

CITY OF PASADENA, TEXAS
FUND FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
DECEMBER 31, 2007

**CITY OF PASADENA, TEXAS
 FUND FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**

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MOSHER, SEIFERT & COMPANY

Certified Public Accountants Members American Institute of Certified Public Accountants

4701 Preston Ave.
Pasadena, Texas 77505-2050
281-991-1099
1-888-301-1099
Fax: 281-991-3099
www.mosherseifert.com

April 24, 2008

To the Honorable Mayor and the City Council members
City of Pasadena, Texas

We have compiled the accompanying fund financial statements of each major governmental fund, the proprietary funds, the discretely presented component unit, and the aggregate remaining fund information of City of Pasadena, Texas (City), as of December 31, 2007, and for the three months then ended which collectively comprise the City's fund financial statements as listed in the table of contents. We have also compiled the financial statements of each of the City's nonmajor governmental and the internal service funds presented in the accompanying combining and individual fund financial statements, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit the government-wide statements and substantially all of the disclosures required by generally accepted accounting principles. If the government-wide statements and the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Management also has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined should be presented as supplementary information, although it is not required to be a part of, the basic financial statements.

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FUND FINANCIAL STATEMENTS

**CITY OF PASADENA, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	General	Debt Service	Pasadena Second Century Corporation	Capital Projects	Grant Management	Nonmajor Governmental	Total Governmental Funds	Component Unit Pasadena Crime Control and Prevention District
ASSETS								
Cash and cash equivalents	\$ 5,037,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,037,373	\$ -
Investments	15,617,575	-	-	-	-	-	15,617,575	2,577,584
Receivables (net of allowance for uncollectible)	32,383,556	9,217,865	1,477,877	-	13,477	-	43,092,775	1,404,787
Due from other funds	1,344,489	1,982,057	85,951	-	-	3,510	3,416,007	-
Due from component unit	-	-	-	-	16,214	-	16,214	-
Restricted assets								
Cash and cash equivalents	-	-	13,364	-	1,452,994	52,967	1,519,325	-
Investments	-	1,668,421	16,252,496	66,646,925	3,509,995	4,273,674	92,351,511	-
Intergovernmental receivable	49,203	-	-	-	851,003	-	900,206	-
TOTAL ASSETS	\$ 54,432,196	\$ 12,868,343	\$ 17,829,688	\$ 66,646,925	\$ 5,843,683	\$ 4,330,151	\$ 161,950,986	\$ 3,982,371
LIABILITIES								
Accounts payable	\$ 7,149,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,149,017	\$ 3,689
Due to other funds	2,171,742	-	-	61,635	847,126	146	3,080,649	-
Due to primary government	-	-	-	-	-	-	-	16,214
Compensated absences payable	-	-	-	-	247,291	-	247,291	-
Deferred revenue	14,322,938	9,217,865	-	-	852,244	-	24,393,047	-
Liabilities payable from restricted assets	-	16,470	53,408	1,436,999	135,764	5,078	1,647,719	-
TOTAL LIABILITIES	23,643,697	9,234,335	53,408	1,498,634	2,082,425	5,224	36,517,723	19,903
FUND BALANCES								
Reserved for:								
Debt service	-	3,634,008	-	-	-	-	3,634,008	-
Total reserved	-	3,634,008	-	-	-	-	3,634,008	-
Unreserved, designated for, reported in:								
Encumbrances	862,404	-	-	241,349	170,236	159,398	1,433,387	456,244
General fund								
Capital and technology improvements	127,762	-	-	-	-	-	127,762	-
Recall, election, and charter revisions	15,000	-	-	-	-	-	15,000	-
Component unit - Pasadena Crime Control and Prevention District	-	-	-	-	-	-	-	3,506,224
Total unreserved and designated	1,005,166	-	-	241,349	170,236	159,398	1,576,149	3,962,468
Unreserved, undesignated for, reported in:								
General fund	29,783,333	-	-	-	-	-	29,783,333	-
Capital projects fund	-	-	17,776,280	64,906,942	-	-	82,683,222	-
Grant management fund	-	-	-	-	3,591,022	-	3,591,022	-
Special revenue funds	-	-	-	-	-	4,165,529	4,165,529	-
Total unreserved, undesignated	29,783,333	-	17,776,280	64,906,942	3,591,022	4,165,529	120,223,106	-
TOTAL FUND BALANCES	30,788,499	3,634,008	17,776,280	65,148,291	3,761,258	4,324,927	125,433,263	3,962,468
TOTAL LIABILITIES AND FUND BALANCES	\$ 54,432,196	\$ 12,868,343	\$ 17,829,688	\$ 66,646,925	\$ 5,843,683	\$ 4,330,151	\$ 161,950,986	\$ 3,982,371

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CITY OF PASADENA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2007

	General	Debt Service	Pasadena Second Century Corporation	Capital Projects	Grant Management	Nonmajor Governmental	Total Governmental Funds	Component Unit Pasadena Crime Control and Prevention District
REVENUES								
General property taxes	\$ 3,313,382	\$ 2,122,656	\$ -	\$ -	\$ -	\$ -	\$ 5,436,038	\$ -
Business taxes								
Industrial district fees	15,582,620	-	-	-	-	-	15,582,620	-
Sales taxes	4,179,994	-	2,089,997	-	-	-	6,269,991	1,992,610
Utility taxes	1,683,001	-	-	-	-	-	1,683,001	-
	<u>21,445,615</u>	<u>-</u>	<u>2,089,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,535,612</u>	<u>1,992,610</u>
Licenses and permits	573,135	-	-	-	-	910	574,045	-
Municipal court fines	1,385,641	-	-	-	-	112,148	1,497,789	-
Charges for services	2,146,158	-	-	-	-	-	2,146,158	-
Intergovernmental	20,051	-	-	-	3,111,762	580,453	3,712,266	-
Program income	-	-	-	-	54,793	-	54,793	-
Miscellaneous	92,903	-	-	-	-	54,855	147,758	-
Investment income	192,268	16,777	180,425	769,472	51,634	45,293	1,255,869	28,870
TOTAL REVENUES	<u>29,169,153</u>	<u>2,139,433</u>	<u>2,270,422</u>	<u>769,472</u>	<u>3,218,189</u>	<u>793,659</u>	<u>38,360,328</u>	<u>2,021,480</u>
EXPENDITURES								
Current:								
General government	2,359,714	-	-	-	559,604	123,585	3,042,903	-
Public safety	7,349,183	-	-	-	347,877	117,652	7,814,712	1,072,971
Public works	3,174,575	-	78,858	20,175	-	-	3,273,608	-
Health	439,226	-	-	-	-	-	439,226	-
Culture and recreation	2,456,032	-	-	-	8,758	45,708	2,510,498	-
Housing and community development	-	-	-	-	2,209,973	-	2,209,973	-
Debt Service:								
Principal	41,610	-	20,805	-	-	-	62,415	20,700
Interest	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	140,000	-	-	140,000	-
Fiscal charges	-	1,349	-	-	-	-	1,349	-
Capital Outlay:								
Public safety	-	-	-	2,411,701	-	-	2,411,701	375
Public works	-	-	58,572	3,566,325	-	-	3,624,897	-
Culture and recreation	-	-	-	215,419	-	-	215,419	-
TOTAL EXPENDITURES	<u>15,820,340</u>	<u>1,349</u>	<u>158,235</u>	<u>6,353,620</u>	<u>3,126,212</u>	<u>286,945</u>	<u>25,746,701</u>	<u>1,094,046</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,348,813</u>	<u>2,138,084</u>	<u>2,112,187</u>	<u>(5,584,148)</u>	<u>91,977</u>	<u>506,714</u>	<u>12,613,627</u>	<u>927,434</u>
OTHER FINANCING SOURCES (USES)								
Bonds issued	-	-	-	13,665,000	-	-	13,665,000	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,665,000</u>	<u>-</u>	<u>-</u>	<u>13,665,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>13,348,813</u>	<u>2,138,084</u>	<u>2,112,187</u>	<u>8,080,852</u>	<u>91,977</u>	<u>506,714</u>	<u>26,278,627</u>	<u>927,434</u>
FUND BALANCES, BEGINNING	<u>17,439,686</u>	<u>1,495,924</u>	<u>15,664,093</u>	<u>57,067,439</u>	<u>3,669,281</u>	<u>3,818,213</u>	<u>99,154,636</u>	<u>3,035,034</u>
FUND BALANCES, ENDING	<u>\$ 30,788,499</u>	<u>\$ 3,634,008</u>	<u>\$ 17,776,280</u>	<u>\$ 65,148,291</u>	<u>\$ 3,761,258</u>	<u>\$ 4,324,927</u>	<u>\$ 125,433,263</u>	<u>\$ 3,962,468</u>

**CITY OF PASADENA, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2007**

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 45,434	\$ -
Investments		
TexPool	9,356,931	22,217,676
CLASS	42,409	-
Receivables (net of allowances for uncollectible)	2,229,623	-
Due from other funds	-	789,148
Inventory, at cost	-	486,616
Restricted assets		
Investments		
Texpool	2,436,354	-
CLASS	9,591,453	-
Total Current Assets	23,702,204	23,493,440
Noncurrent Assets		
Deposits	-	41,000
Deferred charges - revenue bond issuance costs, bond insurance premium and administrative cost recovery fees	774,628	-
Capital assets		
Land	1,970,647	602
Buildings and building improvements	7,065,761	2,086,911
Accumulated depreciation - buildings and building improvements	(4,664,595)	(1,645,288)
Facilities and other improvements	6,121,635	243,149
Accumulated depreciation - facilities and other improvements	(2,082,954)	(41,384)
Machinery and equipment	9,801,033	4,753,316
Accumulated depreciation - machinery and equipment	(6,290,021)	(3,992,598)
Infrastructure	251,640,471	41,746
Accumulated depreciation - Infrastructure	(73,033,049)	(6,197)
Automotive	600,428	30,402,574
Accumulated depreciation - automotive	(404,581)	(23,179,945)
Construction in progress	3,602,527	-
Net capital assets	194,327,302	8,662,886
Total Noncurrent Assets	195,101,930	8,703,886
TOTAL ASSETS	\$ 218,804,134	\$ 32,197,326

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	\$ 391,668	\$ 221,511
Accrued interest payable	171,424	-
Revenue bonds payable - current	648,646	-
Deferred water charges payable - City of Houston	473,284	-
Due to other funds	286,006	838,500
Claims payable	-	1,806,381
Compensated absences payable	225,006	157,627
Customer deposits	2,752,275	-
Liabilities payable from restricted assets		
Accounts payable	1,425,950	-
Retainage payable	46,512	-
Revenue bonds payable	2,436,354	-
Total Current Liabilities	8,857,125	3,024,019
Noncurrent Liabilities		
Deferred water charges payable - City of Houston	283,971	-
Revenue bonds payable (including unamortized discounts/premium and deferred amount on refunding)	46,294,286	-
Claims payable	-	1,116,244
Compensated absences payable	2,025,058	1,418,643
Total Noncurrent Liabilities	48,603,315	2,534,887
TOTAL LIABILITIES	57,460,440	5,558,906
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	153,841,635	8,662,886
Restricted for debt service	2,436,354	-
Unrestricted	5,065,705	17,975,534
TOTAL NET ASSETS	\$ 161,343,694	\$ 26,638,420

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CITY OF PASADENA, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2007

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
OPERATING REVENUES		
Charges for sales and services	<u>\$ 3,484,751</u>	<u>\$ 5,443,535</u>
OPERATING EXPENSES		
Personnel services	1,536,362	1,052,327
Contractual services	1,642,522	367,281
Material and supplies	320,032	594,024
Maintenance charges	217,356	169,624
Sewer and water payments - Clear Lake Water Authority and City of Seabrook	13,925	-
Operating, maintenance and water charges - Southeast Water Purification Plant	758,335	-
Insurance/reinsurance premiums	-	1,373,629
Claims and legal expenses	-	2,341,738
Administration fees	-	382,605
Miscellaneous	-	13,116
Depreciation	1,030,019	373,063
TOTAL OPERATING EXPENSES	<u>5,518,551</u>	<u>6,667,407</u>
OPERATING (LOSS)	<u>(2,033,800)</u>	<u>(1,223,872)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	231,138	284,484
Fiscal agent fees	(1,000)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>230,138</u>	<u>284,484</u>
CHANGE IN NET ASSETS	<u>(1,803,662)</u>	<u>(939,388)</u>
TOTAL NET ASSETS, BEGINNING	<u>163,147,356</u>	<u>27,577,808</u>
TOTAL NET ASSETS, ENDING	<u>\$ 161,343,694</u>	<u>\$ 26,638,420</u>

**CITY OF PASADENA, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers and users	\$ 7,519,953	\$ 5,679,430
Cash payments to suppliers for goods and services	(2,407,840)	(1,441,180)
Cash payments to employees for services	(1,663,690)	(1,143,354)
Cash payments for insurance premiums, liability claims and administration	-	(4,010,855)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	3,448,423	(915,959)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and construction of capital assets	(196,449)	(1,001,084)
Principal paid on deferred loan from City of Houston	(94,657)	-
Interest and fiscal agent fees paid on revenue bonds	(1,000)	-
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(292,106)	(1,001,084)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(5,339,992)	(3,913,240)
Proceeds from sale and maturities of investments	1,903,214	5,545,799
Investment income received	231,138	284,484
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(3,205,640)	1,917,043
NET (DECREASE) IN CASH AND CASH EQUIVALENT	(49,323)	-
CASH AND CASH EQUIVALENTS, BEGINNING	94,757	-
CASH AND CASH EQUIVALENTS, ENDING	\$ 45,434	\$ -

	Business-type	
	Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATION ACTIVITIES		
Operating (loss)	\$ (2,033,800)	\$ (1,223,872)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities		
Depreciation	1,030,019	373,063
Changes in assets and liabilities		
Decrease in accounts receivables	3,880,015	-
Decrease in due from other funds	1,250,135	(365,240)
Decrease due from component unit	-	11,695
Decrease in inventory	-	20,569
(Decrease) in accounts and claims payabl	(936,066)	(323,182)
(Decrease) in accrued payroll liabilitie	(127,328)	(91,027)
Increase in due to other funds	230,261	682,035
Increase in customer deposits	155,187	-
Total Adjustments	5,482,223	307,913
NET CASH PROVIDED BY (USED FOR)OPERATING ACTIVITIES	\$ 3,448,423	\$ (915,959)

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COMBINING FUND STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Special Charge Allocation Fund – Established to account for the following:

Juvenile case manager fee not to exceed \$5.00 is imposed whenever a defendant is convicted of a misdemeanor offense and the funds generated from the fee may be used only to finance the salary and benefits of a juvenile case manager.

City's portion of child safety fees collected by the Harris County Tax Assessor, from auto license registrations and to be used for programs designed to enhance child safety, health, or nutrition, including child abuse, drug and alcohol abuse, prevention and intervention.

Security fees collected from the defendant convicted of a misdemeanor offense to be used for providing security services, such as the purchase of x-ray machines and conveying systems, walk-through metal detectors, and miscellaneous items for the municipal court building.

City's share of Law Enforcement Officer Standards and Education (LEOSE) fee collected by the State of Texas to be used for law enforcement education and training purposes.

Ten percent of "time payment fee" collected from a convicted defendant who seeks to pay a fine, court cost, or restitution over a period of time rather than immediately. To be used to improve the efficiency of the administration of justice in the City.

Technology fees collected as part of the municipal court fine to be used to finance technological enhancements including computer systems, networks, hardware and software, imaging systems, electronic kiosks and ticket writers, and docket management systems.

Preservation of vital statistics fees collected in addition to the standard fees by the Health Department at the City, which collects an additional \$1.00 for the preservation of vital statistic records under Texas Health and Safety Code 191.001(h).

Sign removal fee collected from sign permit applicants and licensed sign companies to be used for the removal of illegal signs.

State Forfeited Property Fund – Established to account for the City's share of cash and proceeds realized from the sale of forfeited property resulting from cases aided by the City's law enforcement and prosecuted through the Harris County District Attorney's Office. This fund is designated for law enforcement purposes.

Hotel and Motel Tax Fund – Established to account for the hotel and motel tax revenues that are restricted for the use of the enhancement and promotion of tourism, the convention and hotel industry of the City and its vicinity.

Abandoned Motor Vehicle and Property Fund – Established to account for auction proceeds of abandoned vehicles and property. Funds are designated to be used for law enforcement purposes.

**CITY OF PASADENA, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	Special Revenue				
	Special Charge Allocation Fund	State Forfeited Property	Hotel and Motel Tax	Abandoned Motor Vehicles and Property	Totals
<u>ASSETS</u>					
Due from other funds	\$ 3,510	\$ -	\$ -	\$ -	\$ 3,510
Restricted assets					
Cash and cash equivalents	-	52,967	-	-	52,967
Investments	1,940,957	925,638	996,435	410,644	4,273,674
TOTAL ASSETS	<u>\$ 1,944,467</u>	<u>\$ 978,605</u>	<u>\$ 996,435</u>	<u>\$ 410,644</u>	<u>\$ 4,330,151</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Due to other funds	\$ -	\$ -	\$ 146	\$ -	\$ 146
Liabilities payable from restricted assets					
Accounts payable	550	-	347	4,181	5,078
TOTAL LIABILITIES	<u>550</u>	<u>-</u>	<u>493</u>	<u>4,181</u>	<u>5,224</u>
<u>FUND BALANCES</u>					
Designated for encumbrances	84,751	2,566	30,964	41,117	159,398
Unreserved, undesignated	1,859,166	976,039	964,978	365,346	4,165,529
TOTAL FUND BALANCES	<u>1,943,917</u>	<u>978,605</u>	<u>995,942</u>	<u>406,463</u>	<u>4,324,927</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,944,467</u>	<u>\$ 978,605</u>	<u>\$ 996,435</u>	<u>\$ 410,644</u>	<u>\$ 4,330,151</u>

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**CITY OF PASADENA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**

	<u>Special Revenue</u>				<u>Total</u>
	<u>Special Charge Allocation Fund</u>	<u>State Forfeited Property</u>	<u>Hotel and Motel Tax</u>	<u>Abandoned Motor Vehicles and Property</u>	
REVENUES					
Licenses and permits	\$ 910	\$ -	\$ -	\$ -	\$ 910
Municipal court fines	112,148	-	-	-	112,148
Intergovernmental	46,082	534,371	-	-	580,453
Miscellaneous	3,120	-	-	51,735	54,855
Investment income	23,096	6,245	11,560	4,392	45,293
TOTAL REVENUES	185,356	540,616	11,560	56,127	793,659
EXPENDITURES					
Current					
General government					
Personnel services	33,723	-	-	-	33,723
Contractual services	49,018	-	-	-	49,018
Materials and supplies	23,630	-	-	-	23,630
Maintenance charges	17,214	-	-	-	17,214
Public safety					
Personnel services	37,728	-	-	-	37,728
Contractual services	2,966	9,563	-	27,305	39,834
Materials and supplies	2,601	60	-	36,186	38,847
Capital Outlay	-	-	-	1,243	1,243
Culture and recreation					
Personnel services	-	-	19,543	-	19,543
Contractual services	-	-	16,980	-	16,980
Materials and supplies	-	-	9,185	-	9,185
TOTAL EXPENDITURES	166,880	9,623	45,708	64,734	286,945
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	18,476	530,993	(34,148)	(8,607)	506,714
FUND BALANCES, BEGINNING	1,925,441	447,612	1,030,090	415,070	3,818,213
FUND BALANCES, ENDING	\$ 1,943,917	\$ 978,605	\$ 995,942	\$ 406,463	\$ 4,324,927

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and/or services provided by one department to other departments of the City on a cost-reimbursement basis.

Maintenance Fund- This fund is used to account for the activities of telecommunication, switchboard, warehouse, electrical, data processing, garage, building and equipment repairs, maintenance, janitorial, and mail room.

Workers' Compensation Insurance Fund- This fund is used to account for the worker's compensation insurance premiums charged to other funds and claims paid.

General Liability Insurance Fund- This fund is used to account for the general liability insurance premiums charged to other funds, insurance premiums and claims paid.

Health Insurance Fund- This fund is used to account for the self-insured health and the fully insured dental plan and premiums charged to other funds and claims paid.

**CITY OF PASADENA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2007**

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total
ASSETS					
Current Assets					
Investments - Texpool	\$ 7,301,297	\$ 1,525,414	\$ 26,169	\$ 13,364,796	\$ 22,217,676
Due from Other Funds					
General fund	100,224	-	-	-	100,224
Grant management fund	2,476	592	-	-	3,068
Special revenue fund	146	-	-	-	146
Water and sewer system fund	5,843	-	-	-	5,843
Internal service fund:					
General liability insurance fund	90,427	-	-	-	90,427
Workers' compensation fund	-	-	589,440	-	589,440
Inventory, at cost	486,616	-	-	-	486,616
Total Current Assets	7,987,029	1,526,006	615,609	13,364,796	23,493,440
Deposits	-	41,000	-	-	41,000
Capital Assets					
Land	602	-	-	-	602
Buildings and building improvements	2,086,911	-	-	-	2,086,911
Accumulated depreciation - buildings and building improvements	(1,645,288)	-	-	-	(1,645,288)
Facilities and other improvements	243,149	-	-	-	243,149
Accumulated depreciation - facilities and other improvements	(41,384)	-	-	-	(41,384)
Machinery and equipment	4,753,316	-	-	-	4,753,316
Accumulated depreciation - machinery and equipment	(3,992,598)	-	-	-	(3,992,598)
Infrastructure	41,746	-	-	-	41,746
Accumulated depreciation - infrastructure	(6,197)	-	-	-	(6,197)
Automotive equipment	30,402,574	-	-	-	30,402,574
Accumulated depreciation - automotive equipment	(23,179,945)	-	-	-	(23,179,945)
Net Capital Assets	8,662,886	-	-	-	8,662,886
Total Noncurrent Assets	8,662,886	41,000	-	-	8,703,886
TOTAL ASSETS	16,649,915	1,567,006	615,609	13,364,796	32,197,326
LIABILITIES					
Current Liabilities					
Accounts payable	103,579	1,981	115,951	-	221,511
Due to other funds					
General fund	-	-	-	158,406	158,406
Grant management	227	-	-	-	227
Internal service fund:					
Maintenance fund	-	-	90,427	-	90,427
Insurance fund	-	589,440	-	-	589,440
Claims payable	-	243,177	279,673	1,283,531	1,806,381
Compensated absences payable	157,627	-	-	-	157,627
Total current liabilities	261,433	834,598	486,051	1,441,937	3,024,019
Noncurrent Liabilities					
Claims payable	-	162,118	186,449	767,677	1,116,244
Compensated absences payable	1,418,643	-	-	-	1,418,643
Total current liabilities	1,418,643	162,118	186,449	767,677	2,534,887
TOTAL LIABILITIES	1,680,076	996,716	672,500	2,209,614	5,558,906
NET ASSETS					
Invested in capital assets, net of related debt	8,662,886	-	-	-	8,662,886
Unrestricted (deficit)	6,306,953	570,290	(56,891)	11,155,182	17,975,534
TOTAL NET ASSETS	\$ 14,969,839	\$ 570,290	\$ (56,891)	\$ 11,155,182	\$ 26,638,420

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**CITY OF PASADENA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total
OPERATING REVENUES					
Charges for sales and services	\$ 2,294,153	\$ 336,547	\$ 116,540	\$ 2,696,295	\$ 5,443,535
OPERATING EXPENSES					
Personnel services	1,034,172	18,155	-	-	1,052,327
Contractual services	351,443	639	-	15,199	367,281
Material and supplies	594,153	(129)	-	-	594,024
Maintenance charges	169,624	-	-	-	169,624
Insurance/reinsurance premiums	-	634,381	642,157	97,091	1,373,629
Claim and legal expenses	-	6,616	80,924	2,254,198	2,341,738
Administration fees	-	-	-	382,605	382,605
Miscellaneous	-	-	-	13,116	13,116
Depreciation	373,063	-	-	-	373,063
TOTAL OPERATING EXPENSES	2,522,455	659,662	723,081	2,762,209	6,667,407
OPERATING INCOME (LOSS)	(228,302)	(323,115)	(606,541)	(65,914)	(1,223,872)
NON-OPERATING REVENUES					
Investment income	98,799	13,766	7,790	164,129	284,484
TOTAL NON-OPERATING REVENUES	98,799	13,766	7,790	164,129	284,484
CHANGES IN NET ASSETS	(129,503)	(309,349)	(598,751)	98,215	(939,388)
TOTAL NET ASSETS, BEGINNING	15,099,342	879,639	541,860	11,056,967	27,577,808
TOTAL NET ASSETS, ENDING	\$ 14,969,839	\$ 570,290	\$ (56,891)	\$ 11,155,182	\$ 26,638,420

**CITY OF PASADENA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS DECEMBER 31, 2007**

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from customers and users	\$ 2,188,992	\$ 1,255,986	\$ (461,843)	\$ 2,696,295	\$ 5,679,430
Cash payments to suppliers for goods and services	(1,441,180)	-	-	-	(1,441,180)
Cash payments to employees for services	(1,121,803)	(19,848)	-	(1,703)	(1,143,354)
Cash payments for insurance premiums, liability claims and administration	-	(684,922)	(845,034)	(2,480,899)	(4,010,855)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(373,991)	551,216	(1,306,877)	213,693	(915,959)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Acquisition and construction of fixed assets	(1,001,084)	-	-	-	(1,001,084)
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(1,001,084)	-	-	-	(1,001,084)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of investments	(436,840)	(602,700)	(24,269)	(2,849,431)	(3,913,240)
Proceeds from maturities of investments	1,713,116	37,718	1,323,356	2,471,609	5,545,799
Investment income	98,799	13,766	7,790	164,129	284,484
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	1,375,075	(551,216)	1,306,877	(213,693)	1,917,043
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	-	-	-	-	-
CASH AND CASH EQUIVALENTS, BEGINNING	-	-	-	-	-
CASH AND CASH EQUIVALENTS, ENDING	\$ -	\$ -	\$ -	\$ -	\$ -

	<u>Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>General Liability Insurance</u>	<u>Health Insurance</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (228,302)	\$ (323,115)	\$ (606,541)	\$ (65,914)	\$ (1,223,872)
Adjustments to reconcile operating income (loss) to net cash (used for) operating activities					
Depreciation	373,063	-	-	-	373,063
Changes in assets and liabilities					
(Increase) decrease in due from other funds	(105,161)	318,304	(578,383)	-	(365,240)
Decrease due from component unit	-	11,695	-	-	11,695
Decrease in inventory	20,569	-	-	-	20,569
Increase (decrease) in accounts and claims payable	(330,168)	(43,415)	(98,739)	149,140	(323,182)
(Decrease) in accrued payroll payable	(87,631)	(1,693)	-	(1,703)	(91,027)
Increase (decrease) in due to other funds	(16,361)	589,440	(23,214)	132,170	682,035
Total Adjustments	(145,689)	874,331	(700,336)	279,607	307,913
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (373,991)	\$ 551,216	\$ (1,306,877)	\$ 213,693	\$ (915,959)

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