | 10,337 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | - | - | - | 80,000 |
| Unreserved: | | | | |
| Designated for capital improvement projects | - | - | - | - |
| Designated for low and moderate housing | - | - | - | - |
| Designated for debt service | - | - | - | - |
| Undesignated | (388,729) | 110,646 | (272,922) | 284,016 |
| Total Fund Balances | (388,729) | 110,646 | (272,922) | 364,016 |
| Total Liabilities and Fund Balances | \$ 221,617 | \$ 110,646 | \$ 752 | \$ 374,353 |

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

| | <u>Special Revenue Funds</u> | | | |
|---|------------------------------|----------------------------------|--------------------|--|
| | <u>ISTEA/METRO</u> | <u>Gold Line Betterments</u> | <u>Sewer</u> | <u>CTC Traffic Improvement Grant</u> |
| Assets: | | | | |
| Pooled cash and investments | \$ 337,905 | \$ 14,913 | \$ - | \$ 640,635 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | - | - |
| Accrued interest | - | - | - | - |
| Due from other governments | - | - | - | 109 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | <u>\$ 337,905</u> | <u>\$ 14,913</u> | <u>\$ -</u> | <u>\$ 640,744</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | - | - |
| Deferred revenues | - | - | - | - |
| Unearned revenues | - | - | - | 598,250 |
| Deposits payable | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advances from other funds | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>598,250</u> |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | - | - | - | - |
| Unreserved: | | | | |
| Designated for capital improvement projects | - | - | - | - |
| Designated for low and moderate housing | - | - | - | - |
| Designated for debt service | - | - | - | - |
| Undesignated | 337,905 | 14,913 | - | 42,494 |
| Total Fund Balances | <u>337,905</u> | <u>14,913</u> | <u>-</u> | <u>42,494</u> |
| Total Liabilities and Fund Balances | <u>\$ 337,905</u> | <u>\$ 14,913</u> | <u>\$ -</u> | <u>\$ 640,744</u> |

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

| | Special Revenue Funds | | | |
|---|------------------------------|----------------------|---|--|
| | Street Lighting | Clean Air Act | Parking and Business Improvement | MTA Circulator Bus Purchase Grant |
| Assets: | | | | |
| Pooled cash and investments | \$ 142,929 | \$ - | \$ 64,300 | \$ - |
| Receivables: | | | | |
| Accounts | 32,559 | - | - | - |
| Taxes | - | - | - | - |
| Accrued interest | - | - | - | - |
| Due from other governments | - | 32,855 | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | \$ 175,488 | \$ 32,855 | \$ 64,300 | \$ - |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 59,543 | \$ 29,450 | \$ - | \$ - |
| Accrued liabilities | 4,239 | - | - | - |
| Deferred revenues | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other funds | - | 352,696 | - | - |
| Advances from other funds | - | - | - | - |
| Total Liabilities | 63,782 | 382,146 | - | - |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | 28,192 | 27,344 | 1,670 | - |
| Unreserved: | | | | |
| Designated for capital improvement projects | - | - | - | - |
| Designated for low and moderate housing | - | - | - | - |
| Designated for debt service | - | - | - | - |
| Undesignated | 83,514 | (376,635) | 62,630 | - |
| Total Fund Balances | 111,706 | (349,291) | 64,300 | - |
| Total Liabilities and Fund Balances | \$ 175,488 | \$ 32,855 | \$ 64,300 | \$ - |

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

| | Special Revenue Funds | | | |
|---|---------------------------------|---------------------------------|---|----------------------|
| | Gold Line Mitigation | Mission Oaks Parking | Mission Meridian Public Garage | State Gas Tax |
| Assets: | | | | |
| Pooled cash and investments | \$ 275,065 | \$ - | \$ - | \$ 399,862 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | - | - |
| Accrued interest | - | - | - | 320 |
| Due from other governments | - | - | - | 107,083 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | \$ 275,065 | \$ - | \$ - | \$ 507,265 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 65,000 | \$ 44 | \$ - | \$ 170,787 |
| Accrued liabilities | - | - | - | 8,743 |
| Deferred revenues | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other funds | - | 2,351 | 133,690 | - |
| Advances from other funds | - | - | - | - |
| Total Liabilities | 65,000 | 2,395 | 133,690 | 179,530 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | 9,373 | - | - | 10,035 |
| Unreserved: | | | | |
| Designated for capital improvement projects | - | - | - | - |
| Designated for low and moderate housing | - | - | - | - |
| Designated for debt service | - | - | - | - |
| Undesignated | 200,692 | (2,395) | (133,690) | 317,700 |
| Total Fund Balances | 210,065 | (2,395) | (133,690) | 327,735 |
| Total Liabilities and Fund Balances | \$ 275,065 | \$ - | \$ - | \$ 507,265 |

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

| | Special Revenue Funds | | | |
|---|-----------------------|---------------------------------|-----------------------------------|-----------------|
| | County Park Bond | Bike and Pedestrian Paths | Capital Growth Requirements | C.D.B.G. |
| Assets: | | | | |
| Pooled cash and investments | \$ - | \$ - | \$ - | \$ 1,951 |
| Receivables: | | | | |
| Accounts | - | - | - | 52 |
| Taxes | - | - | - | - |
| Accrued interest | - | - | 12 | - |
| Due from other governments | - | - | - | 6,260 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | \$ - | \$ - | \$ 12 | \$ 8,263 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 391 | \$ - | \$ 3,405 | \$ 5,010 |
| Accrued liabilities | - | - | - | - |
| Deferred revenues | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits payable | - | - | - | 3,253 |
| Due to other funds | 38,119 | - | 6,518 | - |
| Advances from other funds | - | - | - | - |
| Total Liabilities | 38,510 | - | 9,923 | 8,263 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | - | - | - | 57,850 |
| Unreserved: | | | | |
| Designated for capital improvement projects | - | - | - | - |
| Designated for low and moderate housing | - | - | - | - |
| Designated for debt service | - | - | - | - |
| Undesignated | (38,510) | - | (9,911) | (57,850) |
| Total Fund Balances | (38,510) | - | (9,911) | - |
| Total Liabilities and Fund Balances | \$ - | \$ - | \$ 12 | \$ 8,263 |

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

| | Special Revenue Funds | | | |
|---|------------------------------|----------------------------------|-----------------|---------------------------------|
| | Asset Forfeiture | Federal Police Grants | CLEEP | Public Library Grant |
| Assets: | | | | |
| Pooled cash and investments | \$ 20,764 | \$ 4,142 | \$ 5,025 | \$ 9,194 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | - | - |
| Accrued interest | 21 | 4 | 5 | - |
| Due from other governments | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | \$ 20,785 | \$ 4,146 | \$ 5,030 | \$ 9,194 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | - | - |
| Deferred revenues | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advances from other funds | - | - | - | - |
| Total Liabilities | - | - | - | - |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | - | - | - | - |
| Unreserved: | | | | |
| Designated for capital improvement projects | - | - | - | - |
| Designated for low and moderate housing | - | - | - | - |
| Designated for debt service | - | - | - | - |
| Undesignated | 20,785 | 4,146 | 5,030 | 9,194 |
| Total Fund Balances | 20,785 | 4,146 | 5,030 | 9,194 |
| Total Liabilities and Fund Balances | \$ 20,785 | \$ 4,146 | \$ 5,030 | \$ 9,194 |

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

| | <u>Special Revenue Funds</u> | | | |
|---|---------------------------------|-------------------------------|------------------------------------|-----------------------------|
| | <u>Prop 1B Local Return</u> | <u>State Police Grant</u> | <u>Homeland Security Grant</u> | <u>Park Impact Fees</u> |
| Assets: | | | | |
| Pooled cash and investments | \$ - | \$ 192,219 | \$ - | \$ 104,403 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | - | - |
| Accrued interest | - | 189 | - | - |
| Due from other governments | - | 7,548 | 5,370 | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | \$ - | \$ 199,956 | \$ 5,370 | \$ 104,403 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ 2,850 | \$ 880 |
| Accrued liabilities | - | - | - | - |
| Deferred revenues | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other funds | - | - | 272,204 | - |
| Advances from other funds | - | - | - | - |
| Total Liabilities | - | - | 275,054 | 880 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | - | - | 709 | 9,370 |
| Unreserved: | | | | |
| Designated for capital improvement projects | - | - | - | - |
| Designated for low and moderate housing | - | - | - | - |
| Designated for debt service | - | - | - | - |
| Undesignated | - | 199,956 | (270,393) | 94,153 |
| Total Fund Balances | - | 199,956 | (269,684) | 103,523 |
| Total Liabilities and Fund Balances | \$ - | \$ 199,956 | \$ 5,370 | \$ 104,403 |

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

| | <u>Special Revenue Funds</u> | | | |
|---|-------------------------------|--------------------|--------------------------|----------------------------------|
| | <u>99 Pasadena Avenue</u> | <u>ARRA Grant</u> | <u>Measure R</u> | <u>Safe Routes to School</u> |
| Assets: | | | | |
| Pooled cash and investments | \$ 1,059,088 | \$ - | \$ 165,594 | \$ - |
| Receivables: | | | | |
| Accounts | - | - | - | 157,850 |
| Taxes | - | - | - | - |
| Accrued interest | 1,085 | - | 143 | - |
| Due from other governments | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total Assets | <u>\$ 1,060,173</u> | <u>\$ -</u> | <u>\$ 165,737</u> | <u>\$ 157,850</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 58,470 |
| Accrued liabilities | - | - | - | - |
| Deferred revenues | - | - | - | 157,850 |
| Unearned revenues | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other funds | - | 19 | - | 96,030 |
| Advances from other funds | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>19</u> | <u>-</u> | <u>312,350</u> |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | 183,460 | - | - | 12,224 |
| Unreserved: | | | | |
| Designated for capital improvement projects | - | - | - | - |
| Designated for low and moderate housing | - | - | - | - |
| Designated for debt service | - | - | - | - |
| Undesignated | 876,713 | (19) | 165,737 | (166,724) |
| Total Fund Balances | <u>1,060,173</u> | <u>(19)</u> | <u>165,737</u> | <u>(154,500)</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,060,173</u> | <u>\$ -</u> | <u>\$ 165,737</u> | <u>\$ 157,850</u> |

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

| | <u>Capital Projects Funds</u> | |
|---|---|---|
| | <u>Community Redevelopment Agency</u> | <u>Total Governmental Funds</u> |
| Assets: | | |
| Pooled cash and investments | \$ 1,998,686 | \$ 5,921,204 |
| Receivables: | | |
| Accounts | - | 191,213 |
| Taxes | 34,338 | 34,338 |
| Accrued interest | 2,944 | 5,098 |
| Due from other governments | - | 380,937 |
| Restricted assets: | | |
| Cash and investments with fiscal agents | 199,585 | 199,585 |
| Total Assets | <u>\$ 2,235,553</u> | <u>\$ 6,732,375</u> |
| Liabilities and Fund Balances: | | |
| Liabilities: | | |
| Accounts payable | \$ 790 | \$ 417,718 |
| Accrued liabilities | 2,885 | 21,978 |
| Deferred revenues | - | 379,467 |
| Unearned revenues | - | 598,250 |
| Deposits payable | 1,500 | 4,753 |
| Due to other funds | - | 1,547,158 |
| Advances from other funds | 253,250 | 253,250 |
| Total Liabilities | <u>258,425</u> | <u>3,222,574</u> |
| Fund Balances: | | |
| Reserved: | | |
| Reserved for encumbrances | - | 420,227 |
| Unreserved: | | |
| Designated for capital improvement projects | 1,245,497 | 1,245,497 |
| Designated for low and moderate housing | 532,046 | 532,046 |
| Designated for debt service | 199,585 | 199,585 |
| Undesignated | - | 1,112,446 |
| Total Fund Balances | <u>1,977,128</u> | <u>3,509,801</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,235,553</u> | <u>\$ 6,732,375</u> |

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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, 2010

| | Special Revenue Funds | | | |
|--|----------------------------------|------------------------|---------------------|--------------------|
| | MTA Pedestrian Improvement | Traffic Improvement | Proposition "A" | Proposition "C" |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ 328,144 | \$ 272,210 |
| Assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | 95 | - | - |
| Charges for services | - | - | 3,815 | - |
| Use of money and property | - | - | - | 11,795 |
| Contributions | - | - | - | - |
| Miscellaneous | - | - | 17,344 | - |
| Total Revenues | - | 95 | 349,303 | 284,005 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | 109 | 72,184 | 77,227 |
| Public safety | - | - | - | - |
| Community services | - | - | 300,311 | 183,382 |
| Public works | - | - | - | - |
| Capital outlay | - | 80 | - | 6,372 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | - | 189 | 372,495 | 266,981 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (94) | (23,192) | 17,024 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | - | (94) | (23,192) | 17,024 |
| Fund Balances, Beginning of Year | (388,729) | 110,740 | (249,730) | 346,992 |
| Fund Balances, End of Year | \$ (388,729) | \$ 110,646 | \$ (272,922) | \$ 364,016 |

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

| | Special Revenue Funds | | | |
|--|-----------------------|--------------------------|------------------|-------------------------------------|
| | ISTEA/METRO | Gold Line Betterments | Sewer | CTC Traffic Improvement Grant |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | 109 |
| Charges for services | - | - | - | - |
| Use of money and property | - | - | - | - |
| Contributions | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total Revenues | - | - | - | 109 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | 108 |
| Public safety | - | - | - | - |
| Community services | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | 80 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | - | - | - | 188 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | (79) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (352,037) | - |
| Total Other Financing Sources (Uses) | - | - | (352,037) | - |
| Net Change in Fund Balances | - | - | (352,037) | (79) |
| Fund Balances, Beginning of Year | 337,905 | 14,913 | 352,037 | 42,573 |
| Fund Balances, End of Year | \$ 337,905 | \$ 14,913 | \$ - | \$ 42,494 |

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

| | Special Revenue Funds | | | |
|--|-----------------------|---------------------|--|--|
| | Street Lighting | Clean Air Act | Parking and Business Improvement | MTA Circulator Bus Purchase Grant |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ 139,909 | \$ - |
| Assessments | 883,681 | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | 47,022 | - | 41,250 |
| Charges for services | - | - | - | - |
| Use of money and property | - | 843 | - | - |
| Contributions | 10,050 | - | - | - |
| Miscellaneous | 16,163 | - | - | - |
| Total Revenues | 909,894 | 47,865 | 139,909 | 41,250 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | 16,262 | 151,791 | - |
| Public safety | - | - | - | - |
| Community services | - | - | - | - |
| Public works | 904,126 | 20,748 | - | - |
| Capital outlay | 20,794 | 443,698 | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 924,920 | 480,708 | 151,791 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (15,026) | (432,843) | (11,882) | 41,250 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | 24,136 |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | 24,136 |
| Net Change in Fund Balances | (15,026) | (432,843) | (11,882) | 65,386 |
| Fund Balances, Beginning of Year | 126,732 | 83,552 | 76,182 | (65,386) |
| Fund Balances, End of Year | \$ 111,706 | \$ (349,291) | \$ 64,300 | \$ - |

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

| | Special Revenue Funds | | | |
|--|-------------------------|-------------------------|--------------------------------------|-------------------|
| | Gold Line Mitigation | Mission Oaks Parking | Mission Meridian Public Garage | State Gas Tax |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | 692,378 |
| Charges for services | - | - | - | - |
| Use of money and property | - | 3 | - | 14,723 |
| Contributions | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total Revenues | - | 3 | - | 707,101 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 21,913 | - |
| Public safety | - | - | - | - |
| Community services | - | - | - | - |
| Public works | - | 2,631 | - | 495,713 |
| Capital outlay | 68,700 | - | - | 458,110 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 68,700 | 2,631 | 21,913 | 953,823 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (68,700) | (2,628) | (21,913) | (246,722) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (68,700) | (2,628) | (21,913) | (246,722) |
| Fund Balances, Beginning of Year | 278,765 | 233 | (111,777) | 574,457 |
| Fund Balances, End of Year | \$ 210,065 | \$ (2,395) | \$ (133,690) | \$ 327,735 |

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

| | Special Revenue Funds | | | |
|--|-----------------------|---------------------------------|-----------------------------------|----------------|
| | County Park Bond | Bike and Pedestrian Paths | Capital Growth Requirements | C.D.B.G. |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | 110,652 |
| Charges for services | - | - | 17,492 | - |
| Use of money and property | - | - | 846 | - |
| Contributions | - | - | - | - |
| Miscellaneous | - | - | - | 10,250 |
| Total Revenues | - | - | 18,338 | 120,902 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | 5,914 | - | - |
| Public safety | - | - | - | - |
| Community services | - | - | - | 34,287 |
| Public works | 17,069 | - | - | - |
| Capital outlay | - | - | 171,388 | 86,615 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 17,069 | 5,914 | 171,388 | 120,902 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (17,069) | (5,914) | (153,050) | - |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (17,069) | (5,914) | (153,050) | - |
| Fund Balances, Beginning of Year | (21,441) | 5,914 | 143,139 | - |
| Fund Balances, End of Year | \$ (38,510) | \$ - | \$ (9,911) | \$ - |

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

| | Special Revenue Funds | | | |
|--|------------------------------|----------------------------------|-----------------|---------------------------------|
| | Asset Forfeiture | Federal Police Grants | CLEEP | Public Library Grant |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | 9,149 |
| Charges for services | - | - | - | - |
| Use of money and property | 673 | 134 | 163 | - |
| Contributions | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total Revenues | 673 | 134 | 163 | 9,149 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Community services | - | - | - | 6,740 |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | - | - | - | 6,740 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 673 | 134 | 163 | 2,409 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | 673 | 134 | 163 | 2,409 |
| Fund Balances, Beginning of Year | 20,112 | 4,012 | 4,867 | 6,785 |
| Fund Balances, End of Year | \$ 20,785 | \$ 4,146 | \$ 5,030 | \$ 9,194 |

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

| | Special Revenue Funds | | | |
|--|-------------------------|-----------------------|----------------------------|---------------------|
| | Prop 1B Local Return | State Police Grant | Homeland Security Grant | Park Impact Fees |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Assessments | - | - | - | - |
| Licenses and permits | - | - | - | 43,152 |
| Intergovernmental | - | 100,000 | 276,329 | - |
| Charges for services | - | - | - | - |
| Use of money and property | - | 6,212 | - | - |
| Contributions | - | - | - | - |
| Miscellaneous | - | 23,610 | - | - |
| Total Revenues | - | 129,822 | 276,329 | 43,152 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | 107,978 | - | - |
| Community services | - | - | - | - |
| Public works | - | - | - | 22,680 |
| Capital outlay | 753,840 | - | 454,576 | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 753,840 | 107,978 | 454,576 | 22,680 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (753,840) | 21,844 | (178,247) | 20,472 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (753,840) | 21,844 | (178,247) | 20,472 |
| Fund Balances, Beginning of Year | 753,840 | 178,112 | (91,437) | 83,051 |
| Fund Balances, End of Year | \$ - | \$ 199,956 | \$ (269,684) | \$ 103,523 |

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

| | Special Revenue Funds | | | |
|--|-----------------------|----------------|-------------------|--------------------------|
| | 99 Pasadena Avenue | ARRA Grant | Measure R | Safe Routes to School |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ 163,782 | \$ - |
| Assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | 17,157 | - | - |
| Charges for services | - | - | - | - |
| Use of money and property | 37,604 | (19) | 1,955 | - |
| Contributions | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total Revenues | 37,604 | 17,138 | 165,737 | - |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Community services | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | 140,697 | 17,157 | - | 154,500 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 140,697 | 17,157 | - | 154,500 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (103,093) | (19) | 165,737 | (154,500) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (103,093) | (19) | 165,737 | (154,500) |
| Fund Balances, Beginning of Year | 1,163,266 | - | - | - |
| Fund Balances, End of Year | \$ 1,060,173 | \$ (19) | \$ 165,737 | \$ (154,500) |

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

| | Capital Projects Funds | Total Governmental Funds |
|--|---|---|
| | Community Redevelopment Agency | |
| Revenues: | | |
| Taxes | \$ 549,681 | \$ 1,453,726 |
| Assessments | - | 883,681 |
| Licenses and permits | - | 43,152 |
| Intergovernmental | - | 1,294,141 |
| Charges for services | - | 21,307 |
| Use of money and property | 28,514 | 103,446 |
| Contributions | - | 10,050 |
| Miscellaneous | - | 67,367 |
| Total Revenues | 578,195 | 3,876,870 |
| Expenditures: | | |
| Current: | | |
| General government | 455,786 | 801,294 |
| Public safety | - | 107,978 |
| Community services | - | 524,720 |
| Public works | - | 1,462,967 |
| Capital outlay | 1,012,977 | 3,789,584 |
| Debt service: | | |
| Principal retirement | 80,000 | 80,000 |
| Interest and fiscal charges | 116,858 | 116,858 |
| Total Expenditures | 1,665,621 | 6,883,401 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,087,426) | (3,006,531) |
| Other Financing Sources (Uses): | | |
| Transfers in | - | 24,136 |
| Transfers out | - | (352,037) |
| Total Other Financing Sources (Uses) | - | (327,901) |
| Net Change in Fund Balances | (1,087,426) | (3,334,432) |
| Fund Balances, Beginning of Year | 3,064,554 | 6,844,233 |
| Fund Balances, End of Year | \$ 1,977,128 | \$ 3,509,801 |

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE
 MTA PEDESTRIAN IMPROVEMENT
 YEAR ENDED JUNE 30, 2010

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ (388,729) | \$ (388,729) | \$ (388,729) | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 341,018 | 341,018 | - | (341,018) |
| Amounts Available for Appropriation | (47,711) | (47,711) | (388,729) | (341,018) |
| Charges to Appropriation (Outflow): | | | | |
| Capital outlay | 306,800 | 306,800 | - | 306,800 |
| Total Charges to Appropriations | 306,800 | 306,800 | - | 306,800 |
| Budgetary Fund Balance, June 30 | \$ (354,511) | \$ (354,511) | \$ (388,729) | \$ (34,218) |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC IMPROVEMENT
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 110,740 | \$ 110,740 | \$ 110,740 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 4,121,046 | 4,121,046 | 95 | (4,120,951) |
| Amounts Available for Appropriation | 4,231,786 | 4,231,786 | 110,835 | (4,120,951) |
| Charges to Appropriation (Outflow): | | | | |
| General government | - | - | 109 | (109) |
| Capital outlay | 3,829,000 | 3,829,000 | 80 | 3,828,920 |
| Total Charges to Appropriations | 3,829,000 | 3,829,000 | 189 | 3,828,811 |
| Budgetary Fund Balance, June 30 | \$ 402,786 | \$ 402,786 | \$ 110,646 | \$ (292,140) |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION "A"
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ (249,730) | \$ (249,730) | \$ (249,730) | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 426,800 | 426,800 | 328,144 | (98,656) |
| Charges for services | 3,000 | 3,000 | 3,815 | 815 |
| Miscellaneous | 11,000 | 11,000 | 17,344 | 6,344 |
| Amounts Available for Appropriation | 191,070 | 191,070 | 99,573 | (91,497) |
| Charges to Appropriation (Outflow): | | | | |
| General government | 186,526 | 186,526 | 72,184 | 114,342 |
| Parks and recreation | 317,599 | 317,599 | 300,311 | 17,288 |
| Total Charges to Appropriations | 504,125 | 504,125 | 372,495 | 131,630 |
| Budgetary Fund Balance, June 30 | \$ (313,055) | \$ (313,055) | \$ (272,922) | \$ 40,133 |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION "C"
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 346,992 | \$ 346,992 | \$ 346,992 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 350,000 | 350,000 | 272,210 | (77,790) |
| Use of money and property | 8,000 | 8,000 | 11,795 | 3,795 |
| Amounts Available for Appropriation | 704,992 | 704,992 | 630,997 | (73,995) |
| Charges to Appropriation (Outflow): | | | | |
| General government | 33,626 | 33,626 | 77,227 | (43,601) |
| Parks and recreation | 173,088 | 173,088 | 183,382 | (10,294) |
| Capital outlay | - | 80,000 | 6,372 | 73,628 |
| Total Charges to Appropriations | 206,714 | 286,714 | 266,981 | 19,733 |
| Budgetary Fund Balance, June 30 | \$ 498,278 | \$ 418,278 | \$ 364,016 | \$ (54,262) |

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE
 ISTE/METRO
 YEAR ENDED JUNE 30, 2010

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------|-------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 337,905 | \$ 337,905 | \$ 337,905 | \$ - |
| Resources (Inflows): | | | | |
| Amounts Available for Appropriation | 337,905 | 337,905 | 337,905 | - |
| Charges to Appropriation (Outflow): | | | | |
| Capital outlay | 329,213 | 340,055 | - | 340,055 |
| Total Charges to Appropriations | 329,213 | 340,055 | - | 340,055 |
| Budgetary Fund Balance, June 30 | \$ 8,692 | \$ (2,150) | \$ 337,905 | \$ 340,055 |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 126,732 | \$ 126,732 | \$ 126,732 | \$ - |
| Resources (Inflows): | | | | |
| Assessments | 900,000 | 900,000 | 883,681 | (16,319) |
| Contributions | - | - | 10,050 | 10,050 |
| Miscellaneous | 20,000 | 20,000 | 16,163 | (3,837) |
| Amounts Available for Appropriation | 1,046,732 | 1,046,732 | 1,036,626 | (10,106) |
| Charges to Appropriation (Outflow): | | | | |
| Public works | 906,322 | 960,699 | 904,126 | 56,573 |
| Capital outlay | 24,000 | 38,284 | 20,794 | 17,490 |
| Total Charges to Appropriations | 930,322 | 998,983 | 924,920 | 74,063 |
| Budgetary Fund Balance, June 30 | \$ 116,410 | \$ 47,749 | \$ 111,706 | \$ 63,957 |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
CLEAN AIR ACT
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 83,552 | \$ 83,552 | \$ 83,552 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 28,000 | 28,000 | 47,022 | 19,022 |
| Use of money and property | 1,600 | 1,600 | 843 | (757) |
| Amounts Available for Appropriation | 113,152 | 113,152 | 131,417 | 18,265 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 7,700 | 7,700 | 16,262 | (8,562) |
| Public works | - | - | 20,748 | (20,748) |
| Capital outlay | - | 443,018 | 443,698 | (680) |
| Total Charges to Appropriations | 7,700 | 450,718 | 480,708 | (29,990) |
| Budgetary Fund Balance, June 30 | \$ 105,452 | \$ (337,566) | \$ (349,291) | \$ (11,725) |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
PARKING AND BUSINESS IMPROVEMENT
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 76,182 | \$ 76,182 | \$ 76,182 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 133,000 | 133,000 | 139,909 | 6,909 |
| Amounts Available for Appropriation | 209,182 | 209,182 | 216,091 | 6,909 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 132,500 | 152,500 | 151,791 | 709 |
| Total Charges to Appropriations | 132,500 | 152,500 | 151,791 | 709 |
| Budgetary Fund Balance, June 30 | \$ 76,682 | \$ 56,682 | \$ 64,300 | \$ 7,618 |

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE
 GOLD LINE MITIGATION
 YEAR ENDED JUNE 30, 2010

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------|------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 278,765 | \$ 278,765 | \$ 278,765 | \$ - |
| Resources (Inflows): | | | | |
| Amounts Available for Appropriation | 278,765 | 278,765 | 278,765 | - |
| Charges to Appropriation (Outflow): | | | | |
| Capital outlay | - | 200,418 | 68,700 | 131,718 |
| Total Charges to Appropriations | - | 200,418 | 68,700 | 131,718 |
| Budgetary Fund Balance, June 30 | \$ 278,765 | \$ 78,347 | \$ 210,065 | \$ 131,718 |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
MISSION OAKS PARKING
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-----------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 233 | \$ 233 | \$ 233 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | - | - | 3 | 3 |
| Miscellaneous | 12,000 | 12,000 | - | (12,000) |
| Amounts Available for Appropriation | 12,233 | 12,233 | 236 | (11,997) |
| Charges to Appropriation (Outflow): | | | | |
| Public works | 7,400 | 7,400 | 2,631 | 4,769 |
| Total Charges to Appropriations | 7,400 | 7,400 | 2,631 | 4,769 |
| Budgetary Fund Balance, June 30 | \$ 4,833 | \$ 4,833 | \$ (2,395) | \$ (7,228) |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
MISSION MERIDIAN PUBLIC GARAGE
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ (111,777) | \$ (111,777) | \$ (111,777) | \$ - |
| Resources (Inflows): | | | | |
| Charges for services | 22,000 | 22,000 | - | (22,000) |
| Amounts Available for Appropriation | (89,777) | (89,777) | (111,777) | (22,000) |
| Charges to Appropriation (Outflow): | | | | |
| General government | 81,000 | 81,000 | 21,913 | 59,087 |
| Total Charges to Appropriations | 81,000 | 81,000 | 21,913 | 59,087 |
| Budgetary Fund Balance, June 30 | \$ (170,777) | \$ (170,777) | \$ (133,690) | \$ 37,087 |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 574,457 | \$ 574,457 | \$ 574,457 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 496,000 | 496,000 | 692,378 | 196,378 |
| Use of money and property | 8,000 | 8,000 | 14,723 | 6,723 |
| Amounts Available for Appropriation | 1,078,457 | 1,078,457 | 1,281,558 | 203,101 |
| Charges to Appropriation (Outflow): | | | | |
| Public works | 563,617 | 624,075 | 495,713 | 128,362 |
| Capital outlay | 17,000 | 557,000 | 458,110 | 98,890 |
| Total Charges to Appropriations | 580,617 | 1,181,075 | 953,823 | 227,252 |
| Budgetary Fund Balance, June 30 | \$ 497,840 | \$ (102,618) | \$ 327,735 | \$ 430,353 |

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE
 COUNTY PARK BOND
 YEAR ENDED JUNE 30, 2010

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ (21,441) | \$ (21,441) | \$ (21,441) | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 16,200 | 16,200 | - | (16,200) |
| Amounts Available for Appropriation | (5,241) | (5,241) | (21,441) | (16,200) |
| Charges to Appropriation (Outflow): | | | | |
| Public works | 16,200 | 16,200 | 17,069 | (869) |
| Total Charges to Appropriations | 16,200 | 16,200 | 17,069 | (869) |
| Budgetary Fund Balance, June 30 | \$ (21,441) | \$ (21,441) | \$ (38,510) | \$ (17,069) |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
BIKE AND PEDESTRIAN PATHS
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 5,914 | \$ 5,914 | \$ 5,914 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 21,363 | 21,363 | - | (21,363) |
| Use of money and property | 500 | 500 | - | (500) |
| Amounts Available for Appropriation | 27,777 | 27,777 | 5,914 | (21,863) |
| Charges to Appropriation (Outflow): | | | | |
| General government | - | - | 5,914 | (5,914) |
| Total Charges to Appropriations | - | - | 5,914 | (5,914) |
| Budgetary Fund Balance, June 30 | \$ 27,777 | \$ 27,777 | \$ - | \$ (27,777) |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
CAPITAL GROWTH REQUIREMENTS
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 143,139 | \$ 143,139 | \$ 143,139 | \$ - |
| Resources (Inflows): | | | | |
| Charges for services | 52,000 | 52,000 | 17,492 | (34,508) |
| Use of money and property | 6,000 | 6,000 | 846 | (5,154) |
| Amounts Available for Appropriation | 201,139 | 201,139 | 161,477 | (39,662) |
| Charges to Appropriation (Outflow): | | | | |
| Capital outlay | 65,000 | 132,650 | 171,388 | (38,738) |
| Total Charges to Appropriations | 65,000 | 132,650 | 171,388 | (38,738) |
| Budgetary Fund Balance, June 30 | \$ 136,139 | \$ 68,489 | \$ (9,911) | \$ (78,400) |

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE

C.D.B.G.

YEAR ENDED JUNE 30, 2010

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 100,000 | 100,000 | 110,652 | 10,652 |
| Miscellaneous | 26,160 | 26,160 | 10,250 | (15,910) |
| Amounts Available for Appropriation | 126,160 | 126,160 | 120,902 | (5,258) |
| Charges to Appropriation (Outflow): | | | | |
| Parks and recreation | 62,237 | 62,237 | 34,287 | 27,950 |
| Capital outlay | 86,012 | 86,012 | 86,615 | (603) |
| Total Charges to Appropriations | 148,249 | 148,249 | 120,902 | 27,347 |
| Budgetary Fund Balance, June 30 | \$ (22,089) | \$ (22,089) | \$ - | \$ 22,089 |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 20,112 | \$ 20,112 | \$ 20,112 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 400 | 400 | 673 | 273 |
| Amounts Available for Appropriation | 20,512 | 20,512 | 20,785 | 273 |
| Budgetary Fund Balance, June 30 | \$ 20,512 | \$ 20,512 | \$ 20,785 | \$ 273 |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
 FEDERAL POLICE GRANTS
 YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-----------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 4,012 | \$ 4,012 | \$ 4,012 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 100 | 100 | 134 | 34 |
| Amounts Available for Appropriation | 4,112 | 4,112 | 4,146 | 34 |
| Budgetary Fund Balance, June 30 | \$ 4,112 | \$ 4,112 | \$ 4,146 | \$ 34 |

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE
 CLEEP
 YEAR ENDED JUNE 30, 2010

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------|-----------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 4,867 | \$ 4,867 | \$ 4,867 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 96 | 96 | 163 | 67 |
| Amounts Available for Appropriation | 4,963 | 4,963 | 5,030 | 67 |
| Budgetary Fund Balance, June 30 | \$ 4,963 | \$ 4,963 | \$ 5,030 | \$ 67 |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC LIBRARY GRANT
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-----------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 6,785 | \$ 6,785 | \$ 6,785 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 8,782 | 8,782 | 9,149 | 367 |
| Amounts Available for Appropriation | 15,567 | 15,567 | 15,934 | 367 |
| Charges to Appropriation (Outflow): | | | | |
| Parks and recreation | 10,000 | 10,000 | 6,740 | 3,260 |
| Total Charges to Appropriations | 10,000 | 10,000 | 6,740 | 3,260 |
| Budgetary Fund Balance, June 30 | \$ 5,567 | \$ 5,567 | \$ 9,194 | \$ 3,627 |

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE
 PROP 1B LOCAL RETURN
 YEAR ENDED JUNE 30, 2010

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 753,840 | \$ 753,840 | \$ 753,840 | \$ - |
| Resources (Inflows): | | | | |
| Amounts Available for Appropriation | 753,840 | 753,840 | 753,840 | - |
| Charges to Appropriation (Outflow): | | | | |
| Capital outlay | - | 757,279 | 753,840 | 3,439 |
| Total Charges to Appropriations | - | 757,279 | 753,840 | 3,439 |
| Budgetary Fund Balance, June 30 | \$ 753,840 | \$ (3,439) | \$ - | \$ 3,439 |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
STATE POLICE GRANT
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 178,112 | \$ 178,112 | \$ 178,112 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 100,000 | 100,000 | 100,000 | - |
| Use of money and property | 4,000 | 4,000 | 6,212 | 2,212 |
| Miscellaneous | - | - | 23,610 | 23,610 |
| Amounts Available for Appropriation | 282,112 | 282,112 | 307,934 | 25,822 |
| Charges to Appropriation (Outflow): | | | | |
| Public safety | - | 37,313 | 107,978 | (70,665) |
| Total Charges to Appropriations | - | 37,313 | 107,978 | (70,665) |
| Budgetary Fund Balance, June 30 | \$ 282,112 | \$ 244,799 | \$ 199,956 | \$ (44,843) |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
 HOMELAND SECURITY GRANT
 YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|--------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ (91,437) | \$ (91,437) | \$ (91,437) | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 193,675 | 193,675 | 276,329 | 82,654 |
| Amounts Available for Appropriation | 102,238 | 102,238 | 184,892 | 82,654 |
| Charges to Appropriation (Outflow): | | | | |
| Capital outlay | 193,675 | 193,675 | 454,576 | (260,901) |
| Total Charges to Appropriations | 193,675 | 193,675 | 454,576 | (260,901) |
| Budgetary Fund Balance, June 30 | \$ (91,437) | \$ (91,437) | \$ (269,684) | \$ (178,247) |

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE

99 PASADENA AVENUE

YEAR ENDED JUNE 30, 2010

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|---------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 1,163,266 | \$ 1,163,266 | \$ 1,163,266 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 35,000 | 35,000 | 37,604 | 2,604 |
| Amounts Available for Appropriation | 1,198,266 | 1,198,266 | 1,200,870 | 2,604 |
| Charges to Appropriation (Outflow): | | | | |
| Capital outlay | 1,106,000 | 1,106,000 | 140,697 | 965,303 |
| Total Charges to Appropriations | 1,106,000 | 1,106,000 | 140,697 | 965,303 |
| Budgetary Fund Balance, June 30 | \$ 92,266 | \$ 92,266 | \$ 1,060,173 | \$ 967,907 |

CITY OF SOUTH PASADENA

BUDGETARY COMPARISON SCHEDULE
 MEASURE R
 YEAR ENDED JUNE 30, 2010

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 132,830 | 132,830 | 163,782 | 30,952 |
| Use of money and property | - | - | 1,955 | 1,955 |
| Amounts Available for Appropriation | 132,830 | 132,830 | 165,737 | 32,907 |
| Budgetary Fund Balance, June 30 | \$ 132,830 | \$ 132,830 | \$ 165,737 | \$ 32,907 |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
SAFE ROUTES TO SCHOOL
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|--------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 251,000 | 251,000 | - | (251,000) |
| Amounts Available for Appropriation | 251,000 | 251,000 | - | (251,000) |
| Charges to Appropriation (Outflow): | | | | |
| Capital outlay | 251,000 | 263,000 | 154,500 | 108,500 |
| Total Charges to Appropriations | 251,000 | 263,000 | 154,500 | 108,500 |
| Budgetary Fund Balance, June 30 | \$ - | \$ (12,000) | \$ (154,500) | \$ (142,500) |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
RAIL CROSSING IMPROVEMENT STUDY
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|----------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 192,000 | 192,000 | - | (192,000) |
| Amounts Available for Appropriation | 192,000 | 192,000 | - | (192,000) |
| Charges to Appropriation (Outflow): | | | | |
| Public works | 192,000 | 192,000 | - | 192,000 |
| Total Charges to Appropriations | 192,000 | 192,000 | - | 192,000 |
| Budgetary Fund Balance, June 30 | \$ - | \$ - | \$ - | \$ - |

CITY OF SOUTH PASADENA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY
YEAR ENDED JUNE 30, 2010**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 3,064,554 | \$ 3,064,554 | \$ 3,064,554 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 562,400 | 562,400 | 549,681 | (12,719) |
| Use of money and property | 99,000 | 99,000 | 28,514 | (70,486) |
| Amounts Available for Appropriation | 3,725,954 | 3,725,954 | 3,642,749 | (83,205) |
| Charges to Appropriation (Outflow): | | | | |
| General government | 414,986 | 423,336 | 455,786 | (32,450) |
| Capital outlay | - | - | 1,012,977 | (1,012,977) |
| Debt service: | | | | |
| Principal retirement | 80,000 | 80,000 | 80,000 | - |
| Interest and fiscal charges | 116,857 | 116,857 | 116,858 | (1) |
| Total Charges to Appropriations | 611,843 | 620,193 | 1,665,621 | (1,045,428) |
| Budgetary Fund Balance, June 30 | \$ 3,114,111 | \$ 3,105,761 | \$ 1,977,128 | \$ (1,128,633) |

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 Eight Fiscal Years
(Accrual Basis of Accounting)

| | Fiscal Year | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Government activities | | | | | | | | |
| Invested in capital assets, net of related debt | \$53,848,000 | \$53,712,779 | \$52,586,854 | \$53,938,246 | \$57,875,243 | \$59,638,269 | \$56,086,968 | \$57,541,752 |
| Restricted | 875,676 | 3,134,933 | 2,985,309 | 3,700,356 | 4,454,617 | 3,725,863 | 6,609,467 | 4,069,279 |
| Unrestricted | 5,037,527 | 3,109,784 | 2,866,719 | 3,351,709 | 6,396,133 | 8,392,273 | 8,979,878 | 6,937,924 |
| Total governmental activities net assets | \$59,761,203 | \$59,957,496 | \$58,438,882 | \$60,990,311 | \$68,725,993 | \$71,756,405 | \$71,676,313 | \$68,548,955 |
| Business-type activities | | | | | | | | |
| Invested in capital assets, net of related debt | \$- | \$2,084,629 | \$3,290,506 | \$3,042,921 | \$3,263,489 | \$2,791,280 | \$1,890,240 | \$1,276,626 |
| Restricted | - | - | 769,344 | 1,391,957 | 2,136,719 | 2,878,966 | 36,642,005 | 36,135,935 |
| Unrestricted | 5,645,780 | 4,323,054 | 2,952,479 | 3,319,590 | 2,831,187 | 3,542,152 | (29,053,954) | (28,488,758) |
| Total business-type activities net assets | \$5,645,780 | \$6,407,683 | \$7,012,329 | \$7,754,468 | \$8,231,395 | \$9,212,398 | \$9,478,291 | \$8,923,803 |
| Primary government | | | | | | | | |
| Invested in capital assets, net of related debt | 53,848,000 | 55,797,408 | 55,877,360 | 56,981,167 | 61,138,732 | 62,429,549 | 57,977,208 | 58,818,378 |
| Restricted | 875,676 | 3,134,933 | 3,754,653 | 5,092,313 | 6,591,336 | 6,604,829 | 43,251,472 | 40,205,214 |
| Unrestricted | 10,683,307 | 7,432,838 | 5,819,198 | 6,671,299 | 9,227,320 | 11,934,425 | (20,074,076) | (21,550,834) |
| Total primary government activities net assets | \$65,406,983 | \$66,365,179 | \$65,451,211 | \$68,744,779 | \$76,957,388 | \$80,968,803 | \$81,154,604 | \$77,472,758 |

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CITY OF SOUTH PASADENA

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

| | Fiscal Year | | | | | | | |
|--|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Expenses | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 3,347,378 | \$ 4,539,884 | \$ 5,238,131 | \$ 4,623,433 | \$ 4,401,369 | \$ 3,911,227 | \$ 5,513,124 | \$ 5,816,414 |
| Public safety | 7,629,324 | 8,926,614 | 9,631,689 | 9,823,747 | 9,779,691 | 9,875,234 | 11,525,403 | 11,589,395 |
| Community development | 874,087 | 763,683 | 786,021 | 770,006 | 883,972 | 997,287 | 839,568 | 920,339 |
| Community Services | 2,225,418 | 2,183,071 | 2,426,270 | 2,446,291 | 2,523,119 | 2,806,026 | 2,914,235 | 3,033,614 |
| Public works | 4,416,784 | 3,672,143 | 4,351,990 | 4,804,715 | 4,876,678 | 4,655,996 | 5,482,505 | 5,484,601 |
| Interest on long-term debt | 149,200 | 146,641 | 178,245 | 172,698 | 149,359 | 143,423 | 136,769 | 131,539 |
| Total Governmental Activities expenses | 18,642,191 | 20,232,036 | 22,612,346 | 22,640,890 | 22,614,188 | 22,389,193 | 26,411,604 | 26,975,902 |
| Business-Type Activities: | | | | | | | | |
| Water utility | 2,643,259 | 2,558,200 | 3,607,186 | 4,160,990 | 3,908,439 | 3,949,800 | 4,451,292 | 7,144,268 |
| Sewer utility | - | - | - | - | - | - | - | 861,207 |
| Total Business-Type Activities Expenses | 2,643,259 | 2,558,200 | 3,607,186 | 4,160,990 | 3,908,439 | 3,949,800 | 4,451,292 | 8,005,475 |
| Total Primary Government Expenses | \$ 21,285,450 | \$ 22,790,236 | \$ 26,219,532 | \$ 26,801,880 | \$ 26,522,627 | \$ 26,338,993 | \$ 30,862,896 | \$ 34,981,377 |
| Program Revenues | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| General government | \$ 726,699 | \$ 1,054,576 | \$ 1,108,740 | \$ 1,238,045 | \$ 1,358,711 | \$ 1,457,911 | \$ 1,409,846 | \$ 1,319,410 |
| Public safety | 501,708 | 550,729 | 579,762 | 589,211 | 569,946 | 1,306,513 | 1,349,175 | 840,207 |
| Community development | 552,806 | 579,502 | 715,107 | 715,970 | 598,718 | 801,200 | 405,086 | 446,050 |
| Community Services | 570,127 | 691,141 | 683,576 | 686,560 | 690,544 | 514,523 | 627,296 | 672,765 |
| Public works | 1,294,161 | 1,503,901 | 1,146,864 | 1,119,950 | 1,079,883 | 1,244,935 | 1,118,262 | 1,096,487 |
| Total Charges for Services | 3,645,501 | 4,379,849 | 4,234,049 | 4,349,736 | 4,297,802 | 5,325,082 | 4,909,665 | 4,374,919 |
| Operating Contributions and Grants: | | | | | | | | |
| General government | 784,587 | 1,108,032 | 787,784 | 1,397,311 | 500,002 | 150,998 | 214,373 | \$ 71,059 |
| Public safety | 116,182 | 249,686 | 746,820 | 987,107 | 2,422,944 | 175,552 | 108,406 | 478,495 |
| Community development | - | - | - | - | - | - | - | 457,670 |
| Community Services | 71,840 | 95,308 | 55,596 | 53,013 | 63,472 | 127,136 | 24,322 | 29,449 |
| Public works | 63,695 | 119,812 | 167,641 | 131,107 | 122,292 | 539,572 | 447,962 | 209,762 |
| Total Operating Contributions and Grants | 1,036,304 | 1,572,838 | 1,757,841 | 2,568,538 | 3,108,710 | 993,258 | 795,063 | 1,246,435 |
| Capital Contributions and Grants: | | | | | | | | |
| Public safety | 34,123 | - | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | 47,516 | - | - |
| Public works | 4,457,348 | 1,561,750 | 1,259,811 | 2,536,724 | 2,712,135 | 513,368 | 1,868,187 | 820,447 |
| Total Capital Contributions and Grants | 4,491,471 | 1,561,750 | 1,259,811 | 2,536,724 | 2,712,135 | 560,884 | 1,868,187 | 820,447 |
| Total Governmental Activities Program Revenue | 9,173,276 | 7,514,437 | 7,251,701 | 9,454,998 | 10,118,647 | 6,879,224 | 7,572,915 | 6,441,801 |
| Business-Type Activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| Water utility | 2,850,357 | 3,217,446 | 3,902,977 | 4,442,966 | 4,687,499 | 4,543,192 | 4,549,062 | 4,270,244 |
| Sewer utility | - | - | - | - | - | - | - | 657,045 |
| Total Business-Type Activities Program Revenues | 2,850,357 | 3,217,446 | 3,902,977 | 4,442,966 | 4,687,499 | 4,543,192 | 4,549,062 | 4,927,289 |
| Total Primary Government Program Revenues | \$ 6,495,858 | \$ 7,597,295 | \$ 8,137,026 | \$ 8,792,702 | \$ 14,806,146 | \$ 11,422,416 | \$ 12,121,977 | \$ 11,369,090 |
| Net (Expense)/Revenue | | | | | | | | |
| Governmental Activities | \$ (9,468,915) | \$ (12,717,599) | \$ (15,360,645) | \$ (13,185,892) | \$ (12,495,541) | \$ (15,509,969) | \$ (18,838,689) | \$ (20,534,101) |
| Business-Type Activities | 207,098 | 659,246 | 295,791 | 281,976 | 779,060 | 593,392 | 97,770 | (3,078,186) |
| Total primary Government Net Expense | \$ (9,261,817) | \$ (12,058,353) | \$ (15,064,854) | \$ (12,903,916) | \$ (11,716,481) | \$ (14,916,577) | \$ (18,740,919) | \$ (23,612,287) |

CITY OF SOUTH PASADENA

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

| | Fiscal Year | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Revenues and Other Charges in Net Assets | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes, levied for general purpose | \$ 5,401,391 | \$ 5,878,748 | \$ 6,152,773 | \$ 8,367,587 | \$ 9,116,431 | \$ 9,986,309 | \$ 10,404,273 | \$ 10,426,753 |
| Sales taxes | 2,334,636 | 2,388,269 | 2,572,929 | 2,890,126 | 2,911,037 | 3,078,717 | 2,399,744 | 2,797,621 |
| Franchise taxes | 566,280 | 624,327 | 671,111 | 717,624 | 769,549 | 777,675 | 821,144 | 777,843 |
| Business licenses taxes | 257,047 | 257,799 | 273,432 | 323,055 | 334,840 | 344,497 | 352,528 | 323,307 |
| Other taxes | 1,826,864 | 1,988,990 | 2,113,733 | 2,104,870 | 2,250,281 | 3,158,469 | 3,942,594 | 4,109,696 |
| Motor Vehicle In Lieu | 1,428,810 | 1,167,965 | 2,034,071 | 88,757 | 129,564 | 110,144 | 74,215 | 76,294 |
| Use of money and property | 438,050 | 439,308 | 489,121 | 619,237 | 839,529 | 921,232 | 658,997 | 517,079 |
| Gain on sale of assets | 12,683 | (63,817) | - | - | - | 1,100,000 | - | - |
| Other | 33,086 | 97,564 | 154,813 | 646,065 | 127,106 | 69,013 | 73,594 | 207,937 |
| Transfers | - | - | - | - | - | - | - | (1,829,787) |
| Total Governmental Activities | 12,298,847 | 12,779,153 | 14,461,983 | 15,757,321 | 16,649,836 | 19,546,056 | 18,727,089 | 17,406,743 |
| Business-Type Activities: | | | | | | | | |
| Use of money and property | 64,757 | 48,131 | 211,678 | 369,399 | 401,925 | 370,557 | 227,528 | 681,532 |
| Gain on sale of assets | - | - | - | - | - | 11,075 | - | - |
| Other | 186,132 | 54,526 | 97,177 | 90,764 | 54,042 | 14,695 | 13,814 | 12,379 |
| Transfers | - | - | - | - | - | - | - | 1,829,787 |
| Total Business-Type Activities | 250,889 | 102,657 | 308,855 | 460,163 | 455,967 | 396,327 | 241,342 | 2,523,698 |
| Total Primary Government | \$ 12,549,736 | \$ 12,881,810 | \$ 14,770,838 | \$ 16,217,484 | \$ 17,105,803 | \$ 19,942,383 | \$ 18,968,431 | \$ 19,930,441 |
| Changes in Net Assets | | | | | | | | |
| Governmental Activities | \$ 2,829,932 | \$ 61,554 | \$ (898,662) | \$ 2,571,429 | \$ 4,154,295 | \$ 4,036,087 | \$ (111,600) | \$ (3,127,358) |
| Business-Type Activities | 457,987 | 761,903 | 604,646 | 742,139 | 1,235,027 | 989,719 | 339,112 | (554,488) |
| Total Primary Government | \$ 3,287,919 | \$ 823,457 | \$ (294,016) | \$ 3,313,568 | \$ 5,389,322 | \$ 5,025,806 | \$ 227,512 | \$ (3,681,846) |

CITY OF SOUTH PASADENA

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

| | Fiscal Year | | | | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Fund | | | | | | | | |
| Reserved | \$ 368,202 | \$ 455,087 | \$ 542,341 | \$ 645,341 | \$ 397,742 | \$ 292,562 | \$ 1,550,920 | \$ 947,588 |
| Unreserved | <u>3,100,339</u> | <u>3,414,972</u> | <u>3,459,743</u> | <u>4,489,626</u> | <u>6,351,164</u> | <u>9,559,379</u> | <u>9,491,709</u> | <u>10,251,769</u> |
| Total General Fund | <u>\$ 3,468,541</u> | <u>\$ 3,870,059</u> | <u>\$ 4,002,084</u> | <u>\$ 5,134,967</u> | <u>\$ 6,748,906</u> | <u>\$ 9,851,941</u> | <u>\$ 11,042,629</u> | <u>\$ 11,199,357</u> |
| | | | | | | | | |
| All Other Governmental Funds | | | | | | | | |
| Reserved | \$ 755,491 | \$ 266,517 | \$ 293,809 | \$ 2,456,501 | \$ 1,537,309 | \$ 254,778 | \$ 1,194,959 | \$ 420,227 |
| Unreserved: | | | | | | | | |
| Unreserved, reported in nonmajor, | | | | | | | | |
| Special revenue funds | 1,223,747 | 1,321,075 | 1,440,330 | 205,647 | 384,352 | 3,056,391 | 2,584,720 | 1,112,446 |
| Capital Projects funds | - | - | - | - | - | - | 3,064,554 | 1,977,128 |
| Designated for: | | | | | | | | |
| Low & moderate housing | - | - | 436,976 | 463,776 | 488,506 | 530,096 | - | - |
| Debt service | - | - | 198,968 | 202,044 | 197,110 | 200,497 | - | - |
| Undesignated | <u>2,191,930</u> | <u>2,512,672</u> | <u>2,012,312</u> | <u>941,127</u> | <u>1,260,671</u> | <u>1,480,465</u> | <u>-</u> | <u>-</u> |
| 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> | <u>\$ 3,867,948</u> | <u>\$ 5,522,227</u> | <u>\$ 6,844,233</u> | <u>\$ 3,509,801</u> |

The City of South Pasadena has elected to show the last seven years of data for this schedule as the City implemented GASB 34 in 2003.

CITY OF SOUTH PASADENA

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

| | Fiscal Year | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|-----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Revenues: | | | | | | | | |
| Taxes | \$ 10,130,600 | \$ 10,880,019 | \$ 11,449,664 | \$ 13,972,117 | \$ 15,166,586 | \$ 16,850,652 | \$ 17,689,431 | \$ 18,037,383 |
| Assessments | 1,106,389 | 1,113,278 | 1,097,970 | 1,068,561 | 1,133,914 | 895,773 | 885,515 | 883,681 |
| Licenses and permits | 646,955 | 750,566 | 791,522 | 842,947 | 876,297 | 893,237 | 1,004,933 | 934,708 |
| Intergovernmental | 6,601,782 | 3,237,991 | 3,996,994 | 3,584,136 | 5,089,034 | 2,288,858 | 2,635,222 | 1,942,882 |
| Charges for services | 1,949,856 | 2,386,005 | 2,649,613 | 2,683,695 | 2,398,566 | 2,822,380 | 2,449,932 | 1,982,863 |
| Use of money and property | 438,050 | 439,308 | 509,282 | 642,950 | 868,349 | 921,232 | 658,997 | 517,079 |
| Fines and forfeitures | 303,814 | 561,435 | 544,883 | 603,086 | 643,055 | 636,668 | 701,894 | 629,280 |
| Contributions | - | - | - | 14,053 | 20,114 | 19,005 | 11,050 | 10,050 |
| Miscellaneous | 294,677 | 548,180 | 790,231 | 1,231,214 | 543,280 | 579,812 | 419,952 | 508,025 |
| Total revenues | 21,472,123 | 19,916,782 | 21,830,159 | 24,642,759 | 26,739,195 | 25,907,617 | 26,456,926 | 25,445,951 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 3,293,781 | 3,950,276 | 4,427,679 | 4,467,746 | 4,188,718 | 3,855,522 | 3,893,079 | 4,220,337 |
| Public safety | 7,416,733 | 8,808,933 | 9,496,581 | 9,703,634 | 9,727,416 | 10,670,808 | 11,134,224 | 11,147,779 |
| Community development | 870,779 | 769,466 | 781,903 | 766,775 | 880,902 | 1,005,406 | 831,613 | 919,697 |
| Community services | 2,049,272 | 2,029,889 | 2,270,982 | 2,299,564 | 2,507,378 | 2,679,273 | 2,764,489 | 2,887,103 |
| Public works | 2,248,896 | 2,501,017 | 2,511,989 | 2,721,530 | 2,777,051 | 2,852,322 | 3,217,465 | 3,297,647 |
| Capital outlay | 4,897,143 | 1,280,203 | 1,634,550 | 3,790,870 | 5,609,950 | 1,169,533 | 1,812,804 | 5,540,889 |
| Debt service: | | | | | | | | |
| Principal retirement | 105,140 | 104,110 | 109,826 | 112,359 | 127,262 | 114,894 | 181,845 | 123,891 |
| Interest and fiscal charges | 149,612 | 142,274 | 179,240 | 177,557 | 128,516 | 145,997 | 140,221 | 134,275 |
| Total expenses | 21,031,356 | 19,586,168 | 21,412,750 | 24,040,035 | 25,947,193 | 22,493,755 | 23,975,740 | 28,271,618 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 440,767 | 330,614 | 417,409 | 602,724 | 792,002 | 3,413,862 | 2,481,186 | (2,825,667) |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | - | 10,032 | 96,541 | - | 18,000 | 42,573 | 25,758 | 24,136 |
| Transfers out | - | (10,032) | (96,541) | - | (18,000) | (42,573) | (25,758) | (376,173) |
| Proceed from sale of capital assets | - | - | - | - | - | 1,100,000 | - | - |
| Capital leases | 15,105 | - | - | - | 495,173 | - | - | - |
| Notes and loans issued | - | - | - | - | 65,000 | - | - | - |
| Total other financing sources (uses) | 15,105 | - | - | - | 560,173 | 1,100,000 | - | (352,037) |
| Net change in fund balances / net assets | \$ 455,872 | \$ 330,614 | \$ 417,409 | \$ 602,724 | \$ 1,352,175 | \$ 4,513,862 | \$ 2,481,186 | \$ (3,177,704) |
| Debt service as a percentage of noncapital expenditures | 1.6% | 1.3% | 1.5% | 1.4% | 1.3% | 1.3% | 1.4% | 1.1% |

The City of South Pasadena has elected to show the last eight years of data for this schedule as the City implemented GASB 34 in 2003.

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^a | Taxable Assessed Value as a Percentage of Actual Taxable Value |
|--------------------|-----------------------------|----------------------------|-----------------------|----------------------------------|-------------------------------------|------------------------------|---|---|
| 2001 | \$ 1,569,274 | \$ 144,395 | \$ 106,400 | \$ (15,643) | \$ 1,804,426 | 0.241% | N/A | N/A |
| 2002 | 1,667,313 | 151,345 | 110,090 | (11,430) | 1,917,318 | 0.241% | N/A | N/A |
| 2003 | 1,783,248 | 157,091 | 109,963 | (19,275) | 2,031,027 | 0.241% | N/A | N/A |
| 2004 | 1,930,016 | 168,874 | 117,217 | (13,863) | 2,202,244 | 0.241% | N/A | N/A |
| 2005 | 2,087,821 | 177,629 | 118,885 | (20,516) | 2,363,819 | 0.241% | N/A | N/A |
| 2006 | 2,262,942 | 189,286 | 132,004 | (28,647) | 2,555,585 | 0.241% | N/A | N/A |
| 2007 | 2,478,782 | 207,724 | 130,527 | (27,756) | 2,789,277 | 0.241% | N/A | N/A |
| 2008 | 2,690,867 | 211,373 | 133,651 | (30,013) | 3,005,878 | 0.241% | N/A | N/A |
| 2009 | 2,850,768 | 217,653 | 141,106 | (29,101) | 3,180,426 | 0.240% | N/A | N/A |
| 2010 | 2,899,484 | 224,824 | 142,474 | (30,931) | 3,235,851 | 0.240% | N/A | N/A |

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

Note: ^aEstimated Actual Taxable Value is not available.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%).

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 | | | | |
|-------------|------------------------|-------------------|------------------------|--------------------------------------|-----------------------------|----------------------------------|-------------------|
| | General Basic Tax Levy | Total Direct Rate | Los Angeles County (1) | Educational Revenue Augmentation Fun | Los Angeles County Fire FFW | Los Angeles County Flood Control | Community College |
| 2001 | 0.2412 | 0.2412 | 0.2860 | 0.2536 | 0.0060 | 0.0096 | 0.0320 |
| 2002 | 0.2412 | 0.2412 | 0.2860 | 0.2536 | 0.0060 | 0.0096 | 0.0320 |
| 2003 | 0.2412 | 0.2412 | 0.2860 | 0.2536 | 0.0060 | 0.0096 | 0.0320 |
| 2004 | 0.2412 | 0.2412 | 0.2860 | 0.2536 | 0.0060 | 0.0096 | 0.0320 |
| 2005 | 0.2412 | 0.2412 | 0.2860 | 0.2536 | 0.0060 | 0.0096 | 0.0320 |
| 2006 | 0.2412 | 0.2412 | 0.2860 | 0.2536 | 0.0060 | 0.0096 | 0.0320 |
| 2007 | 0.2412 | 0.2412 | 0.2860 | 0.2536 | 0.0060 | 0.0096 | 0.0320 |
| 2008 | 0.2412 | 0.2412 | 0.2860 | 0.2536 | 0.0060 | 0.0096 | 0.0320 |
| 2009 | 0.2400 | 0.2400 | 0.2857 | 0.2551 | 0.0060 | 0.0096 | 0.0320 |
| 2010 | 0.2400 | 0.2400 | 0.2857 | 0.2551 | 0.0060 | 0.0096 | 0.0320 |

| Fiscal Year | Overlapping Rates | | | | | | | | Total |
|-------------|-------------------|---|--|----------------------------------|----------------|--------|----------------------|-------------------------------------|--------|
| | School District | Upper San Gabriel Valley Municipal Water District | South Pasadena Unified School District | Los Angeles County Flood Control | Voter Approved | | Detention Facilities | Pasadena Community College District | |
| 2001 | 0.1712 | 0.0005 | 0.0643 | 0.0016 | 0.0088 | 0.0013 | - | - | 1.0760 |
| 2002 | 0.1712 | 0.0005 | 0.0673 | 0.0011 | 0.0077 | 0.0011 | - | - | 1.0772 |
| 2003 | 0.1712 | 0.0005 | 0.0676 | 0.0009 | 0.0067 | 0.0010 | - | - | 1.0762 |
| 2004 | 0.1712 | 0.0005 | 0.1105 | 0.0005 | 0.0061 | 0.0010 | 0.0068 | - | 1.1248 |
| 2005 | 0.1712 | 0.0005 | 0.1041 | 0.0002 | 0.0058 | 0.0009 | 0.0088 | - | 1.1199 |
| 2006 | 0.1712 | 0.0005 | 0.0957 | 0.0001 | 0.0052 | 0.0008 | 0.0041 | - | 1.1058 |
| 2007 | 0.1712 | 0.0005 | 0.0897 | 0.0001 | 0.0047 | 0.0007 | 0.0208 | - | 1.1159 |
| 2008 | 0.1712 | 0.0005 | 0.0860 | - | 0.0045 | - | 0.0197 | - | 1.1104 |
| 2009 | 0.1712 | 0.0005 | 0.0860 | - | 0.0043 | - | 0.0174 | - | 1.1078 |
| 2010 | 0.1712 | 0.0005 | 0.0884 | - | 0.0043 | - | 0.0230 | - | 1.1158 |

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

(1) - The following were included in Los Angeles County; Childrens Institutional Tuition Fund, County Sanitation District No. 16, County School Services, Development Center, and LA County General

CITY OF SOUTH PASADENA

Principal Property Tax Payers,
Current Year and Nine Years Ago

| <u>Taxpayer</u> | <u>2010</u> | | | <u>2001</u> | | |
|--------------------------------------|-----------------------------------|-------------|--|-----------------------------------|-------------|--|
| | <u>Combined Taxable Value (1)</u> | <u>Rank</u> | <u>Percentage of Total City Taxable Assessed Value</u> | <u>Combined Taxable Value (1)</u> | <u>Rank</u> | <u>Percentage of Total City Taxable Assessed Value</u> |
| H and O Fair Oaks Partners | \$ 16,296,896 | 1 | 0.50% | \$ 13,862,435 | 1 | 0.77% |
| Mt. Olive Sepulveda LP | 10,559,362 | 2 | 0.33% | - | | - |
| 6356 Prospect SP LLC | 9,689,120 | 3 | 0.30% | - | | - |
| Time Warner Entertainment Advance | 9,580,385 | 4 | 0.30% | - | | - |
| Golden Oaks Investment LP | 9,151,221 | 5 | 0.28% | - | | - |
| NNC Terraces at South Pasadena LLC | 9,029,203 | 6 | 0.28% | - | | - |
| California Empire LP | 8,765,302 | 7 | 0.27% | 7,344,000 | 2 | 0.41% |
| Kan Investment Limited | 8,757,009 | 8 | 0.27% | - | | - |
| Richard Wagner Trust | 8,134,844 | 9 | 0.25% | 6,539,256 | 5 | 0.36% |
| CCCC Growth Fund LLC | 8,081,861 | 10 | 0.25% | - | | - |
| Andrew J. Cherng Trust | - | | - | 7,115,618 | 3 | 0.39% |
| Von's Company | - | | - | 7,007,712 | 4 | 0.39% |
| HP III Limited | - | | - | 6,414,540 | 6 | 0.36% |
| Jerry B. and Roberta L. Furrey Trust | - | | - | 5,792,921 | 7 | 0.32% |
| Pasadena Industrial Associates | - | | - | 5,445,648 | 8 | 0.30% |
| Hilbert Properties II | - | | - | 5,181,609 | 9 | 0.29% |
| Young Properties | - | | - | 5,093,488 | 10 | 0.28% |
| Total | \$ 98,045,203 | | 3.03% | \$ 69,797,227 | | 3.87% |

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 |
| 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% |
| 2007 | 6,257,208 | 5,882,613 | 94.0% | 99,287 | 5,981,900 | 95.6% |
| 2008 | 6,756,257 | 6,561,803 | 97.1% | 4,193 | 6,565,996 | 97.2% |
| 2009 | 7,153,748 | 7,054,454 | 98.6% | 5,987 | 7,060,441 | 98.7% |
| 2010 | 7,261,945 | 7,237,513 | 99.7% | (12,883) | 7,224,631 | 99.5% |

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

CITY OF SOUTH PASADENA

Ratios of Outstanding Debt by Type,
Last Eight Fiscal Years

| Fiscal Year | Government Activities | | | Business-type Activities | | Total Primary Government | Percentage of Personal Income ^a | Per Capita ^a |
|-------------|-----------------------|----------------|--------|--------------------------|--|--------------------------|--|-------------------------|
| | Tax Allocation Bonds | Capital Leases | Loans | Water Revenue Bonds | | | | |
| 2003 | \$ 2,410,000 | \$ - | \$ - | \$ - | | \$ 2,410,000 | 0.29% | 96 |
| 2004 | 2,350,000 | - | - | 8,880,000 | | 11,230,000 | 1.31% | 445 |
| 2005 | 2,285,000 | - | - | 8,800,000 | | 11,085,000 | 1.21% | 436 |
| 2006 | 2,220,000 | - | - | 8,685,000 | | 10,905,000 | 1.13% | 426 |
| 2007 | 2,150,000 | 437,911 | 65,000 | 8,400,000 | | 11,052,911 | 1.07% | 432 |
| 2008 | 2,075,000 | 398,017 | 65,000 | 8,190,000 | | 10,728,017 | 0.99% | 419 |
| 2009 | 2,000,000 | 356,172 | - | 51,375,000 | | 53,731,172 | 4.93% | 2,099 |
| 2010 | 1,920,000 | 312,281 | - | 51,150,000 | | 53,382,281 | 5.02% | 2,074 |

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

^a 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, 2010**

Fiscal Year 2009-10 Assessed Valuation : \$2,882,268,981 After Deducting \$353,582,246 Redevelopment increment.

| <u>Overlapping Debt:</u> | <u>Debt Outstanding</u> | <u>% Applicable (1)</u> | <u>City's Share of Debt 6/30/10</u> |
|---|-----------------------------|-----------------------------|---|
| Metropolitan Water District | \$ 121,475,156 | 0.334% | \$ 405,727 |
| Pasadena Area Community College District 2002 Ser A | 2,835,000 | 5.527% | 156,690 |
| Pasadena Area Community College District 2002 Ser D | 52,000,000 | 5.527% | 2,874,040 |
| Pasadena Area Community College District 2006 Ser B | 50,590,000 | 5.527% | 2,796,109 |
| Pasadena Area Community College District 2006 Ser C | 16,337,379 | 5.527% | 902,967 |
| Total Overlapping Tax and Assessment Debt | | | <u>\$ 7,135,534</u> |
| | | | |
| <u>Direct Debt:</u> | | | |
| South Pasadena Unified 96 Ser A | \$ 3,605,000 | 100.000% | \$ 3,605,000 |
| South Pasadena Unified DS 95 Ser B | 4,449,877 | 100.000% | 4,449,877 |
| South Pasadena Unified SD DS 95 S-C | 7,859,912 | 100.000% | 7,859,912 |
| South Pasadena USD SD DS 95 Ser D | 1,707,958 | 100.000% | 1,707,958 |
| South Pasadena USD DS 2002 S-03 A | 28,944,680 | 100.000% | <u>28,944,680</u> |
| Total Direct and Overlapping General Fund Obligation Debt | | | <u>\$ 46,567,427</u> |
| COMBINED TOTAL DEBT | | | <u><u>\$ 53,702,961</u></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 | 1.62% |
| Overlapping Debt | 0.25% |
| Total Debt | 1.87% |

CITY OF SOUTH PASADENA

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

Legal Debt Margin Calculation for Fiscal Year 2010

| | |
|--|--------------|
| Assessed value | \$ 3,235,851 |
| Debt limit (15% of assessed value) | 485,378 |
| 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 | \$ 485,378 |

| Fiscal Year | Debt Limit | Total net debt Applicable to Limit | Legal Debt Limit | Total net debt Applicable to the Limit as a Percentage of Debt limit |
|--------------------|-------------------|---|---------------------------------|---|
| 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% |
| 2007 | 418,392 | - | 418,392 | 0.00% |
| 2008 | 450,882 | - | 450,882 | 0.00% |
| 2009 | 477,064 | - | 477,064 | 0.00% |
| 2010 | 485,378 | - | 485,378 | 0.00% |

CITY OF SOUTH PASADENA

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

| Fiscal Year | Water Revenue Bonds | | | | | | Coverage |
|-------------|-------------------------|--------------------------|-----------------------|--------------|----------|--------|----------|
| | Utility Service Charges | Less: Operating Expenses | Net Available Revenue | Debt Service | | | |
| | | | | 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 | |
| 2007 | 4,687 | 3,379 | 1,308 | 205 | 433 | 2.05 | |
| 2008 | 4,543 | 3,446 | 1,097 | 210 | 414 | 1.76 | |
| 2009 | 4,563 | 3,683 | 880 | 220 | 635 | 1.03 | |
| 2010 | 4,283 | 4,490 | (207) | 225 | 2,158 | (0.09) | |

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 and 2009

Source: City of South Pasadena Finance Department.

CITY OF SOUTH PASADENA

Demographic and Economic Statistics
Last Ten Calendar Years

| Calendar Year | Population (1) | Personal Income * (2) <i>(thousands of dollars)</i> | Per Capita * Personal Income (2) | Unemployment Rate (3) |
|--------------------------|---------------------------|--|---|--------------------------------------|
| 2000 | 24,339 | 793,993 | 32,622 | 2.6% |
| 2001 | 24,661 | 815,885 | 33,084 | 2.7% |
| 2002 | 24,977 | 829,668 | 33,217 | 3.3% |
| 2003 | 25,224 | 860,347 | 34,108 | 3.4% |
| 2004 | 25,441 | 914,963 | 35,964 | 3.2% |
| 2005 | 25,606 | 966,725 | 37,754 | 2.6% |
| 2006 | 25,578 | 1,033,688 | 40,413 | 2.3% |
| 2007 | 25,576 | 1,078,809 | 42,181 | 2.4% |
| 2008 | 25,604 | 1,090,450 | 42,589 | 3.6% |
| 2009 | 25,737 | 1,063,171 | 41,309 | 5.8% |

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

CITY OF SOUTH PASADENA

**Principal Employers
Current Year and Nine Years Ago**

| <u>Employer</u> | <u>2009-2010</u> | | | <u>2000-2001 *</u> | | |
|------------------------------------|------------------|-------------|--|--------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| The Vons Companies | 164 | 1 | 4.41% | | | |
| So. Pasadena Convalescent Hospital | 159 | 2 | 4.27% | | | |
| Bristol Farms | 120 | 3 | 3.22% | | | |
| WNC Insurance Services, Inc. | 103 | 4 | 2.77% | | | |
| Trader Joe's | 77 | 5 | 2.07% | | | |
| Mission Hospice | 69 | 6 | 1.85% | | | |
| Ralph's Grocery Co. | 67 | 7 | 1.80% | | | |
| Stargate Films, Inc. | 66 | 8 | 1.77% | | | |
| Collins, Collins, Muir & Stewart | 59 | 9 | 1.59% | | | |
| Orchard Supply Hardware | 58 | 10 | 1.56% | | | |
| | <u>942</u> | | <u>25.71%</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
Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|--------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| <u>Function/Program</u> | | | | | | | | | | |
| General government | | | | | | | | | | |
| Legislative | 7 | 7 | 7 | 8 | 7 | 7 | 7 | 7 | 8 | 8 |
| City Manager | 5 | 5 | 5 | 6 | 7 | 7 | 7 | 7 | 8 | 8 |
| Finance | 7 | 7 | 7 | 7 | 9 | 8 | 9 | 8 | 8 | 8 |
| Public Safety | 73 | 74 | 75 | 80 | 81 | 81 | 81 | 81 | 81 | 81 |
| Community Development | 5 | 5 | 5 | 6 | 6 | 6 | 7 | 7 | 6 | 6 |
| Community Services | 18 | 17 | 17 | 34 | 34 | 36 | 38 | 39 | 39 | 39 |
| Public Works | 19 | 20 | 20 | 20 | 16 | 16 | 16 | 22 | 22 | 22 |
| Water Utility | 8 | 8 | 8 | 8 | 14 | 14 | 14 | 9 | 9 | 9 |
| Total | 142 | 143 | 144 | 169 | 174 | 175 | 179 | 181 | 181 | 181 |

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 | | | | | | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General government | | | | | | | | | | |
| Building permits issued | 535 | 544 | 551 | 578 | 311 | 381 | 381 | 318 | 282 | 326 |
| Building inspections conducted | 2,083 | 2,125 | 2,310 | 2,355 | 1,888 | 2,154 | 2,154 | 2,230 | 2,152 | 2,113 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons per day) | N/A | N/A | N/A | N/A | N/A | 79.3 | 79.3 | 79.3 | 89.0 | 92.0 |
| Recyclables collected (tons per day) | N/A | N/A | N/A | N/A | N/A | 32.6 | 32.6 | 36.0 | 40.0 | 38.0 |
| Other public works | | | | | | | | | | |
| Street resurfacing (miles) | N/A | N/A | N/A | N/A | N/A | 0.9 | 0.7 | 0.0 | 0.2 | 0.8 |
| Potholes repaired * | N/A | N/A | N/A | N/A | N/A | 545 | 450 | 340 | 480 | 520 |
| Water | | | | | | | | | | |
| New connections | N/A | N/A | N/A | N/A | N/A | 18 | 20 | 16 | 18 | 18 |
| Water main breaks | N/A | N/A | N/A | N/A | 4 | 9 | 10 | 13 | 12 | 4 |
| Average daily consumption (million gallons) | N/A | N/A | N/A | N/A | N/A | 4.52 | 4.85 | 4.52 | 4.47 | 4.20 |
| Peak daily consumption (million gallons) | N/A | N/A | N/A | N/A | N/A | 6.65 | 6.96 | 6.96 | 6.10 | 6.09 |
| Fire Department | | | | | | | | | | |
| Total number of emergency calls responded to | 1,691 | 1,992 | 2,028 | 2,017 | 1,902 | 1,620 | 1,807 | 1,785 | 1,850 | 1,780 |
| Total number of fire inspections | N/A | N/A | N/A | 360 | 317 | 480 | 480 | 480 | 470 | 254 |
| Police Department | | | | | | | | | | |
| Arrest stats | 804 | 1,093 | 1,051 | 1,113 | 1,127 | 1,392 | 1,392 | 1,540 | 1,546 | 2,056 |
| Traffic citations | N/A | N/A | 3,734 | 4,136 | 4,101 | 5,762 | 1,858 | 6,669 | 7,641 | 8,216 |
| Parking citations | N/A | N/A | 9,145 | 16,117 | 14,401 | 13,308 | 11,387 | 14,806 | 12,800 | 10,967 |
| Community Services | | | | | | | | | | |
| Facility rentals | N/A | 31 | 21 | 36 | 29 | 36 | 34 | 40 | 45 | 58 |
| Recreation classes | N/A | 175 | 174 | 188 | 212 | 207 | 246 | 248 | 181 | 180 |

NOTE:

* Based on average sized potholes and cold patch purchased.

Sources: Various city departments.

CITY OF SOUTH PASADENA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | | | | | | |
|------------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
| Other public works | | | | | | | | | | |
| Streets (miles) | 55 | 55 | 55 | 55 | 59 | 59 | 55 | 55 | 55 | 55 |
| Traffic signals | N/A | N/A | N/A | N/A | N/A | 30 | 30 | 30 | 30 | 31 |
| Parks and recreation | | | | | | | | | | |
| Parks | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 |
| Acreage | 85 | 85 | 85 | 85 | 86 | 89 | 89 | 89 | 89 | 89 |
| Playgrounds | N/A | N/A | N/A | N/A | N/A | 4 | 4 | 4 | 4 | 4 |
| Baseball/softball diamonds | N/A | N/A | N/A | N/A | N/A | 5 | 5 | 6 | 6 | 6 |
| Soccer/football fields | N/A | N/A | N/A | N/A | N/A | 4 | 4 | 4 | 4 | 4 |
| Community centers | N/A | N/A | N/A | N/A | N/A | 4 | 4 | 5 | 5 | 5 |
| 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 | 165 | 165 | 165 | 165 | 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.