



**CITY OF SOUTH PASADENA  
FINANCE COMMISSION  
REGULAR MEETING AGENDA  
WEDNESDAY, JANUARY 24, 2024 at 6:30 p.m.  
CITY COUNCIL CHAMBERS  
1424 MISSION STREET, SOUTH PASADENA, CA 91030**

**South Pasadena Finance Commission Statement of Civility**

*As your appointed governing board, we will treat each other, members of the public, and city employees with patience, civility, and courtesy as a model of the same behavior we wish to reflect in South Pasadena for the conduct of all city business and community participation. The decisions made today will be for the benefit of the South Pasadena community and not for personal gain.*

**NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY**

The South Pasadena Finance Commission Meeting will be conducted in-person from the Fire Department—Emergency Operations Center **City Council Chambers**, located at 1424 Mission Street, South Pasadena.

The Meeting will be available:

- In Person ~~Hybrid—Fire Department—EOC, 817 Mound Ave~~ **City Council Chambers, 1424 Mission Street**
- Via Zoom – **Webinar ID: 823 9818 8830**

To maximize public safety while still maintaining transparency and public access, members of the public can observe the meeting via Zoom in one of the three methods below.

1. Go to the Zoom website, <https://zoom.us/join> and enter the Zoom Meeting information; or
2. Click on the following unique Zoom meeting link: <https://us06web.zoom.us/j/82398188830>
3. You may listen to the meeting by calling: +1-669-900-6833 and entering the Zoom Meeting ID.

**CALL TO ORDER**

Chair Peter Giulioni Jr.

**ROLL CALL**

Chair Peter Giulioni Jr.  
Vice Chair Sheila Rossi  
Commissioner Cynthia Quade  
Commissioner Y-Le Ho  
Commissioner Stephanie Hernandez

**COUNCIL LIAISON:**

Councilmember Janet Braun

**PUBLIC COMMENT GUIDELINES**

The City welcomes public input. If you would like to comment on an agenda item, members of the public may participate **by means of one of the following options:**

Option 1:

Participants will be able to “raise their hand” using the Zoom icon during the meeting, and they will have their microphone un-muted during comment portions of the agenda to speak for up to 3 minutes per item.

Option 2:

Email public comment(s) to [fcpubliccomment@southpasadenaca.gov](mailto:fcpubliccomment@southpasadenaca.gov)

Public Comments received in writing will not be read aloud at the meeting, but will be part of the meeting record. Written public comments will be uploaded online for public viewing under Additional Documents and available at the City Clerk’s Counter for viewing. There is no word limit on emailed Public Comment(s). Please make sure to indicate:

- 1) Agenda item you are submitting public comment on.
- 2) Submit by no later than January 24 at 12PM

*NOTE: Pursuant to State law, the Commission may not discuss or take action on issues not on the meeting agenda, except that members of the Commission or staff may briefly respond to statements made or questions posed by persons exercising public testimony rights (Government Code Section 54954.2). Staff may be asked to follow up on such items.*

**1. Public Comment – General (Non-Agenda Items)**

General Public Comment will be limited to 30 minutes at the beginning of the agenda. If there are speakers remaining in the queue, they will be heard at the end of the meeting. Only Speakers who sign up in the first 30 minutes of public comment will be queued up to speak.

**INFORMATION****2. Budget Calendar for Fiscal Year 2024-2025****ACTION/DISCUSSION****3. Monthly Investment Reports for October 2023**

*Item information to be provided by 1/22/23.*

**4. Monthly Investment Reports for November 2023**

*Item information to be provided by 1/22/23.*

**5. Fiscal Year 2022-2023 Annual Comprehensive Financial Report Recommendation**

It is that the Finance Commission receive and file the Annual Comprehensive Financial Report

**COMMUNICATIONS**

- 6. **City Council Liaison Communications**
- 7. **Staff Liaison Communications**
- 8. **Commissioner Communications**

**ADJOURNMENT**

**UPCOMING REGULAR FINANCE COMMISSION MEETINGS**

February 29, 2024 Regular Finance Commission Meeting 6:30 p.m.  
 March 28, 2024 Regular Finance Commission Meeting 6:30 p.m.

**PUBLIC ACCESS TO AGENDA DOCUMENTS**

The complete agenda packet may be viewed on the City’s website, [www.southpasadenaca.gov](http://www.southpasadenaca.gov).

Meeting recordings will be available for public viewing after the meeting. Recordings will be uploaded to the City’s YouTube Channel no later than the next business day after the meeting.

The City’s YouTube Channel may be accessed at:

[https://www.youtube.com/channel/UCnR169ohzi1AlewD\\_6sfwDA/featured](https://www.youtube.com/channel/UCnR169ohzi1AlewD_6sfwDA/featured)

**ACCOMMODATIONS**



The City of South Pasadena wishes to make all its public meetings accessible to the public. If special assistance is needed to participate in this meeting, please contact the Finance Department at (626) 403-7250 or [FinanceDepartment@southpasadenaca.gov](mailto:FinanceDepartment@southpasadenaca.gov). Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

**CERTIFICATION OF POSTING**

*I declare under penalty of perjury that I posted this notice of agenda for the meeting to be held on **January 18, 2023**, on the bulletin board in the courtyard of City Hall at 1414 Mission Street, South Pasadena, CA 91030, and on the City’s, website as required by law, on the date listed below.*

1/18/2024

*Stephanie Pinto*

Date

Stephanie Pinto, Management Analyst

City of South Pasadena  
2024-25 PROPOSED BUDGET CALENDAR

Feb 21	Joint Special Meeting with City Council and Finance Commission: Mid-year Budget Report
Feb 26	Budget request forms, narratives, KPIs distributed to departments; budget survey out to community for input
Feb 26	Budget Kickoff meeting for budget reps
Mar 11	Budget request forms due to Finance
Mar 18	Revenue/Expenditure projections (23-24) to Finance
Mar 19	All forms closed to departments at 12:00PM
Mar 28	Budget Kickoff with Finance Commission
April 3	Finance delivers department budget requests to City Manager
April 3	Narratives and Performance Indicators due to Finance
April 9	Meeting with Analyst Cohort (tentative)
April 15-18	Department review with City Manager and Finance Director
Apr 18	Executive Team Budget Meeting
Apr 22-25	Finance prepares Proposed Operating and Capital Improvement Program (CIP) budgets
Apr 29-May 2	Individual Councilmember meetings with City Manager and Department Heads
May 7	Notice of Public Hearing published for Budget and CIP
May 8	Citywide Budget Presentation for employees
May 9	Public Community Meeting morning & evening
May 15	Joint Special Meeting with Council - Preliminary Budget to Finance Commission, City Council and Community Input
May 23	Budget Workshop and Community Input (overview)
May 29	Final Budget to Finance Commission and Community Input
Jun 5	Joint Special Meeting with City Council and Finance Commission: Public Hearing/Adoption of Budget, CIP, Fees, GANN

\*Edits are being made per City Council input on 01/17/2024.





# Finance Commission Agenda Report

ITEM NO. 5

**DATE:** January 24, 2024

**FROM:** John Downs, Finance Director

**SUBJECT:** **Presentation of the Annual Comprehensive Financial Report (ACFR) for Fiscal Year Ending June 30, 2023**

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## **Recommendation**

Staff recommends that the Finance Commission receive and file the annual audit reports for the year ended June 30, 2023.

## **Background**

After the close of each fiscal year, the Finance Department is responsible for the preparation and publication of the City's Annual Comprehensive Finance Report (ACFR) following an independent, certified audit. The goal of the financial audit and report is to provide users with a reasonable assurance that the information presented in the statements is accurate and timely.

The ACFR presents information on the status of the City's financial affairs, first on a citywide basis (Government-Wide Financial Statements) in which all the City activities are reported as governmental activities and business-type activities. A second set of statements (Fund Financial Statements) report separately the activities of all City Funds.

The ACFR is organized into three primary sections:

1. Introductory Section – includes the Finance Director's Letter of Transmittal, List of Principal Officials, and the Organization Chart.
2. Financial Section – includes the Independent Auditors' Report, Management's Discussion and Analysis, and the general purpose financial statements, consisting of the combined financial statements, notes to the financial statements, and supplemental statements.
3. Statistical Section – includes comparative information on pertinent City data, such as expenditures, revenues, assessed valuations, tax levies, demographic data, and performance measurements.

The ACFR is important for a number of reasons:

- The ACFR is utilized by the investment community, including bond buyers, underwriters, bond issuers, and credit rating agencies.
- It serves as a public information tool in the form of a comprehensive presentation of all of the City's financial activities.
- Due to a standardized format, the ACFR serves as a tool to provide a meaningful comparison to similar data for other cities.

The Annual Comprehensive Finance Report (ACFR) is a complete set of financial statements that summarizes the City's financial position for the Fiscal Year. The report is prepared annually by city staff, and audited by an independent auditing firm, with the purpose of providing a reasonable assurance from an independent source that the information is reliable.

The audit-related items provided within this report include:

1. City of South Pasadena – Annual Comprehensive Financial Report (ACFR)
2. Independent Auditor's Report – Government Auditing Standards
3. FY 2022-23 SAS 114 Letter
4. Management Letter

The audit for 2023 was recently completed by Rogers, Anderson, Malody & Scott, LLP (RAMS), in January 2024. The auditors rendered an unmodified opinion, which is the highest and optimal opinion issued by independent auditors.

Overall, the City's total net position increased by \$7,855,773 over the prior year, due to larger increases in revenues from charges for services, operating contributions and grants, property and other taxes, as well as uses of money and property than increases in expenses in General Government, Community Development and Public Works.

### **Discussion/Analysis**

For FY 2022-23, RAMS performed an independent audit to determine that the financial statements are fairly presented and free from material misstatement. The independent auditor concluded there was reasonable basis for rendering an unmodified opinion, and that City's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP).

In the FY 2021-2022 ACFR, there were two material findings, one deemed a Material Weakness and one deemed a Significant Deficiency related to the timely preparation of bank reconciliations and late debt reporting. These findings have dropped off from the previous year, and the auditors note that there has been significant progress across the board, especially in the catch up of bank reconciliations, and a much improved process and timeline for Department work products and flows.

In finalizing the 2022-23 ACFR document, the auditors have determined that the City has successfully addressed several of the prior year's findings, including finding 2022-002 "Material Weakness – Accounting and Management of Capital Assets" and finding 2022-

003 “significant Deficiency – Year-End Closing Process”. However, a new finding related to the timely reporting of EMMA submissions related to the City’s Bond Covenants was noted. Finance Department staff will be working diligently to address and correct the weaknesses and deficiencies, and focus on meeting industry best practices to resolve all findings.

Listed below are financial highlights for FY 2022-23:

- The assets of the City exceeded liabilities at the close of the most recent fiscal year by \$119,478,776.
- At the close of the current fiscal year, the City’s governmental funds reported combined fund balances of \$41,184,299, an increase of \$1,501,510. Of that amount, \$16,915,922 (or approximately 42%) of total fund balances is the unassigned fund balance of the General Fund, and represents the fund balance available for spending at the City’s discretion.
- At the end of the fiscal year, the total General Fund balance is \$23,676,136, while as previously mentioned, the emergency reserve fund balance (unassigned) for the General Fund was \$19,050,705, or 49% the General Fund expenditures.

There are two primary citywide financial statements: Statement of Net Position and the Statement of Activities. Similar to a balance sheet in private sector accounting, the Statement of Net Position presents the City’s overall financial position at a specific point in time – in the City’s case, this is as of the last day of the fiscal year (June 30, 2023).

The Statement of Activities is similar to the income statement, presenting the City’s results of operations over a period of time.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 56,205,463	\$ 48,147,358	\$ 41,062,712	\$ 32,651,303	\$ 97,268,175	\$ 80,798,661
Capital assets, net	56,286,150	56,780,684	84,548,150	86,761,153	140,834,300	143,541,837
Total assets	112,491,613	104,928,042	125,610,862	119,412,456	238,102,475	224,340,498
Deferred outflow of resources	21,745,356	17,238,038	6,543,874	6,454,058	28,289,230	23,692,096
Long-term liabilities	55,214,017	41,192,563	62,665,598	58,215,895	117,879,615	99,408,458
Other liabilities	14,450,070	9,754,672	4,013,535	4,070,213	18,463,605	13,824,885
Total liabilities	69,664,087	50,947,235	66,679,133	62,286,108	136,343,220	113,233,343
Deferred inflow of resources	9,545,040	21,247,803	1,024,767	1,928,543	10,569,807	23,176,346
Net investment in capital assets	55,139,529	56,780,684	29,984,714	36,060,721	85,124,243	92,841,405
Restricted	14,896,784	13,615,668	164,055	158,464	15,060,839	13,774,132
Unrestricted	(15,008,471)	(20,425,310)	34,302,067	25,432,678	19,293,596	5,007,368
Total net position	\$ 55,027,842	\$ 49,971,042	\$ 64,450,836	\$ 61,651,863	\$ 119,478,678	\$ 111,622,905

The table above presents a summarized version of the City’s Statement of Net Position for FY 2021-22, and a comparison to the previous fiscal year. Net position may serve as a useful indicator of a government’s financial position. For South Pasadena, assets

exceeded liabilities by \$119,478,678 at the close of the fiscal year. This represents an increase of \$7,855,773, or 7%, from the prior year. This increase is primarily due to increase in unrestricted investments.

Net investment in capital assets of \$85,124,243 are by far the largest portion of the City's net position, and 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. The second portion of the City net position, \$15,060,839, represents special revenue resources that are subject to external restrictions on how they may be used.

Governmental activities net position increased by \$5,056,800, due to larger increases in revenues from charges for services, operating contributions and grants, property and other taxes as well as uses of money and property than increases in expenses in General Government, Community Development and Public Works.

Business activities net position increased by \$2,798,973 over the prior year mainly due to charges for services.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 11,058,943	\$ 8,114,870	\$ 15,415,646	\$ 16,075,073	\$ 26,474,589	\$ 24,189,943
Operating contributions and grants	6,010,569	4,263,342	-	-	6,010,569	4,263,342
Capital contributions and grants	1,316,896	923,772	-	-	1,316,896	923,772
General revenues:						
Property taxes	18,728,374	17,906,070	-	-	18,728,374	17,906,070
Other taxes	12,996,439	11,807,082	-	-	12,996,439	11,807,082
Use of money and property	745,160	(466,697)	133,523	(360,030)	878,683	(826,727)
Other	72,011	266,540	21,945	9,317,881	93,956	9,584,421
Total revenues	<u>50,928,392</u>	<u>42,814,979</u>	<u>15,571,114</u>	<u>25,032,924</u>	<u>66,499,506</u>	<u>67,847,903</u>
Expenses:						
General government	14,558,524	12,798,257	-	-	14,558,524	12,798,257
Public safety	17,246,487	17,075,166	-	-	17,246,487	17,075,166
Community development	3,661,544	2,672,653	-	-	3,661,544	2,672,653
Community services	4,682,762	5,219,387	-	-	4,682,762	5,219,387
Public works	6,302,312	4,604,333	-	-	6,302,312	4,604,333
Water	-	-	9,517,654	7,283,972	9,517,654	7,283,972
Sewer	-	-	1,285,403	(107,647)	1,285,403	(107,647)
Arroyo Seco Golf Course	-	-	1,389,047	1,314,725	1,389,047	1,314,725
Total expenses	<u>46,451,629</u>	<u>42,369,796</u>	<u>12,192,104</u>	<u>8,491,050</u>	<u>58,643,733</u>	<u>50,860,846</u>
Income before transfers	<u>4,476,763</u>	<u>445,183</u>	<u>3,379,010</u>	<u>16,541,874</u>	<u>7,855,773</u>	<u>16,987,057</u>
Increase in net position	5,056,800	445,183	2,798,973	16,541,874	7,855,773	16,987,057
Net position, beginning, as restated	49,971,042	49,525,859	61,651,863	45,109,989	111,622,905	94,635,848
Net position, ending	<u>\$ 55,027,842</u>	<u>\$ 49,971,042</u>	<u>\$ 64,450,836</u>	<u>\$ 61,651,863</u>	<u>\$ 119,478,678</u>	<u>\$ 111,622,905</u>

### Fiscal Impact

There is no cost associated with the presentation of this report. The cost of completing the audit through RAMS is a budgeted line item within the Finance Department budget.

**Key Performance Indicators and Strategic Plan**

This item is in line with the Finance Department's Key Performance Indicator. The audit commenced in November 2023 with the completion of the audit in January 2024.

**Attachments:**

1. FY 2022-23 Annual Comprehensive Financial Report
2. FY 2022-23 Internal Control Report and Response
3. FY 2022-23 SAS 114 Letter



City of South Pasadena, CA

# Annual Comprehensive Financial Report

Fiscal Year Ending:  
June 30, 2023





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CITY OF SOUTH PASADENA, CALIFORNIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY: FINANCE DEPARTMENT



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**CITY OF SOUTH PASADENA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
JUNE 30, 2023**

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**CITY OF SOUTH PASADENA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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**CITY OF SOUTH PASADENA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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## CITY OF SOUTH PASADENA

FINANCE DEPARTMENT

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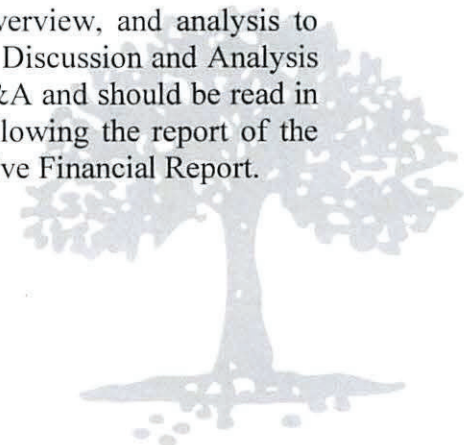
January 17, 2024

Honorable Mayor, Councilmembers, and the Residents of the City of South Pasadena,

We proudly present to you the City of South Pasadena's Annual Comprehensive Financial Report. This report consists of management's representations concerning the finances of the City of South Pasadena. It was prepared by the Finance Department 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 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 Rogers, Anderson, Malody & Scott, LLP, 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, 2023, 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 unmodified opinion that the City of South Pasadena's financial statements for the fiscal year ended June 30, 2023, 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 Annual Comprehensive Financial Report.





## 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 26,273. 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.

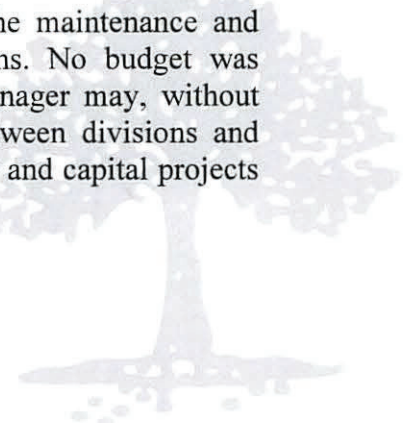
The City is a full-service general law city that operates under the Council-Manager form of government. The City Council consists of five members elected to four-year

staggered terms of office. The Mayor is selected from the City Council members and serves a one-year term. The City's other elected official is the City Treasurer who 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. No budget was adopted for Fund 327 – 2000 Tax Allocation Bonds Fund. 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 2021/2022, the City of South Pasadena, the greater Los Angeles region and the State of California, were disbursed their share of State and Local Fiscal Recovery Fund. The American Rescue Plan Act of 2021 created a one-time federal grant for pandemic response and recovery, a total of \$6,059,235 in unrestricted funds to the City. These now-unrestricted funds provide an opportunity for the City Council and community to provide input on priority and opportunity uses of the funds to alleviate and shift some reliance on the General Fund. City Council has taken the time to have fruitful discussion and provided direction to staff on the allocation and prioritization of the funds.

The four largest sources of revenue to the City's General Fund are property taxes, utility taxes, sales taxes, current services, and licenses and permits. Property taxes make up 50% of all General Fund revenues. Utility users' taxes (UUT) make up 11% of total General Fund revenues. Sales taxes make up 16% of total General Fund revenues. Current services make up 10% of the total General Fund revenues.

The top four revenue sources represent approximately 88% of the General Fund revenues. Historical data indicates that the City's General Fund is becoming more reliant on these four revenue sources.

Property taxes are the City's largest tax source and make up more than half of the General Fund revenues. The City of South Pasadena experienced a net taxable value increase of 7.78.% for the 2022/23 tax roll, which was slightly more than the increase experienced countywide at 6.99%. The assessed value increase between 2021/22 and 2022/23 was \$437 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$108.7 million, which accounted for 25% of all growth experienced in the city. Growth in home sales remained strong through the summer of 2021. Many cities saw median price increases due to low interest rates, high demand, and limited properties for sale. Sales price increases in 2021 were reflected on the 2022/23 tax rolls. Tracking activity into 2022, new concerns over rising interest rates and inflation are decreasing the volume of home sales. For many locales, median prices have waned slightly in recent months, but still represent increases in sale price when compared to the prior year. Moreover, the City's proximity to commercial and cultural developments in greater Pasadena offers our residents distinct lifestyle advantages. South Pasadena's assessed values and property taxes are expected to continue performing strongly as the general economy improves. Data also show 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.



The Sales Tax is the second largest revenue source for the General Fund, at \$6.5 million. The major industry groups that contribute to this revenue are restaurants, state and county pools, general consumer goods, food and drugs, and fuel and service stations. The statewide sales tax trends show a growth of 2.1% in sales taxes for fiscal year 2022-23, but it lags far behind the double-digit growth seen during the pandemic recovery. Looking ahead, various industries will grapple with challenges like labor costs, inventory issues, and competition. Spending generating sales taxes is expected to dip slightly in fiscal year 2023-24, with limited expansion anticipated in the following year.

Overall, South Pasadena remains in satisfactory financial condition due to these stable revenue streams and also is able to keep revenues in line with expenditures by its perpetual adoption of the fee schedule which is tied to changes in the Consumer Price Index (CPI).

### **Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, error and omissions; injuries to employees and natural disasters. The City utilizes a self-insurance and excess insurance to address these concerns. The City's primary coverage provider is Public Risk Innovation, Solutions and Management (PRISM). The purpose of this organization is to provide a form of liability, workers compensation and property coverage. For Liability, the City has a self-insured retention of \$100,000, losses exceeding the self-retention limit up to \$5 million per claim are recovered from deposits paid by member cities. Individual claims in excess of \$5 million up to a maximum of \$50 million are covered by private insurance carriers. For Workers Compensation, the City has a self-insured retention of \$125,000, losses exceeding the self-retention limit up to \$5 million per claim are recovered from deposits paid by member cities. Individual claims in excess of \$5 million are covered by private insurance carriers who provide 'Statutory' coverage. Additional information on the City's risk management activity can be found in the notes to the financial statements.

### **Pension Obligations**

The City contributes to the California Public Employees Retirement System, an agent multiple-employer public employee defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan as determined by its funding policy. The unfunded actuarial liability associated with employee services rendered to date is being systematically funded over a set number of years for safety and miscellaneous employees as part of the annual required contribution calculated by the actuary. The City also provides postretirement health care benefits for certain retired employees. Most recently, the City updated its retiree health contribution to the PEMHCA minimum. Additional information regarding the City's pension arrangements and post-employment benefits can be found in the notes to the financial statements.

South Pasadena offers one of the lowest pension formula (2% at 55) which has kept the City's liability low compared to Cities who pay 2.5%, 2.7% or even 3.0% at 55. Nonetheless, the City must bear the cost of increased payments to PERS over the next five years at least. Further, it

remains unclear how PERS management decisions will impact the City in the future. Investment funds continue to perform far below projected returns and actuarial reports from PERS are several years behind. Many cities are hiring independent actuarial consultants to better analyze future impacts and plan appropriate strategies.

For FY 2021-22, the City established an Other Post-Employment Benefits Trust Fund with monies from the sale of the City's cell tower lease contract and Designated General Fund Reserves. The investments held in the trust funds will pay for some of the future benefits cost.

### **Retiree Health**

In FY 2021-22, the City reduced its retiree healthcare contribution for all employees hired after July 1, 2020. The future retirees will receive a medical benefit equal only to the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum. By reducing the retiree health contributions for future employees from \$625/month to the PEMHCA minimum (currently \$149/month,) the City will see significant long-term savings and substantially reduce the City's unfunded liabilities.

### **Cash Management Policies and Practices**

Cash temporarily idle during the year was invested in accordance with the City's approved Investment Policy. The policy affords a broad spectrum of investment opportunities, as long as the investment is deemed prudent and permissible under currently effective legislation of the State of California and other imposed restrictions. Criteria for selecting investments and the order of priority are: safety, liquidity and yield. The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus ensuring the investment of monies to fullest extent possible. Attempts are made to obtain the highest yields available as long as investments meet the criteria required for safety and liquidity.

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.

### **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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. 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, the City published an Annual Comprehensive Financial Report that goes beyond the minimum requirement of GAAP and



demonstrates the spirit of transparency and full disclosure that ensures users of the financial statements have the necessary information to assess the City's financial health.

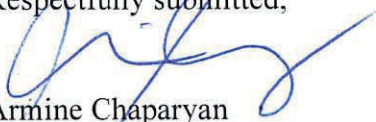
A Certificate of Achievement is valid for a period of one year only. The City of South Pasadena has received a Certificate of Achievement for the last 30 consecutive years (fiscal years ended 1987 through 2019). We believe our current report continues to conform to the Certificate of Achievement program requirements and will submit it again to GFOA for award consideration.

The Annual Comprehensive Financial Report stands as a testament to the dedication, expertise, and unwavering commitment exhibited by the Finance Department staff. This document's completion was made possible through their diligent effort and support. We extend our heartfelt appreciation to all department members who actively participated and contributed to the preparation of the report.

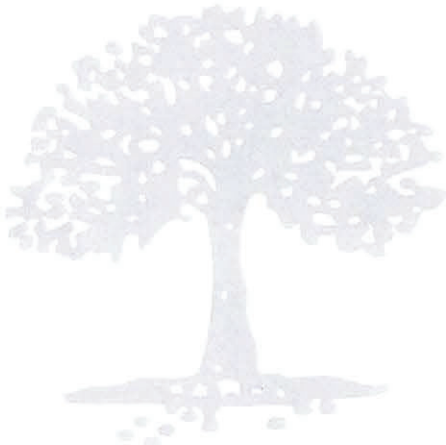
We also wish to express our gratitude to the Finance Commission, City Treasurer, City Manager, and the entire executive team for their steadfast support of the city's financial operations in the past fiscal year. Additionally, we acknowledge the Mayor and Councilmembers for their consistent adherence to the highest standards of professionalism in the management of the city's finances. Their collective efforts have been instrumental in ensuring the financial well-being of our city.

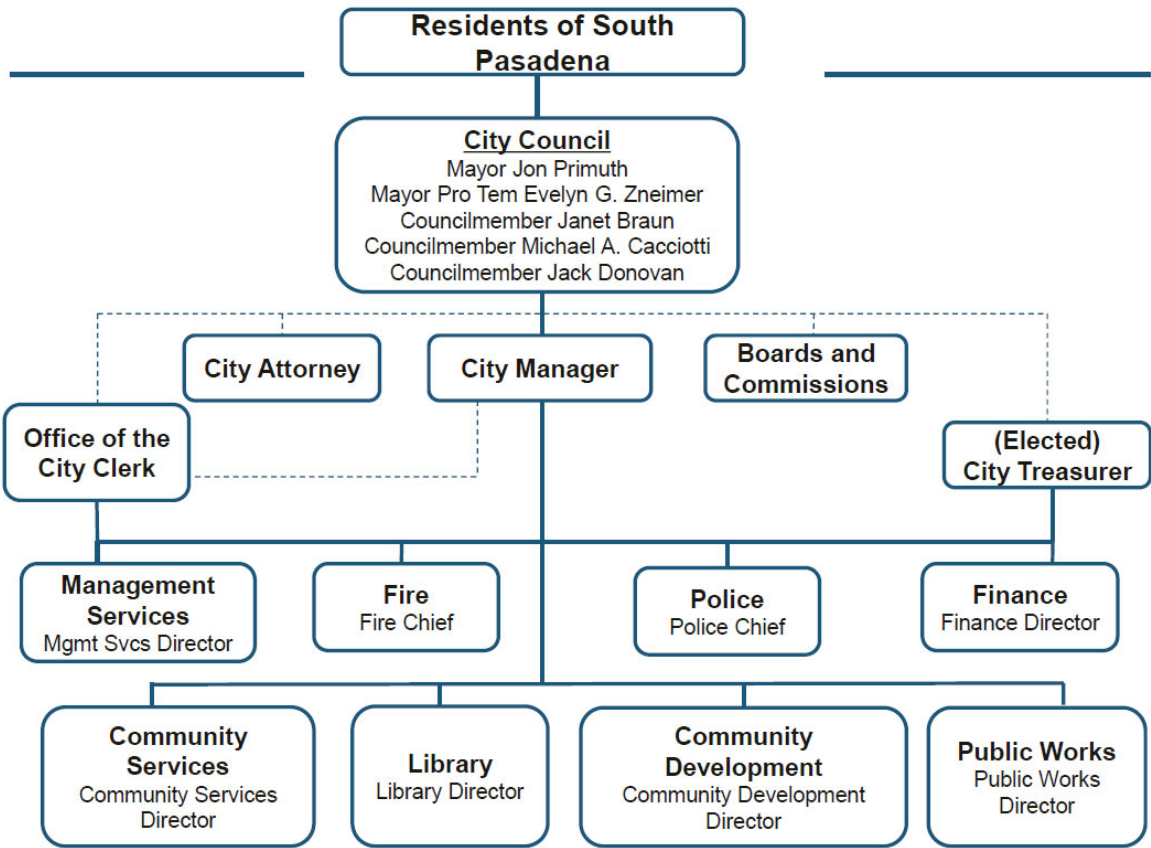
Finally, thanks are extended to the firm of Rogers, Anderson, Malody & Scott, LLP, for their contributions towards improving our financial reporting and year end processes.

Respectfully submitted,



Armine Chaparyan  
City Manager





**CITY OF SOUTH PASADENA, CALIFORNIA**

**OFFICIALS OF THE CITY OF SOUTH PASADENA**

**CITY COUNCIL**

Jon Primuth  
Mayor

Evelyn G. Zneimer  
Mayor Pro Tempore

Janet Braun  
Councilmember

Michael A. Cacciotti  
Councilmember

Jack Donovan  
Councilmember

**ADMINISTRATION AND DEPARTMENT HEADS**

City Manager

Arminé Chaparyan

Chief City Clerk

Vacant

City Treasurer

Zhen Tao

City Attorney

Roxanne Diaz

Director of Finance

John Downs

Director of Library, Arts, and Culture

Cathy Billings

Police Chief

Brian Solinsky

Director of Community Services

Sheila Pautsch

Fire Chief

Paul Riddle

Director of Public Works

Harold Ted Gerber

Director of Community Development

Angelica Frausto-Lupo



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of South Pasadena  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**



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San Bernardino, CA 92408  
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ramscpa.net

*Independent Auditor's Report*

The Honorable City Council  
of the City of South Pasadena  
South Pasadena, California

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the 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 (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**PARTNERS**

Terry P. Shea, CPA  
Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Bradferd A. Welebir, CPA, MBA, CGMA  
Jenny W. Liu, CPA, MST  
Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Brenda L. Odle, CPA, MST (Partner Emeritus)

**MANAGERS / STAFF**

Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants



### ***Emphasis of matter***

As discussed in Note 1 to the financial statements, the City adopted provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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 supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information Included in the Annual Report***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
January 17, 2024

# CITY OF SOUTH PASADENA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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### 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, 2023. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$119,478,678. Unrestricted net position in an amount of \$19,293,596 is primarily due to the City recording the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, and information about the fiduciary net position of the City's CalPERS plans per GASB Statements No. 68 and 71 and 75.
- The City's total net position increased by \$7,855,773.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$41,184,299 an increase of \$1,501,510. Of this amount, \$16,915,922 or approximately 41% of total fund balances are available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$19,050,705, or 49% of the total General Fund Expenditures.
- The City's net investment capital assets decreased \$7,717,162 from the prior fiscal 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 position* presents information on all of the City's assets, deferred outflows/inflows of resources, and liabilities, with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of South Pasadena is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, 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).

## CITY OF SOUTH PASADENA

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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**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 41 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 40 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 statements for the non-major governmental funds are presented in the Additional Financial Information section of this report.

**Proprietary funds.** The City of South Pasadena maintains two types of proprietary funds: enterprise fund and internal service fund. The enterprise fund is 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 the operations for its water and sewer utilities, and the municipal golf course. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is used to accumulate and allocate costs internally among the City's functions for general liability and workers' compensation insurance. Because the internal service operations benefit both governmental and business-type functions, they have been proportionally allocated and included within the governmental and business-like activities in the government-wide financial statements. Individual fund data for the internal service fund is provided in the form of combining statements in this report.

**Fiduciary funds.** The City of South Pasadena maintains one type of fiduciary fund, a private purpose trust fund. *Fiduciary funds* are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The City uses one type of fiduciary fund, a private purpose trust fund, to account for the assets and liabilities of the former Community Redevelopment Agency.

**CITY OF SOUTH PASADENA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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 non-major governmental funds together with information are presented immediately following the notes to the financial statements.

**(C) Government-wide Financial Analysis.**

Net position 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 \$119,478,678 at the close of the most recent fiscal year. This represents an increase of \$7,855,773 or 7% from the prior year, primarily due to an increase in unrestricted assets, which consists of investments. Capital Assets are by far the largest portion of the City's net position; \$85,124,243 or 71% 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 Position  
As of June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 56,205,463	\$ 48,147,358	\$ 41,062,712	\$ 32,651,303	\$ 97,268,175	\$ 80,798,661
Capital assets, net	56,286,150	56,780,684	84,548,150	86,761,153	140,834,300	143,541,837
Total assets	<u>112,491,613</u>	<u>104,928,042</u>	<u>125,610,862</u>	<u>119,412,456</u>	<u>238,102,475</u>	<u>224,340,498</u>
Deferred outflow of resources	21,745,356	17,238,038	6,543,874	6,454,058	28,289,230	23,692,096
Long-term liabilities	55,214,017	41,192,563	62,665,598	58,215,895	117,879,615	99,408,458
Other liabilities	14,450,070	9,754,672	4,013,535	4,070,213	18,463,605	13,824,885
Total liabilities	<u>69,664,087</u>	<u>50,947,235</u>	<u>66,679,133</u>	<u>62,286,108</u>	<u>136,343,220</u>	<u>113,233,343</u>
Deferred inflow of resources	9,545,040	21,247,803	1,024,767	1,928,543	10,569,807	23,176,346
Net investment in capital assets	55,139,529	56,780,684	29,984,714	36,060,721	85,124,243	92,841,405
Restricted	14,896,784	13,615,668	164,055	158,464	15,060,839	13,774,132
Unrestricted	(15,008,471)	(20,425,310)	34,302,067	25,432,678	19,293,596	5,007,368
Total net position	<u>\$ 55,027,842</u>	<u>\$ 49,971,042</u>	<u>\$ 64,450,836</u>	<u>\$ 61,651,863</u>	<u>\$ 119,478,678</u>	<u>\$ 111,622,905</u>

The second portion of the City net position of \$15,060,839 represents special revenue resources that are subject to external restrictions on how they may be used. Unrestricted net position shows a positive balance of \$19,293,596.



**CITY OF SOUTH PASADENA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

The City's governmental current assets increased by \$8,058,105 and capital assets decreased by \$494,534. Current assets increased due to more cash on hand and capital assets decreased due to decrease spending on capital projects and current year depreciation.

The City's business-type current assets increased by \$8,411,409, due to proceeds from capital debt for capital spending water and sewer projects. The City reported a net decrease of \$2,213,003 in capital assets due to an increase in current year depreciation.

**City of South Pasadena Change in Net Position  
For the Years Ended June 30, 2023 and 2022**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 11,058,943	\$ 8,114,870	\$ 15,415,646	\$ 16,075,073	\$ 26,474,589	\$ 24,189,943
Operating contributions and grants	6,010,569	4,263,342	-	-	6,010,569	4,263,342
Capital contributions and grants	1,316,896	923,772	-	-	1,316,896	923,772
General revenues:						
Property taxes	18,728,374	17,906,070	-	-	18,728,374	17,906,070
Other taxes	12,996,439	11,807,082	-	-	12,996,439	11,807,082
Use of money and property	745,160	(466,697)	133,523	(360,030)	878,683	(826,727)
Other	72,011	266,540	21,945	9,317,881	93,956	9,584,421
Total revenues	<u>50,928,392</u>	<u>42,814,979</u>	<u>15,571,114</u>	<u>25,032,924</u>	<u>66,499,506</u>	<u>67,847,903</u>
Expenses:						
General government	14,558,524	12,798,257	-	-	14,558,524	12,798,257
Public safety	17,246,487	17,075,166	-	-	17,246,487	17,075,166
Community development	3,661,544	2,672,653	-	-	3,661,544	2,672,653
Community services	4,682,762	5,219,387	-	-	4,682,762	5,219,387
Public works	6,302,312	4,604,333	-	-	6,302,312	4,604,333
Water	-	-	9,517,654	7,283,972	9,517,654	7,283,972
Sewer	-	-	1,285,403	(107,647)	1,285,403	(107,647)
Arroyo Seco Golf Course	-	-	1,389,047	1,314,725	1,389,047	1,314,725
Total expenses	<u>46,451,629</u>	<u>42,369,796</u>	<u>12,192,104</u>	<u>8,491,050</u>	<u>58,643,733</u>	<u>50,860,846</u>
Income before transfers	4,476,763	445,183	3,379,010	16,541,874	7,855,773	16,987,057
Transfers	580,037	-	(580,037)	-	-	-
Increase in net position	5,056,800	445,183	2,798,973	16,541,874	7,855,773	16,987,057
Net position, beginning, as restated	49,971,042	49,525,859	61,651,863	45,109,989	111,622,905	94,635,848
Net position, ending	<u>\$ 55,027,842</u>	<u>\$ 49,971,042</u>	<u>\$ 64,450,836</u>	<u>\$ 61,651,863</u>	<u>\$ 119,478,678</u>	<u>\$ 111,622,905</u>

**Governmental Activities**

Governmental activities net position increased by \$5,056,800 due to an increase in charges for services and property taxes and a decrease in expenses, mainly in Public Safety.

## **CITY OF SOUTH PASADENA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023**

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#### **Business-type Activities**

The City's proprietary 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. Unrestricted net position of the funds at the end of the fiscal year shows \$34,302,067. Total net position for these funds was \$64,450,836, an increase of \$2,798,973 (5%) over the prior year, due to increases in charges for services, a prior period adjustment related to depreciation.

#### **(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 \$41,184,299 an increase of \$1,501,510 from the prior fiscal year. Approximately 45% of fund balances constitute the unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either restricted for projects undertaken in the Special Revenue Funds (35%), committed by City Council action for specific purposes (20%), or represents net position that are non-spendable resources (0%).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$19,050,705, while the total fund balance reached \$23,626,136. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 49% of General Fund expenditures, while the total fund balance represents 61% of that same amount.

The fund balance of the City's General Fund decreased by \$996,035 in the current fiscal year. This represents a decrease of 4% in fund balance from FY 2022. This was the result of overall increase in revenues, off-set by an overall greater increase in expenditures and Transfers Out.

#### **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 funds, 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 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.

## CITY OF SOUTH PASADENA

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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The General Fund reflected a net total unfavorable budget variance of \$4,487,735 when comparing actual amounts to the final budget for the current fiscal year. This budget variance reflects an unfavorable variance in revenues of \$4,856,465 and an unfavorable variance in total expenditures of \$146,862, and an unfavorable variance in transfers of \$909,248. The unfavorable variance is due to the City paying down the unfunded accrued liability and a favorable variance due to GASB 96 adjustment for SBITA of \$1,424,840.

#### Capital Asset and Debt Administration

**Capital assets.** The City's net investment in capital assets for its governmental activities and business-type activities as of June 30, 2023, amounts to \$56,286,150 and \$84,548,150 (net of accumulated depreciation), respectively. 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 3 in the Notes to Financial Statements section of this report.

**Long-term liabilities.** At the end of the current fiscal year, the City of South Pasadena had total liabilities outstanding related to governmental activities of \$55,671,449.

#### Governmental Activities Long-term Liabilities

	Governmental Activities	
	2023	2022
Employee compensated absences	\$ 942,518	\$ 870,984
Lease liability	283,367	-
SBITA liability	863,254	-
OPEB liability	12,235,150	15,571,526
Net pension liability	41,347,160	24,837,151
Total long-term liabilities	<u>\$ 55,671,449</u>	<u>\$ 41,279,661</u>

The City's governmental activities long-term liabilities increased during the current fiscal year primarily due to changes in the net pension and OPEB liabilities.

#### Business-Type Activities Long-term Liabilities

	Business-Type Activities	
	2023	2022
Employee compensated absences	\$ 101,144	\$ 68,919
Loans payable	19,539,843	14,334,339
Bonds payable	39,413,831	41,014,581
OPEB liability	1,893,198	2,409,451
Net pension liability	3,742,437	2,174,432
Total long-term liabilities	<u>\$ 64,690,453</u>	<u>\$ 60,001,722</u>

Business-type activities long-term liabilities increased \$4,688,731 during the current fiscal year due to increased borrowing from the California State Water Resources Board, principal debt service payments on the 2012 State Loan, 2013 Water Revenue Bonds, and 2016 Water Revenue Bonds. Further details on long-term debt can be found in Notes 6 through 9 in the Notes to Financial Statements section of this report.

## CITY OF SOUTH PASADENA

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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

- The local economy continues to remain strong with respect to Property taxes, Sales and Use taxes, Utility User taxes along with Current Services. General Fund revenues are estimated at \$39.6m and expenditures are appropriated at \$39.1m, which includes \$1.5m of one-time expenditures. Transfers out to other funds are \$2.6m and will provide funding to short falls of \$.8m in the City's Landscape and Lighting district and \$1.8m in infrastructure projects.
- The City received \$6m in State and Local Recovery Funds, \$3m paid in July 2021 and \$3m paid in July 2022. The purpose of these funds are to provide funding to meet local needs including COVID-19 response, replace public sector revenue loss, premium pay for essential workers, improving facilities to ensure health and safety, increase usage of outdoor spaces as well as investing in public infrastructure and broadband.

During the 2023 fiscal year, unassigned fund balance in the General Fund remained substantial at \$19,050,705. Capital improvement projects of \$16.5m have been programed and are funded from the General Fund and restricted funds, with the General Fund contributing \$1.5m. It remains the intention of City management not to use 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 the Finance Department, [FinanceDepartment@southpasadenaca.gov](mailto:FinanceDepartment@southpasadenaca.gov), 626.403.7250, 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 POSITION  
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 49,504,800	\$ 38,729,962	\$ 88,234,762
Receivables:			
Accounts	2,798,001	1,843,624	4,641,625
Taxes	2,491,531	-	2,491,531
Accrued interest	88,146	37,647	125,793
Leases	1,118,167	-	1,118,167
Due from other governments	166,878	-	166,878
Inventories	11,898	287,424	299,322
Prepaid items	26,042	-	26,042
Restricted assets:			
Cash and investments	-	164,055	164,055
Capital assets, not being depreciated/amortized	5,660,908	436,868	6,097,776
Capital assets, net of accumulated depreciation/amortization	<u>50,625,242</u>	<u>84,111,282</u>	<u>134,736,524</u>
Total assets	<u>112,491,613</u>	<u>125,610,862</u>	<u>238,102,475</u>
<b>Deferred outflows of resources</b>			
Deferred loss on debt refunding	-	4,390,238	4,390,238
Pension related	18,858,364	1,706,918	20,565,282
Other post-employment benefits related	<u>2,886,992</u>	<u>446,718</u>	<u>3,333,710</u>
Total deferred outflows of resources	<u>21,745,356</u>	<u>6,543,874</u>	<u>28,289,230</u>
<b>Liabilities</b>			
Accounts payable	4,374,915	941,220	5,316,135
Accrued liabilities	506,147	62,599	568,746
Accrued interest	-	589,875	589,875
Deposits payable	1,447,995	394,986	1,842,981
Unearned revenue	4,940,581	-	4,940,581
Claims and judgments payable	2,723,000	-	2,723,000
Compensated absences, due within one year	94,252	10,114	104,366
Lease liability, due within one year	69,561	-	69,561
SBITA liability, due within one year	293,619	-	293,619
Loans payable, due within one year	-	594,741	594,741
Bonds payable, due within one year	-	1,420,000	1,420,000
Noncurrent liabilities:			
Compensated absences, due in more than one year	848,266	91,030	939,296
Lease liability	213,806	-	213,806
SBITA liability	569,635	-	569,635
Loans payable, due in more than one year	-	18,945,102	18,945,102
Bonds payable, due in more than one year	-	37,993,831	37,993,831
Net pension liability	41,347,160	3,742,437	45,089,597
Other post-employment benefits liability	<u>12,235,150</u>	<u>1,893,198</u>	<u>14,128,348</u>
Total liabilities	<u>69,664,087</u>	<u>66,679,133</u>	<u>136,343,220</u>
<b>Deferred inflows of resources</b>			
Pension related	4,355,785	394,254	4,750,039
Other post-employment benefits related	4,074,805	630,513	4,705,318
Lease related	<u>1,114,450</u>	<u>-</u>	<u>1,114,450</u>
Total deferred inflows of resources	<u>9,545,040</u>	<u>1,024,767</u>	<u>10,569,807</u>
<b>Net position (deficit)</b>			
Net investment in capital assets	55,139,529	29,984,714	85,124,243
Restricted for:			
Community Development projects	1,294,303	-	1,294,303
Public Safety	795,930	-	795,930
Community Services	2,863,231	-	2,863,231
Public Works	8,667,765	-	8,667,765
Capital projects	1,275,555	-	1,275,555
Debt service	-	164,055	164,055
Unrestricted	<u>(15,008,471)</u>	<u>34,302,067</u>	<u>19,293,596</u>
Total net position	<u>\$ 55,027,842</u>	<u>\$ 64,450,836</u>	<u>\$ 119,478,678</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 14,558,524	\$ 6,504,618	\$ 2,121,823	\$ -
Public safety	17,246,487	1,727,521	200,269	-
Community development	3,661,544	4,164	2,950	-
Community services	4,682,762	740,318	1,255,268	-
Public works	6,302,312	2,082,322	2,430,259	1,316,896
<b>Total governmental activities</b>	<b>46,451,629</b>	<b>11,058,943</b>	<b>6,010,569</b>	<b>1,316,896</b>
<b>Business-type activities:</b>				
Water	9,517,654	11,516,207	-	-
Sewer	1,285,403	2,226,832	-	-
Arroyo Seco Golf Course	1,389,047	1,672,607	-	-
<b>Total business-type activities</b>	<b>12,192,104</b>	<b>15,415,646</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 58,643,733</b>	<b>\$ 26,474,589</b>	<b>\$ 6,010,569</b>	<b>\$ 1,316,896</b>

General revenues:

Taxes:

Property taxes

Sales taxes

Franchise taxes

Business license taxes

Utility users tax

Other taxes

Use of money and property

Other

Transfers

Total general revenues and transfers

Change in Net Position

Net Position, beginning, as restated (Note 15)

Net Position, ending

The accompanying notes are an integral part of these financial statements.

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Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (5,932,083)	\$ -	\$ (5,932,083)
(15,318,697)	-	(15,318,697)
(3,654,430)	-	(3,654,430)
(2,687,176)	-	(2,687,176)
(472,835)	-	(472,835)
<u>(28,065,221)</u>	<u>-</u>	<u>(28,065,221)</u>
-	1,998,553	1,998,553
-	941,429	941,429
-	283,560	283,560
<u>-</u>	<u>3,223,542</u>	<u>3,223,542</u>
<u>(28,065,221)</u>	<u>3,223,542</u>	<u>(24,841,679)</u>
18,728,374	-	18,728,374
6,523,428	-	6,523,428
1,131,598	-	1,131,598
451,309	-	451,309
4,431,072	-	4,431,072
459,032	-	459,032
745,160	133,523	878,683
72,011	21,945	93,956
580,037	(580,037)	-
<u>33,122,021</u>	<u>(424,569)</u>	<u>32,697,452</u>
5,056,800	2,798,973	7,855,773
<u>49,971,042</u>	<u>61,651,863</u>	<u>111,622,905</u>
<u>\$ 55,027,842</u>	<u>\$ 64,450,836</u>	<u>\$ 119,478,678</u>

The accompanying notes are an integral part of these financial statements.



**CITY OF SOUTH PASADENA**

**BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	SLFRF Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Pooled cash and investments	\$ 22,987,425	\$ 4,940,581	\$ 19,828,658	\$ 47,756,664
Receivables:				
Accounts	212,534	-	154,470	367,004
Taxes	2,475,683	-	15,848	2,491,531
Accrued interest	29,148	-	58,998	88,146
Leases	1,118,167	-	-	1,118,167
Due from other governments	2,047	-	164,831	166,878
Due from other funds	1,923,033	-	-	1,923,033
Inventories	11,898	-	-	11,898
Prepaid items	26,042	-	-	26,042
Total assets	<u>\$ 28,785,977</u>	<u>\$ 4,940,581</u>	<u>\$ 20,222,805</u>	<u>\$ 53,949,363</u>
<b>LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,100,256	\$ -	\$ 732,602	\$ 2,832,858
Accrued liabilities	457,076	-	49,071	506,147
Deposits payable	1,438,059	-	9,936	1,447,995
Due to other funds	-	-	1,923,033	1,923,033
Unearned revenue	-	4,940,581	-	4,940,581
Total liabilities	<u>3,995,391</u>	<u>4,940,581</u>	<u>2,714,642</u>	<u>11,650,614</u>
<b>Deferred Inflows of Resources:</b>				
Lease related	1,114,450	-	-	1,114,450
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Inventories	11,898	-	-	11,898
Prepaid items	26,042	-	-	26,042
<b>Restricted for:</b>				
Community development projects	-	-	1,294,303	1,294,303
Public safety - police	-	-	795,930	795,930
Community services	-	-	2,863,231	2,863,231
Public works - streets and roads	-	-	8,550,351	8,550,351
Capital projects	-	-	1,275,555	1,275,555
Public works - street lighting	-	-	117,414	117,414
<b>Committed to:</b>				
Capital projects	-	-	4,746,162	4,746,162
Arroyo Golf Course Facility	600,000	-	-	600,000
CalTrans Vacant Lot Purchases	392,000	-	-	392,000
Legal Services Reserve	500,000	-	-	500,000
Library Expansion	200,000	-	-	200,000
Maintenance Yard/Community Center Reserve	267,067	-	-	267,067
Renewable Energy Sources	700,000	-	-	700,000
Stormwater Reserve	300,000	-	-	300,000
Vehicle Replacement Reserve	100,000	-	-	100,000
Financial Sustainability Reserve	900,000	-	-	900,000
Slater Reimbursement Reserve	305,876	-	-	305,876
Mental Health Reserve	200,000	-	-	200,000
<b>Assigned to:</b>				
Stables CIP Reserve	122,548	-	-	122,548
Unassigned	19,050,705	-	(2,134,783)	16,915,922
Total fund balances	<u>23,676,136</u>	<u>-</u>	<u>17,508,163</u>	<u>41,184,299</u>
Total liabilities deferred inflows of resources and fund balances	<u>\$ 28,785,977</u>	<u>\$ 4,940,581</u>	<u>\$ 20,222,805</u>	<u>\$ 53,949,363</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

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Fund balances of governmental funds		\$ 41,184,299	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets net of depreciation have not been included as financial resources of the governmental funds.			56,286,150
Deferred outflows and inflows of resources related to pensions and other post-employment benefits liabilities have not been reported in the governmental funds.			
Pension related deferred outflows of resources	\$ 18,858,364		
Pension related deferred inflows of resources	(4,355,785)		
Total other post-employment benefits related deferred outflows of resources	2,886,992		
Total other post-employment benefits related deferred inflows of resources	<u>(4,074,805)</u>		13,314,766
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.			
Compensated absences	(942,518)		
Lease liability	(283,367)		
SBITA liability	(863,254)		
Net pension liability	(41,347,160)		
Other post-employment benefits liability	<u>(12,235,150)</u>		(55,671,449)
Internal service funds are used to charge the cost of activities to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.			<u>(85,924)</u>
Net position of governmental activities		\$ 55,027,842	

The accompanying notes are an integral part of these financial statements.

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**CITY OF SOUTH PASADENA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	SLFRF Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 31,380,453	\$ -	\$ 2,191,782	\$ 33,572,235
Assessments	-	-	896,896	896,896
Licenses and permits	870,974	-	39,830	910,804
Intergovernmental	234,380	1,118,655	2,479,742	3,832,777
Charges for services	4,429,964	-	284,530	4,714,494
Use of money and property	514,440	-	230,721	745,161
Fines and forfeitures	65,860	-	-	65,860
Miscellaneous	496,694	-	25,863	522,557
Total revenues	<u>37,992,765</u>	<u>1,118,655</u>	<u>6,149,364</u>	<u>45,260,784</u>
<b>Expenditures</b>				
Current:				
General government	9,447,459	969,011	139,682	10,556,152
Public safety	20,049,922	-	-	20,049,922
Community development	3,657,854	-	3,690	3,661,544
Community services	3,472,674	29,710	700,330	4,202,714
Public works	2,336,495	-	2,363,153	4,699,648
Capital outlay	156,909	275,029	828,043	1,259,981
Total expenditures	<u>39,121,313</u>	<u>1,273,750</u>	<u>4,034,898</u>	<u>44,429,961</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,128,548)</u>	<u>(155,095)</u>	<u>2,114,466</u>	<u>830,823</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	383,079	383,079
Transfers out	(1,292,327)	-	-	(1,292,327)
Subscription/lease acquisition	1,424,840	155,095	-	1,579,935
Total other financing sources (uses)	<u>132,513</u>	<u>155,095</u>	<u>383,079</u>	<u>670,687</u>
Net change in fund balance	(996,035)	-	2,497,545	1,501,510
Fund Balances, beginning	<u>24,672,171</u>	<u>-</u>	<u>15,010,618</u>	<u>39,682,789</u>
Fund Balances, ending	<u>\$ 23,676,136</u>	<u>\$ -</u>	<u>\$ 17,508,163</u>	<u>\$ 41,184,299</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

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Net changes in fund balances - total governmental funds \$ 1,501,510

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period:

Capital asset expenditures, net of deletions of capital assets	\$ 2,527,310	
Depreciation/amortization expense, net of deletions of capital assets	<u>(3,021,844)</u>	(494,534)

Governmental funds report proceeds from issuance of debt and lease/SBITA acquisitions as other financing sources or uses, and do not report the respective long term liabilities. For the Statement of Activities these amounts been reclassified to long term debt in the Statement of Net Position. This is the amount for the current year:

(1,579,935)

Some 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:

Change in compensated absences	(71,534)	
Principal payments on leases	361,049	
Principal payments on SBITA liability	72,265	
Changes in pension related items	3,670,757	
Changes in total other post-employment benefits related items	<u>(269,368)</u>	3,763,169

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is included in the statement of activities.

1,866,590

Changes in net position of governmental activities

\$ 5,056,800

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Arroyo Seco Golf Course	Total	Activities - Internal Service Fund
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 29,649,827	\$ 7,517,637	\$ 1,562,498	\$ 38,729,962	\$ 1,748,136
Receivables:					
Accounts	1,562,887	280,737	-	1,843,624	2,430,997
Accrued interest	28,428	4,910	4,309	37,647	-
Inventories	256,222	-	31,202	287,424	-
Restricted:					
Cash and investments with fiscal agent	164,055	-	-	164,055	-
Total current assets	<u>31,661,419</u>	<u>7,803,284</u>	<u>1,598,009</u>	<u>41,062,712</u>	<u>4,179,133</u>
Noncurrent assets:					
Capital assets, not depreciated	303,091	133,777	-	436,868	-
Capital assets, net of depreciation	73,207,732	10,159,974	743,576	84,111,282	-
Total noncurrent assets	<u>73,510,823</u>	<u>10,293,751</u>	<u>743,576</u>	<u>84,548,150</u>	<u>-</u>
Total assets	<u>105,172,242</u>	<u>18,097,035</u>	<u>2,341,585</u>	<u>125,610,862</u>	<u>4,179,133</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on debt refunding	4,390,238	-	-	4,390,238	-
Pension related	1,384,043	322,875	-	1,706,918	-
Other post-employment benefits related	372,376	74,342	-	446,718	-
Total deferred outflows of resources	<u>6,146,657</u>	<u>397,217</u>	<u>-</u>	<u>6,543,874</u>	<u>-</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	847,586	32,835	60,799	941,220	1,542,057
Accrued liabilities	45,533	17,066	-	62,599	-
Accrued interest	422,256	167,619	-	589,875	-
Deposits payable	394,986	-	-	394,986	-
Claims and judgments payable	-	-	-	-	2,723,000
Compensated absences	8,625	1,489	-	10,114	-
Loans payable	341,479	253,262	-	594,741	-
Bonds payable	1,420,000	-	-	1,420,000	-
Total current liabilities	<u>3,480,465</u>	<u>472,271</u>	<u>60,799</u>	<u>4,013,535</u>	<u>4,265,057</u>
Noncurrent liabilities:					
Compensated absences	77,629	13,401	-	91,030	-
Total other post-employment benefits liability	1,578,136	315,062	-	1,893,198	-
Net pension liability	3,034,530	707,907	-	3,742,437	-
Loans payable	10,981,891	7,963,211	-	18,945,102	-
Bonds payable	37,993,831	-	-	37,993,831	-
Total noncurrent liabilities	<u>53,666,017</u>	<u>8,999,581</u>	<u>-</u>	<u>62,665,598</u>	<u>-</u>
Total liabilities	<u>57,146,482</u>	<u>9,471,852</u>	<u>60,799</u>	<u>66,679,133</u>	<u>4,265,057</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related	319,678	74,576	-	394,254	-
Other post-employment benefits related	525,584	104,929	-	630,513	-
Total deferred inflows of resources	<u>845,262</u>	<u>179,505</u>	<u>-</u>	<u>1,024,767</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	27,163,860	2,077,278	743,576	29,984,714	-
Restricted	164,055	-	-	164,055	-
Unrestricted	25,999,240	6,765,617	1,537,210	34,302,067	(85,924)
Total net position	<u>\$ 53,327,155</u>	<u>\$ 8,842,895</u>	<u>\$ 2,280,786</u>	<u>\$ 64,450,836</u>	<u>\$ (85,924)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Arroyo Seco Golf Course	Total	
<b>OPERATING REVENUES</b>					
Sales and service charges	\$ 11,516,207	\$ 2,226,832	\$ 1,672,607	\$ 15,415,646	\$ 5,667,608
Miscellaneous	21,945	-	-	21,945	-
Total operating revenues	<u>11,538,152</u>	<u>2,226,832</u>	<u>1,672,607</u>	<u>15,437,591</u>	<u>5,667,608</u>
<b>OPERATING EXPENSES</b>					
Administration and general	963,382	436,382	1,355,661	2,755,425	-
Pumping	1,947,510	-	-	1,947,510	-
Transmission/collection	2,880,202	-	-	2,880,202	-
Treatment	-	396,651	-	396,651	-
Insurance costs and claims	-	-	-	-	5,290,303
Depreciation expense	1,944,342	274,615	33,386	2,252,343	-
Amortization expense	22,500	-	-	22,500	-
Total operating expenses	<u>7,757,936</u>	<u>1,107,648</u>	<u>1,389,047</u>	<u>10,254,631</u>	<u>5,290,303</u>
Operating income	<u>3,780,216</u>	<u>1,119,184</u>	<u>283,560</u>	<u>5,182,960</u>	<u>377,305</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest revenue	106,498	21,630	5,395	133,523	-
Interest expense	(1,758,468)	(177,755)	-	(1,936,223)	-
Miscellaneous expenses	(1,250)	-	-	(1,250)	-
Total non-operating revenues (expenses)	<u>(1,653,220)</u>	<u>(156,125)</u>	<u>5,395</u>	<u>(1,803,950)</u>	<u>-</u>
Income before transfers	<u>2,126,996</u>	<u>963,059</u>	<u>288,955</u>	<u>3,379,010</u>	<u>377,305</u>
<b>TRANSFERS</b>					
Transfers in	-	-	-	-	1,489,285
Transfers out	(376,240)	(156,767)	(47,030)	(580,037)	-
Total transfers	<u>(376,240)</u>	<u>(156,767)</u>	<u>(47,030)</u>	<u>(580,037)</u>	<u>1,489,285</u>
Change in net position	1,750,756	806,292	241,925	2,798,973	1,866,590
<b>NET POSITION</b>					
Net position, beginning, as restated (Note 15)	51,576,399	8,036,603	2,038,861	61,651,863	(1,952,514)
Net position, ending	<u>\$ 53,327,155</u>	<u>\$ 8,842,895</u>	<u>\$ 2,280,786</u>	<u>\$ 64,450,836</u>	<u>\$ (85,924)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Arroyo Seco Golf Course	Total	
<b>Cash flows from operating activities</b>					
Cash received from customers and users	\$ 11,475,446	\$ 2,201,571	\$ 1,672,607	\$ 15,349,624	\$ 3,236,611
Cash paid to suppliers for goods and services	(6,055,558)	(867,386)	(1,392,398)	(8,315,342)	(3,329,837)
Cash paid to (received from) employees for services	(108,172)	(52,384)	-	(160,556)	-
Cash received from (payments to) others	21,945	-	-	21,945	-
Net cash provided by (used for) operating activities	5,333,661	1,281,801	280,209	6,895,671	(93,226)
<b>Cash flows from noncapital financing activities</b>					
Cash paid to other funds	(381,733)	(156,767)	(47,030)	(585,530)	-
Cash received from other funds	-	-	-	-	1,489,285
Cash received from operating grants	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(381,733)	(156,767)	(47,030)	(585,530)	1,489,285
<b>Cash flows from capital and related financing activities</b>					
Proceeds from capital debt	5,704,829	-	-	5,704,829	-
Acquisition and construction of capital assets	-	-	(39,340)	(39,340)	-
Principal paid on capital debt	(1,616,271)	(248,054)	-	(1,864,325)	-
Interest paid on capital debt	(1,759,718)	(177,755)	-	(1,937,473)	-
Net cash provided by (used for) capital and related financing activities	2,328,840	(425,809)	(39,340)	1,863,691	-
<b>Cash flows from investing activities</b>					
Interest received	91,399	17,938	1,086	110,423	-
Net cash provided by investing activities	91,399	17,938	1,086	110,423	-
<b>Net increase in cash and cash equivalents</b>	7,372,167	717,163	194,925	8,284,255	1,396,059
Cash and cash equivalents, beginning of year	22,441,715	6,800,474	1,367,573	30,609,762	352,077
Cash and cash equivalents, end of year	\$ 29,813,882	\$ 7,517,637	\$ 1,562,498	\$ 38,894,017	\$ 1,748,136
Cash and investments	\$ 29,649,827	\$ 7,517,637	\$ 1,562,498	\$ 38,729,962	\$ 1,748,136
Restricted:					
Cash and investments with fiscal agent	164,055	-	-	164,055	-
Total cash and cash equivalents	\$ 29,813,882	\$ 7,517,637	\$ 1,562,498	\$ 38,894,017	\$ 1,748,136
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>					
Operating income	\$ 3,780,216	\$ 1,119,184	\$ 283,560	\$ 5,182,960	\$ 377,305
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation	1,944,342	274,615	33,386	2,252,343	-
Amortization	22,500	-	-	22,500	-
(Increase) decrease in operating assets:					
Accounts receivable	(64,836)	(25,261)	-	(90,097)	(2,430,997)
Inventories	-	-	(8,464)	(8,464)	-
Deferred outflows of resources	(287,644)	(60,422)	-	(348,066)	-
Increase (decrease) in operating liabilities:					
Accounts payable	(264,464)	(34,353)	(28,273)	(327,090)	1,534,466
Accrued liabilities	(861)	8,170	-	7,309	-
Deposits payable	24,075	-	-	24,075	-
Claims and judgements payable	-	-	-	-	426,000
Compensated absences	28,335	3,890	-	32,225	-
Net pension liability	1,292,283	275,722	-	1,568,005	-
Other post-employment benefits liability	(430,339)	(85,914)	-	(516,253)	-
Deferred inflows of resources	(709,946)	(193,830)	-	(903,776)	-
Total adjustments	1,553,445	162,617	(3,351)	1,712,711	(470,531)
<b>Net cash provided by (used for) operating activities</b>	\$ 5,333,661	\$ 1,281,801	\$ 280,209	\$ 6,895,671	\$ (93,226)

The accompanying notes are an integral part of these financial statements.



CITY OF SOUTH PASADENA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2023

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	Private Purpose Trust Fund <u>Successor Agency of the Former CRA</u>
<b>Assets</b>	
Pooled cash and investments	\$ 204,948
Restricted assets:	
Cash and investments with fiscal agents	<u>198,205</u>
Total assets	<u>403,153</u>
<b>Liabilities</b>	
Accrued interest	6,800
Due to other governments	2,047
Long-term liabilities:	
Due within one year	175,000
Due in more than one year	<u>185,000</u>
Total liabilities	<u>368,847</u>
<b>Fiduciary Net Position</b>	
Held in trust for other purposes	<u>\$ 34,306</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SOUTH PASADENA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

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	Private Purpose Trust Fund Successor Agency of the Former CRA
<b>Revenues</b>	
Taxes	\$ 269,170
Use of money and property	6,559
	<hr/>
Total revenues	275,729
	<hr/>
<b>Expenses</b>	
Contractual services	3,550
Interest expense	31,500
	<hr/>
Total expenses	35,050
	<hr/>
Change in net position	240,679
Net position (deficit) held in trust, beginning	<hr/> (206,373)
Net position held in trust, ending	<hr/> <hr/> \$ 34,306

The accompanying notes are an integral part of these financial statements.

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**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**A. Description of Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of South Pasadena, California (the City) and its component units, entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Government's operation, so data from these units are combined herein. The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Statement No. 14 as amended by Statement 39, 61 and 80 and were as follows:

1. The members of the City Council also act as the governing body of the City of South Pasadena Housing Authority (the Authority).
2. The Authority is managed by employees of the City.
3. The Authority is financially interdependent with the City.

The City of South Pasadena was incorporated on March 2, 1888, under the general laws of the State of California. The City provides a 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.

*Blended Component Units*

City of South Pasadena Housing Authority - The Authority was established pursuant to California Housing Authorities Law (Health and Safety Code Sections 34200 et seq.) on April 6, 2011. The purpose of the Housing Authority is to provide safe and sanitary housing opportunities for South Pasadena residents. The primary government has operational responsibility for the Housing Authority. Although the Housing Authority is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Housing Authority. Separate financial statements of the Housing Authority are not prepared. Additionally, the Housing Authority took over the housing activities from the former Community Redevelopment Agency due to its dissolution on January 31, 2012.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all 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. All fiduciary activities are reported only in the fiduciary fund financial 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**B. Government-wide and Fund Financial Statements (continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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, 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

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 SLFRF Fund is used to account for the State and Local Fiscal Recovery Fund (SLFRF) which is a one-time federal grant for pandemic response and recovery.

The City reports the following major proprietary funds:

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

The City's fund structure also includes the following fund types:

- The Private Purpose Trust Fund accounts for the assets and liabilities of the former community redevelopment agency and its allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former community redevelopment agency are paid in full and assets have been liquidated. Please refer to Note 13 for more information.
- The Internal Service Fund is used to accumulate and allocate costs internally among the City's functions for general liability and worker's compensation insurance. Because the internal service operations benefit both governmental and business-type functions, they have been proportionally allocated and included within the governmental and business-like activities in the government-wide financial statements.

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.

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Proprietary funds and the internal service fund 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.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City has elected to follow all pronouncements of the GASB.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position 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.

*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 noncurrent 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."



NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

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

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means when 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 proceeding 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, after December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent after 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.

Capital Outlay includes those activities that account for the acquisition of capital assets.

*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 charged to inventories when purchased and treated as an expenditure when issued.

NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2023

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

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

*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 and statement of net position 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 acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

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

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

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position and balance sheet of governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position and balance sheet of governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and reimbursable grants billed but not yet available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Net Position Flow Assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund Balance Flow Assumptions*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

*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.

*Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

*Other Postemployment Benefits (OPEB)*

For purposes of measuring the totaled OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

*Long-Term Obligations*

In the government-wide financial statements and proprietary 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 position.

*Fund Equity*

In the fund financial statements, governmental funds report the following fund balance classification:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution of the City Council.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council, with Resolution No. 7152, authorized the Finance Director to assign fund balance amounts for specific purposes.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that can report a positive unassigned fund balance.

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

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, and then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balances classifications can be used.

The City Council adopts and amends committed fund balance amounts for specific purposes through a resolution. When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to be used first. When expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned, and then unassigned.

*Net Position*

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**E. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses, during the reporting period. Actual results could differ from those estimates.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**F. Implementation of New Pronouncement**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96 – Subscription Based Information Technology Arrangements: This Statement provides guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

The City adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

**Note 2: Cash and Investments**

Cash and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 88,234,762
Cash and investments with fiscal agents	164,055
Statement of fiduciary net position:	
Cash and investments	204,948
Cash and investments with fiscal agents	<u>198,205</u>
Total cash and cash equivalents	<u>\$ 88,801,970</u>

Cash and investments at June 30, 2023, consists of the following:

Cash and cash equivalents:	
Petty cash	\$ 9,236
Deposits with financial institutions	13,582,571
Investments	<u>75,210,163</u>
Total cash and cash equivalents	<u>\$ 88,801,970</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.



NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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**Note 2: Cash and Investments (continued)**

**A. Deposits**

At June 30, 2023, the carrying amount of the City's deposits was \$13,582,571 and the bank balance was \$12,734,142. The difference between the two 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.

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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

Note 2: Cash and Investments (continued)

**B. Investments**

Under provision of the City’s investment policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer	Minimum Quality Requirements
Local Agency Bonds	Yes	5 years	None	None	N/A
U.S. Treasury Obligations	Yes	5 years	None	None	N/A
State Obligations - CA & Others	Yes	5 years	None	None	N/A
CA Local Agency Obligations	Yes	5 years	None	None	N/A
U.S. Agency Obligations	Yes	5 years	None	None	N/A
Banker's Acceptances	Yes	180 days	40%	30%	N/A
Commercial Paper - Select Agencies	Yes	270 days	25%	10%	A-1
Commercial Paper - Other Agencies	Yes	270 days	40%	None	A-1
Negotiable Certificates of Deposit	Yes	5 years	30%	None	N/A
CD Placement Service	Yes	5 years	30%	None	N/A
Repurchase Agreements	Yes	1 year	None	None	N/A
Reverse Repurchase Agreements	Yes	92 days	20%	None	N/A
Medium-Term Notes	Yes	5 years	30%	N/A	A
Mutual Funds	Yes	N/A	20%	10%	N/A
Money Market Mutual Funds	Yes	N/A	20%	10%	N/A
Collateralized Bank Deposits	Yes	5 years	None	None	N/A
Mortgage Pass-Through Securities	Yes	5 years	20%	None	AA
Bank/Time Deposits	Yes	5 years	None	None	N/A
County Pooled Investment Funds	Yes	N/A	None	None	N/A
Joint Powers Authority Pool	Yes	N/A	None	None	N/A
Local Agency Investment Fund	Yes	N/A	None	None	N/A
Voluntary Investment Program Fund	Yes	N/A	None	None	N/A

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments its trustees or fiscal agents may make.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 2: Cash and Investments (continued)**

**C. 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.

**D. 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. Investments in U.S. government securities are not considered to have credit risk and, therefore, their credit quality is not disclosed.

Presented below is the minimum rating required by the City’s Investment Policy and the actual rating as of June 30, 2023:

Investment Type	Amount	Minimum Legal Rating	Exempt from Disclosure	Rating as of Fiscal Year End				
				AA+	AA / AA-	A+	A / A-	Not Rated
Local Agency Investment Fund	\$ 15,610,760	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,610,760
Money Market Mutual Funds	443,983	Multiple	-	-	-	-	-	443,983
U.S. Treasury Notes	38,964,422	N/A	38,964,422	-	-	-	-	-
U.S. Agency Obligations	3,301,512	N/A	-	3,301,512	-	-	-	-
Medium-Term Notes	16,889,486	A	-	-	2,456,818	3,294,572	11,138,096	-
<b>Total</b>	<b>\$ 75,210,163</b>		<b>\$ 38,964,422</b>	<b>\$ 3,301,512</b>	<b>\$ 2,456,818</b>	<b>\$ 3,294,572</b>	<b>\$ 11,138,096</b>	<b>\$ 16,054,743</b>

**E. Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City 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, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the bank balances, up to \$250,000 is federally insured and the remaining balances are collateralized in accordance with the California Government Code.

**F. Concentration of Credit Risk**

The City’s investment policy imposes restrictions on the percentage that the City can invest in a single type of investment in accordance with CA Government Code. 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, 2023, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 2: Cash and Investments (continued)**

**G. Interest Rate Risk**

The City's investment policy limits investment maturities, in accordance with CA Government Code, as a means of managing its exposure to fair value losses arising from increasing interest rates. The certificates of deposit in cash with fiscal agent below with a maturity of three to five years are governed by the debt agreements, rather than the City's investment policy. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2023, the City had the following investments and original maturities:

Investment Type	Remaining Maturity (in months)				Total
	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	
Local Agency Investment Fund	\$ 15,610,760	\$ -	\$ -	\$ -	\$ 15,610,760
Money Market Mutual Funds	443,983	-	-	-	443,983
U.S. Treasury Notes	1,361,407	3,627,621	24,821,442	9,153,952	38,964,422
U.S. Agency Obligations	-	-	1,464,227	1,837,285	3,301,512
Medium-Term Notes	1,420,533	2,388,990	9,546,639	3,533,324	16,889,486
Total	<u>\$ 18,836,683</u>	<u>\$ 6,016,611</u>	<u>\$ 35,832,308</u>	<u>\$ 14,524,561</u>	<u>\$ 75,210,163</u>

**H. Fair Value Measurements**

The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2023.

Investment by Fair Value Level	Fair Value	Level 1	Level 2	Level 3
Debt securities:				
Money Market Mutual Funds	\$ 443,983	\$ -	\$ 443,983	\$ -
U.S. Treasury Notes	38,964,422	-	38,964,422	-
U.S. Agency Obligations	3,301,512	-	3,301,512	-
Medium-Term Notes	16,889,486	-	16,889,486	-
Total investments measured at fair value	59,599,403	<u>\$ -</u>	<u>\$ 59,599,403</u>	<u>\$ -</u>
Investments not subject to fair value measurement				
LAIF	15,610,760			
Total investments	<u>\$ 75,210,163</u>			

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 3: Capital Assets**

Capital asset activity was as follows for the year ended June 30, 2023:

<b>Governmental activities:</b>	Balance June 30, 2022	Prior Period Restatement	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated/amortized:					
Land	\$ 2,454,245	\$ -	\$ -	\$ -	\$ 2,454,245
Construction in progress	3,149,988	(530,408)	587,083	-	3,206,663
<b>Total capital assets, not being depreciated/amortized</b>	<b>5,604,233</b>	<b>(530,408)</b>	<b>587,083</b>	<b>-</b>	<b>5,660,908</b>
Capital assets, being depreciated/amortized:					
Buildings	12,001,967	-	-	-	12,001,967
Improvements other than buildings	7,788,183	-	-	-	7,788,183
Infrastructure	93,123,286	-	-	-	93,123,286
Machinery, equipment, and vehicles	11,926,265	(374,104)	327,890	-	11,880,051
Right-to-use lease asset	-	-	355,632	-	355,632
Right-to-use subscription asset	-	-	1,256,705	-	1,256,705
<b>Total capital assets, being depreciated/amortized</b>	<b>124,839,701</b>	<b>(374,104)</b>	<b>1,940,227</b>	<b>-</b>	<b>126,405,824</b>
Less accumulated depreciation/amortization for:					
Buildings	(8,595,382)	-	(336,537)	-	(8,931,919)
Improvements other than buildings	(2,986,412)	-	(446,019)	-	(3,432,431)
Infrastructure	(48,177,536)	(2,856,778)	(1,546,651)	-	(52,580,965)
Machinery, equipment, and vehicles	(10,469,875)	327,245	(418,272)	-	(10,560,902)
Right-to-use lease asset	-	-	(52,525)	-	(52,525)
Right-to-use subscription asset	-	-	(221,840)	-	(221,840)
<b>Total accumulated depreciation/amortization</b>	<b>(70,229,205)</b>	<b>(2,529,533)</b>	<b>(3,021,844)</b>	<b>-</b>	<b>(75,780,582)</b>
<b>Total capital assets, being depreciated/amortized, net</b>	<b>54,610,496</b>	<b>(2,903,637)</b>	<b>(1,081,617)</b>	<b>-</b>	<b>50,625,242</b>
<b>Total governmental activities</b>	<b>\$ 60,214,729</b>	<b>\$ (3,434,045)</b>	<b>\$ (494,534)</b>	<b>\$ -</b>	<b>\$ 56,286,150</b>

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

<b>Governmental Activities:</b>	
General government	\$ 512,235
Public safety	426,897
Community services	480,048
Public works	1,602,664
<b>Total depreciation expense – governmental activities</b>	<b>\$ 3,021,844</b>

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 3: Capital Assets (continued)**

<b>Business-type activities:</b>	Balance June 30, 2022	Prior Period Restatement	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 84,685	\$ -	\$ -	\$ -	\$ 84,685
Construction in progress	352,183	-	-	-	352,183
Total capital assets, not being depreciated	<u>436,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,868</u>
Capital assets, being depreciated:					
Buildings	4,180,702	-	-	-	4,180,702
Improvements other than buildings	16,931,054	-	37,045	-	16,968,099
Infrastructure	77,141,305	-	-	-	77,141,305
Machinery and equipment	2,074,056	-	2,295	-	2,076,351
Total capital assets, being depreciated	<u>100,327,117</u>	<u>-</u>	<u>39,340</u>	<u>-</u>	<u>100,366,457</u>
Less accumulated depreciation for:					
Buildings	(1,502,316)	-	(83,340)	-	(1,585,656)
Improvements other than buildings	(4,369,077)	-	(609,808)	-	(4,978,885)
Infrastructure	(10,479,296)	3,953,278	(1,449,345)	-	(7,975,363)
Machinery and equipment	(1,231,317)	(374,104)	(109,850)	-	(1,715,271)
Total accumulated depreciation	<u>(17,582,006)</u>	<u>3,579,174</u>	<u>(2,252,343)</u>	<u>-</u>	<u>(16,255,175)</u>
Total capital assets, being depreciated, net	<u>82,745,111</u>	<u>3,579,174</u>	<u>(2,213,003)</u>	<u>-</u>	<u>84,111,282</u>
Total business-type activities	<u>\$ 83,181,979</u>	<u>\$ 3,579,174</u>	<u>\$ (2,213,003)</u>	<u>\$ -</u>	<u>\$ 84,548,150</u>

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

<b>Business-type Activities:</b>	
Water	\$ 1,944,342
Sewer	274,615
Arroyo Seco Golf Course	<u>33,386</u>
Total depreciation expense – business-type activities	<u>\$ 2,252,343</u>

**Note 4: Leases Receivable**

On April 1, 2023, the City entered into a 120 month lease as Lessor for the use of South Pasadena Batting Cages, LLC. An initial lease receivable was recorded in the amount of \$440,191. As of June 30, 2023, the value of the lease receivable is \$440,191. The lessee is required to make monthly fixed payments of \$4,000. The lease has an interest rate of 1.2173%. The value of the deferred inflow of resources as of 06/30/2023 was \$440,191, and the City recognized lease revenue of \$11,005 during the fiscal year.

On July 1, 2021, the City entered into a 126 month lease as Lessor for the use of iTennis. An initial lease receivable was recorded in the amount of \$828,404. As of June 30, 2023, the value of the lease receivable is \$677,976. The lessee is required to make monthly fixed payments of \$7,000. The lease has an interest rate of 1.2173%. The value of the deferred inflow of resources as of June 30, 2023 was \$674,259, and the City recognized lease revenue of \$78,896 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 4: Leases Receivable (continued)**

Total future payments on the lease receivable are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 118,148	\$ 13,852	\$ 132,000
2025	120,497	11,503	132,000
2026	121,972	10,028	132,000
2027	123,466	8,534	132,000
2028	124,977	7,023	132,000
2029 - 2033	509,107	12,893	522,000
Total	<u>\$ 1,118,167</u>	<u>\$ 63,833</u>	<u>\$ 1,182,000</u>

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

**A. Due To/From Other Funds**

At June 30, 2023, the City had the following internal balances:

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	
	Nonmajor Funds	Total
General Fund	<u>\$ 1,923,033</u>	<u>\$ 1,923,033</u>

The due to General Fund of \$1,923,033 for various Nonmajor Governmental Funds was a result of temporary cash deficit balances in those funds.

**B. Transfers**

	<u>Transfers In</u>		
	Non-Major Governmental Funds	Internal Service Fund	Total Transfers Out
Transfers Out:			
General Fund	\$ 383,079	\$ 909,248	\$ 1,292,327
Water Enterprise Fund	-	376,240	376,240
Sewer Enterprise Fund	-	156,767	156,767
Arroyo Seco Golf Course	-	47,030	47,030
Total Transfers In:	<u>\$ 383,079</u>	<u>\$ 1,489,285</u>	<u>\$ 1,872,364</u>

All transfers were made as budgeted or as approved by Council. A total of \$1,489,285 was moved from various funds into the insurance fund to address a one-time expense from CAJPIA. Additionally, \$383,079 was transferred from the General Fund to the Street Light & Landscape Fund, to support the City's operations.



CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**Note 6: Long-Term Liabilities**

**A. Leases**

On October 05, 2022, the City entered into a 60 month lease for the use of Axon. An initial lease liability was recorded in the amount of \$355,632. As of June 30, 2023, the value of the lease liability is \$283,367. The City is required to make annual fixed payments of \$73,011. The lease has an interest rate of 1.2173%. The value of the right to use asset as of June 30, 2023 of \$355,632 with accumulated amortization of \$52,525 is included in the capital asset table at note 3.

The following is a summary of changes in lease liabilities for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
Governmental activities						
Lease liabilities	\$ -	\$ 355,632	\$ (72,265)	\$ 283,367	\$ 69,561	\$ 213,806
Total lease liabilities	\$ -	\$ 355,632	\$ (72,265)	\$ 283,367	\$ 69,561	\$ 213,806

Future payments on the total lease liabilities are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 69,561	\$ 3,449	\$ 73,010
2025	70,408	2,603	73,011
2026	71,265	1,746	73,011
2027	72,133	878	73,011
Total	\$ 283,367	\$ 8,676	\$ 292,043

**B. SBITA**

During fiscal year 2023, the City entered into subscriptions for various software packages. The terms range from 17 to 60 months with interest rates at 1.85% to 3.45%. The City is required to make payments ranging from \$5,183 to \$100,099. As of June 30, 2023, the City had \$863,254 outstanding for the SBITA liability. The value of the right-to-use asset as of June 30, 2023, of \$1,256,705 with accumulated amortization of \$221,840 is included with the capital asset note at Note 3.

The following is a summary of changes in SBITA liabilities for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
Governmental activities						
SBITA	\$ -	\$ 1,224,303	\$ (361,049)	\$ 863,254	\$ 293,619	\$ 569,635
Total SBITA liability	\$ -	\$ 1,224,303	\$ (361,049)	\$ 863,254	\$ 293,619	\$ 569,635

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

Note 6: Long-Term Liabilities (continued)

B. SBITA (continued)

Future payments on the total SBITA liabilities are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 293,619	\$ 24,315	\$ 317,934
2025	269,881	16,291	286,172
2026	164,592	8,785	173,377
2027	135,162	4,031	139,193
	<u>\$ 863,254</u>	<u>\$ 53,422</u>	<u>\$ 916,676</u>

C. Loans and Bonds

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
<b>Business-Type Activities:</b>					
2012 State Loan Payable - Direct Borrowing	\$ 8,464,527	\$ -	\$ (248,054)	\$ 8,216,473	\$ 253,262
SRF State Loan Payable - Direct Borrowing	5,869,812	5,704,829	(251,271)	11,323,370	341,479
2013 Water Revenue Bonds	3,840,000	-	(420,000)	3,420,000	435,000
Issuance Premium	200,917	-	(27,712)	173,205	-
2016 Water Revenue Bonds	33,385,000	-	(945,000)	32,440,000	985,000
Issuance Premium	3,588,664	-	(208,038)	3,380,626	-
	<u>\$ 55,348,920</u>	<u>\$ 5,704,829</u>	<u>\$ (2,100,075)</u>	<u>\$ 58,953,674</u>	<u>\$ 2,014,741</u>
Total Business-Type Activities	<u>\$ 55,348,920</u>	<u>\$ 5,704,829</u>	<u>\$ (2,100,075)</u>	<u>\$ 58,953,674</u>	<u>\$ 2,014,741</u>

**2012 State Loan Payable (Direct Borrowing)**

California State Water Resources Control Board loaned the City an assessable amount of \$11,000,000 over the term agreement starting December 1, 2013 through May 30, 2037. The proceeds from the loan are to be used by the City for its rehabilitation and replacement of the City's sewer infrastructure. The loan acts as an installment sale agreement, in which, the City must expend its own funds prior to drawing on the accessible loan amount for reimbursement. Repayment of project funds, together with all interest accrued thereon, by the City shall be repaid in annual installments commencing 1 year after the completion of the project.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2023

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**Note 6: Long-Term Liabilities (continued)**

**C. Loans and Bonds (continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 253,262	\$ 172,546	\$ 425,808
2025	258,581	167,227	425,808
2026	264,011	161,797	425,808
2027	269,555	156,253	425,808
2028	275,216	150,592	425,808
2029-2033	1,465,238	663,803	2,129,041
2034-2038	1,625,687	503,354	2,129,041
2039-2043	1,803,706	325,335	2,129,041
2044-2048	2,001,217	127,823	2,129,040
Total	<u>\$ 8,216,473</u>	<u>\$ 2,428,730</u>	<u>\$ 10,645,203</u>

**SRF State Loan Payable (Direct Borrowing)**

California State Water Resources Control Board loaned the City an assessable amount of \$10,803,550 over the term agreement starting November 15, 2017 through January 1, 2050. The proceeds from the loan are to be used by the City for the Graves Reservoir Replacement Project. The loan acts as an installment sale agreement, in which, the City must expend its own funds prior to drawing on the accessible loan amount for reimbursement. Repayment of project funds, together with all interest accrued thereon, by the City shall be repaid in annual installments commencing 1 year after the completion of the project.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 6: Long-Term Liabilities (continued)**

**C. Loans and Bonds (continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 341,479	\$ 191,052	\$ 532,531
2025	347,309	185,222	532,531
2026	353,238	179,293	532,531
2027	359,269	173,262	532,531
2028	365,402	167,129	532,531
2029-2033	1,922,743	739,913	2,662,656
2034-2038	2,092,571	570,085	2,662,656
2039-2043	2,277,399	385,257	2,662,656
2044-2048	2,478,553	184,103	2,662,656
2049-2051	785,407	13,390	798,797
Total	<u>\$ 11,323,370</u>	<u>\$ 2,788,706</u>	<u>\$ 14,112,076</u>

**2013 Water Revenue Bonds**

In March, 2013, the South Pasadena Public Financing Authority issued \$6,995,000 Water and Wastewater Revenue Bonds, 2013 Series A. The bonds were issued to refund of a portion of the outstanding California Statewide Communities Development Authority Water and Wastewater Revenue Bonds, Series 2004A that were issued on behalf of the City of South Pasadena, to purchase a surety for a reserve fund for the Bonds, and to pay costs of issuance of the bonds. The bonds are secured by a pledge of system net revenues of the City's water system.

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.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 6: Long-Term Liabilities (continued)**

**C. Loans and Bonds (continued)**

The serial bonds mature annually from October 1, 2014 to October 1, 2029, in increasing amounts from \$325,000 to \$545,000. The bonds bear interest at rates ranging from .35% to 3.4%. The term bonds mature on October 1, 2029, and carry an interest rate of 5.0%. Interest is payable semi-annually on April 1 and October 1, commencing on October 1, 2014 and October 1, 2029, respectively.

If the City defaults on its obligations to make debt service payments on the bonds, the trustee, as assignee of the City, has the right to accelerate the total unpaid principal amount of the bonds. However, in the event of a default and such acceleration, there can be no assurance that the trustee will have sufficient moneys available for payment of the bonds.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 435,000	\$ 113,688	\$ 548,688
2025	450,000	95,988	545,988
2026	470,000	77,588	547,588
2027	490,000	58,388	548,388
2028	505,000	41,013	546,013
2029-2030	1,070,000	33,750	1,103,750
Total	<u>\$ 3,420,000</u>	<u>\$ 420,415</u>	<u>\$ 3,840,415</u>

**2016 Water Revenue Bonds**

In November 2016, the City of South Pasadena issued \$37,845,000 Water Revenue Refunding Bonds. The bonds were issued to refund all of the outstanding 2009 Water Revenue Bonds, purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on the 2016 bonds and to pay costs of issuance of the 2016 bonds.

The serial bonds mature annually from October 1, 2017, to October 1, 2036, in amounts from \$835,000 to \$2,610,000. The bonds bear interest at rates ranging from 2% to 5%. The term bonds mature on October 1, 2039 and carry an interest rate of 5.0%. Interest is payable semi-annually on April 1 and October 1, commencing and ending on April 1, 2017, and April 1, 2037, respectively.

If the City defaults on its obligations to make debt service payments on the bonds, the trustee, as assignee of the City, has the right to accelerate the total unpaid principal amount of the bonds. However, in the event of a default and such acceleration, there can be no assurance that the trustee will have sufficient moneys available for payment of the bonds.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 6: Long-Term Liabilities (continued)**

**C. Loans and Bonds (continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 985,000	\$ 1,439,213	\$ 2,424,213
2025	1,035,000	1,388,713	2,423,713
2026	1,095,000	1,335,463	2,430,463
2027	1,145,000	1,279,463	2,424,463
2028	1,210,000	1,220,588	2,430,588
2029-2033	8,730,000	5,031,563	13,761,563
2034-2038	12,455,000	2,394,116	14,849,116
2039-2040	5,785,000	196,847	5,981,847
Total	<u>\$ 32,440,000</u>	<u>\$ 14,285,966</u>	<u>\$ 46,725,966</u>

**Note 7: Compensated Absences**

The City's liability on June 30, 2023 for vested and unpaid compensated absences (accrued vacation and compensatory time) is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Governmental activities	\$ 870,984	\$ 960,230	\$ (888,696)	\$ 942,518	\$ 94,252
Business-type activities	68,919	104,526	(72,301)	101,144	10,114
Total compensated absences payable	<u>\$ 939,903</u>	<u>\$ 1,064,756</u>	<u>\$ (960,997)</u>	<u>\$ 1,043,662</u>	<u>\$ 104,366</u>

Compensated absences are paid, if matured, out of the General Fund, other various special revenue funds and enterprise funds.

**Note 8: City Employees Defined Benefit Pension Plan**

**A. General Information about the Pension Plans**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors five rate plans (two miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

Note 8: City Employees Defined Benefit Pension Plan (continued)

A. General Information about the Pension Plans (continued)

The Plans' provisions and benefits in effect at June 30, 2023 are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.25%
Required employer contribution rates	13.260%	8.000%

	<b>Safety</b>	
	January 1, 2013	January 1, 2013
Hire date		
Benefit formula	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.75%
Required employer contribution rates	22.980%	14.500%

**Employees Covered**

At June 30, 2021 (valuation date), the following employees were covered by the benefit terms:

	Miscellaneous - Classic	Miscellaneous - PEPRA	Safety - Classic	Safety - PEPRA
Inactive employees or beneficiaries currently receiving benefits	155	-	134	1
Inactive employees entitled to but not yet receiving benefits	193	53	31	14
Active employees	38	66	35	19
Total	<u>386</u>	<u>119</u>	<u>200</u>	<u>34</u>



NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**A. General Information about the Pension Plans (continued)**

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2023 were \$5,201,924. The actual employer payments of \$9,206,330 made to CalPERS by the City during the measurement period ended June 30, 2022 differed from the City's proportionate share of the employer's contributions of \$7,172,669 by \$2,033,661, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**B. Net Pension Liability**

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2023

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

**B. Net Pension Liability (continued)**

***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

All other actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table (1)	Derived using CALPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

(1) The mortality table used was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% Scale MP-2020 published by Society of Actuaries. For more details, please refer to the 2021 Experience Study that can be found on the CalPERS website.

***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2023

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

**B. Net Pension Liability (continued)**

The expected real rates of return by asset class are as follows:

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 - 10 <sup>1,2</sup></b>
Global Equity - cap weighted	30.00%	4.54%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporation	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.21%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

<sup>1</sup> An expected inflation of 2.3% used for this period

<sup>2</sup> Figures are based on the 2021-22 Assets Liability Management Study.

***Change of Assumptions***

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

***Discount Rate***

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**B. Net Pension Liability (continued)**

***Subsequent Events***

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

***Pension Plan Fiduciary Net Position***

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

Note 8: City Employees Defined Benefit Pension Plan (continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period.

Miscellaneous Plan	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2021 (MD)	\$ 55,170,159	\$ 46,571,804	\$ 8,598,355
Balance at: 6/30/2022 (MD)	59,890,261	44,539,549	15,350,712
Net Changes during 2021-22	\$ 4,720,102	\$ (2,032,255)	\$ 6,752,357

Safety	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2021 (MD)	\$ 97,523,463	\$ 79,110,235	\$ 18,413,228
Balance at: 6/30/2022 (MD)	102,620,868	72,881,983	29,738,885
Net Changes during 2021-22	\$ 5,097,405	\$ (6,228,252)	\$ 11,325,657

Valuation Date (VD), Measurement Date (MD)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' at [www.calpers.ca.gov](http://www.calpers.ca.gov). The City's proportionate share of the net pension liability for each Plan as of the June 30, 2021, and 2022 measurement dates was as follows:

	Miscellaneous	Safety
Proportionate Share of NPL - June 30, 2021	0.452830%	0.524670%
Proportionate Share of NPL - June 30, 2022	0.328061%	0.432781%
Change - Decrease	(0.124770%)	(0.091889%)

NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2023

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

**C. Proportionate Share of Net Pension Liability (continued)**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City’s proportionate share of the net pension liability of each Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	<b>Discount Rate - 1%</b> <b>(5.90%)</b>	<b>Current Discount</b> <b>Rate (6.90%)</b>	<b>Discount Rate + 1%</b> <b>(7.90%)</b>
Miscellaneous Plan's Net Pension Liability	\$ 23,514,835	\$ 15,350,712	\$ 8,633,666
Safety Plan's Net Pension Liability	\$ 43,910,667	\$ 29,738,885	\$ 18,156,655

***Amortization of Deferred Outflows and Deferred Inflows of Resources***

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**C. Proportionate Share of Net Pension Liability (continued)**

The EARSL for PERF C for the measurement period ending June 30, 2021 is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

As of the start of the measurement period (July 1, 2021), the City's net pension liability was \$27,011,583. For the measurement period ending June 30, 2022 (the measurement date), the City incurred a pension expense of \$1,289,398.

As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 4,571,581	\$ -
Differences between Expected and Actual Experience	1,539,058	529,408
Differences between Projected and Actual Investment Earnings	7,508,028	-
Differences between Employer's Contributions and Proportionate Share of Contributions	1,493,175	657,478
Change in Employer's Proportion	251,516	3,563,153
Pension Contributions Made Subsequent to Measurement Date	5,201,924	-
	<u>\$ 20,565,282</u>	<u>\$ 4,750,039</u>

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)**

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of \$5,201,924 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources, Net</u>
2024	\$ 2,749,288
2025	2,130,862
2026	1,148,617
2027	4,584,552
2028	-
Thereafter	-

**E. Payable to the Pension Plan**

At June 30, 2023, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

**F. Pension Plan Summary**

Miscellaneous plan net pension liability	\$ 15,350,712
Safety plan net pension liability	<u>29,738,885</u>
Combined net pension liability	<u>\$ 45,089,597</u>
Governmental activities net pension liability	\$ 41,347,160
Business-type activities net pension liability	<u>3,742,437</u>
Total net pension liability	<u>\$ 45,089,597</u>



NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**A. Plan Description**

The City provides certain other post-employment 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.

**B. Employees Covered**

As of the June 30, 2022 measurement date, the following numbers of participants were covered by the benefit terms under the Plan:

Active employees	142
Inactive employees or beneficiaries currently receiving benefits	97
Inactive employees entitled to, but not yet receiving benefits	<u>22</u>
Total	<u><u>261</u></u>

**C. 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.

The City pays for postemployment health insurance by prefunding with an OPEB trust. For fiscal year 2022-2023, the City paid \$727,864 for other postemployment benefits.

**D. Changes of Assumptions**

Discount rate increased from 2.16% at June 30, 2021 to 3.79% at June 30, 2022.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 9: Other Post-Employment Benefits (continued)**

**E. Total OPEB Liability**

The City’s total OPEB liability was measured as of June 30, 2022 and was based on the following actuarial methods and assumptions:

<b>Actuarial Assumptions</b>	<b>June 30, 2022 Measurement Date</b>
Actuarial Valuation Date	June 30, 2021
Contribution Policy	City pre-funded on an ad hoc basis
Long Term Expected Rate of Return on Assets	6.25% at June 30, 2022
20- Year Municipal Bond Rate	3.54% at June 30, 2022 (Bond Buyer 20-Bond Index) 2.16% at June 30, 2021 (Bond Buyer 20-Bond Index)
Discount Rate	3.79% at June 30, 2022 2.16% at June 30, 2021
General Inflation	2.50% annually
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Salary increases	Aggregate - 2.75% annually Mert - CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare – 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) – 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Fixed Dollar Cap	None

**F. Discount Rate**

A discount rate of 3.79% was used in the valuation for measurement date June 30, 2022.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

Note 9: Other Post-Employment Benefits (continued)

G. Changes in the Total OPEB Liability

The changes in the total OPEB liability for the Plan are as follows:

	(a)	(b)	(a) - (b) = (c)
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2022 (June 30, 2021 measurement date)	\$ 17,980,977	\$ -	\$ 17,980,977
Changes recognized for the measurement period:			
Service cost	712,718	-	712,718
Interest	396,046	-	396,046
Changes of benefit terms	391,787	-	391,787
Assumption changes	(3,495,189)	-	(3,495,189)
Changes in assumptions	-	-	-
Contributions – employer	-	1,847,160	(1,847,160)
Net investment income	-	16,528	(16,528)
Benefit payments	(716,472)	(716,472)	-
Administrative expense	-	(5,697)	5,697
Net changes	<u>(2,711,110)</u>	<u>1,141,519</u>	<u>(3,852,629)</u>
Balance at June 30, 2023 (June 30, 2022 measurement date)	<u>\$ 15,269,867</u>	<u>\$ 1,141,519</u>	<u>\$ 14,128,348</u>

H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	<u>1% Decrease (2.79%)</u>	<u>Current Discount Rate (3.79%)</u>	<u>1% Increase (4.79%)</u>
Total OPEB Liability	\$ 16,140,468	\$ 14,128,349	\$ 12,457,701

I. Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rates

The following presents the total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 13,061,967	\$ 14,128,349	\$ 15,280,006

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 9: Other Post-Employment Benefits (continued)**

**J. OPEB Plan Fiduciary Net Position**

As the City is prefunding with an OPEB trust, Plan Fiduciary Net Position was \$1,141,518 at the June 30, 2022 measurement date. The City has assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits. Contributions are fixed and not based on a measure of pay.

*Recognition of Deferred Outflows and Deferred Inflows of Resources*

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The net difference between projected and actual earnings on OPEB plan investments is amortized using the straight-line method over 5 years, while all other amounts are amortized over the expected average remaining service lifetime (EARSL) of plan participants.

**K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$1,038,911. As of fiscal year, ended June 30, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 644,663	\$ 602,430
Changes in assumptions	1,961,183	4,091,916
Net difference between projected and actual earnings on plan investments	-	10,972
Contributions to OPEB plan subsequent to the measurement date	727,864	-
Total	<u>\$ 3,333,710</u>	<u>\$ 4,705,318</u>

The \$727,864 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (464,528)
2025	(222,441)
2026	(135,799)
2027	(53,422)
2028	(452,149)
Thereafter	(771,133)

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 10: Insurance**

The City is partially self-insured for general liability insurance. The City is responsible for claims up to \$100,000 per occurrence. Coverage in excess of the City's self-insured retention is purchased through CSAC Excess Insurance Authority (CSAC-EIA) up to the statutory limits. The City participates in a risk pool for general liability insurance through CSAC-EIA above the City's self-insured retention of \$100,000 up to \$4,900,000 per occurrence. Reinsurance coverage in excess of the pool layer up to \$25,000,000 is purchased through CSAC-EIA. CSAC-EIA retains responsibility for claims in excess of each member's self-insured retention.

For workers' compensation insurance, the City is covered from the first dollar. Coverage between \$1 and \$5,000,000 is provided by CSAC-EIA. CSAC-EIA participates in an excess pool which provides coverage from \$5,000,000 to \$50,000,000 and purchases excess insurance above \$50,000,000 to the statutory limit.

Workers' compensation and general liability claims incurred prior to July 1, 2014 were covered through the City's participation in the California Joint Powers Insurance Authority.

**Note 11: Commitments and Contingencies**

Due to the occurrence of several spills from the City's sanitary sewer system, the City entered into a settlement on November 16, 2011, with the Regional Water Quality Control Board, Los Angeles Region and the state Attorney General for violations of the state's general waste discharge requirements. The settlement required the City to cover fines and attorney fees, complete repairs to its sanitary sewer system over a 10 year period, and implement specified system maintenance programs. These requirements will be monitored through an open court proceeding and, if not met; the City could be subjected to further monetary penalties. Several years ago, the City undertook a comprehensive sewer infrastructure improvement program to implement the requirements of the Consent Judgment. In 2019, a Project Completion Report was submitted to the RWQCB, however, the 2019 report did not include a list or description of all the projects listed in the Consent Judgment that have been completed. Presently, City staff are utilizing the services of a consultant to provide RWQCB additional information to resolve discrepancies between the Consent Judgment and the completed sewer rehabilitation work documented in the 2019 Project Completion Report, the completed video inspection work, and the completed staff inspections and staff training.

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes that 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.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 12: Successor Agency Trust for Assets of Former Community Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of South Pasadena that previously had reported a community redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a community redevelopment agency, a “successor agency” is to be established to hold the assets until they are distributed to other units of state and local government. On January 4, 2012, the City Council elected to become the Successor Agency for the former community redevelopment agency in accordance with the Bill as part of City resolution number 7205.

After enactment of the law, which occurred on June 28, 2011, community redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former community redevelopment agency until all enforceable obligations of the prior community redevelopment agency have been paid in full and all assets have been liquidated.

**Cash and investments**

At June 30, 2023, Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$	204,948
Cash and investments with fiscal agent		198,205
	\$	<u>403,153</u>

**Long-term debt**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
2000 Tax Allocation Bond	\$ 525,000	\$ -	\$ (165,000)	\$ 360,000	\$ 175,000
Total	<u>\$ 525,000</u>	<u>\$ -</u>	<u>\$ (165,000)</u>	<u>\$ 360,000</u>	<u>\$ 175,000</u>

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 12: Successor Agency Trust for Assets of Former Community Redevelopment Agency  
(continued)**

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2023, 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 \$185,000, 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, 2023, \$360,000 was outstanding.

**Pledged Revenue**

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the community redevelopment agency, property taxes allocated to community redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved community redevelopment agency. Total principal and interest remaining on the debt is \$392,700 with annual debt service requirements as indicated above. For the current fiscal year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved Community Redevelopment Agency was \$269,170 and the interest expense on the bonds was \$31,500.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 175,000	\$ 21,600	\$ 196,600
2025	185,000	11,100	196,100
Total	<u>\$ 360,000</u>	<u>\$ 32,700</u>	<u>\$ 392,700</u>

**Insurance**

The Successor Agency is covered under the City of South Pasadena's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 8.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 13: Deficit Fund Balances**

The following funds have deficits in fund balance at June 30, 2023:

Fund	Amount
Nonmajor Governmental Funds:	
Special Revenue Funds:	
MTA Pedestrian Improvement	\$ (29,951)
SB2 Planning Grant	(45,068)
Rogan HR 5294 Grant	(172,954)
Parking and Business Improvement Tax	(27,741)
Mission Meridian Public Garage	(370,099)
County Park Bond	(257,008)
MSRC Grant	(157,536)
Measure H	(74,270)
Prop C Exchange	(362,140)
BTA Grant	(416,948)
CDBG	(4,908)
Homeland Security Grant	(146,371)
HSIP Grant	(69,790)

The City intends to fund these deficits with future revenue, transfers and reductions of expenditures in future years.

**Note 14: Net Investment in Capital Assets**

The net investment in capital assets category of net position is comprised of the following:

	Water	Sewer	Arroyo Seco Golf Course	Business-Type Activities Total
Capital assets, net of accumulated depreciation	\$ 73,510,823	\$ 10,293,751	\$ 743,576	\$ 84,548,150
2016 Water Revenue Bonds	(32,440,000)	-	-	(32,440,000)
Issuance Premium	(3,380,626)	-	-	(3,380,626)
2013 Water Revenue Bonds	(3,420,000)	-	-	(3,420,000)
Issuance Premium	(173,205)	-	-	(173,205)
2012 State Loan Payable	-	(8,216,473)	-	(8,216,473)
SRF State Loan Payable	(11,323,370)	-	-	(11,323,370)
Deferred Loss on Refunding	4,390,238	-	-	4,390,238
Net investment in capital assets	<u>\$ 27,163,860</u>	<u>\$ 2,077,278</u>	<u>\$ 743,576</u>	<u>\$ 29,984,714</u>
	Governmental Activities			
Capital assets, not being depreciated/amortized	\$ 5,660,908			
Capital assets, net of accumulated depreciation/amortization	50,625,242			
Lease liabilities	(283,367)			
SBITA liabilities	(863,254)			
Net investment in capital assets	<u>\$ 55,139,529</u>			



**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 15: Prior Period Adjustment**

The cumulative effects of correction of errors in reporting of prior balances due to the capital asset corrections as shown in Note 3 resulted in the following prior period adjustments:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>		
Net position, as previously reported	\$ 53,405,087	\$ 58,072,689		
Prior period adjustment	<u>(3,434,045)</u>	<u>3,579,174</u>		
Net position, as restated	<u>\$ 49,971,042</u>	<u>\$ 61,651,863</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Arroyo Seco Golf Course</u>	<u>Total Proprietary Funds/Business- Type Activities</u>
Net position, as previously reported	\$ 49,338,514	\$ 6,695,314	\$ 2,038,861	\$ 58,072,689
Prior period adjustment	<u>2,237,885</u>	<u>1,341,289</u>	<u>-</u>	<u>3,579,174</u>
Net position, as restated	<u>\$ 51,576,399</u>	<u>\$ 8,036,603</u>	<u>\$ 2,038,861</u>	<u>\$ 61,651,863</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF SOUTH PASADENA**

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 29,823,071	\$ 30,363,071	\$ 31,380,453	\$ 1,017,382
Licenses and permits	911,680	911,680	870,974	(40,706)
Intergovernmental	6,404,235	6,489,295	234,380	(6,254,915)
Charges for services	3,960,200	3,960,200	4,429,964	469,764
Use of money and property	500,100	500,100	514,440	14,340
Fines and forfeitures	140,000	140,000	65,860	(74,140)
Miscellaneous	484,884	484,884	496,694	11,810
Total revenues	<u>42,224,170</u>	<u>42,849,230</u>	<u>37,992,765</u>	<u>(4,856,465)</u>
<b>Expenditures</b>				
Current:				
General government	13,502,580	9,143,443	9,447,459	(304,016)
Public safety	17,156,194	17,736,370	20,049,922	(2,313,552)
Community development	3,085,017	3,925,946	3,657,854	268,092
Community services	3,378,921	3,457,733	3,472,674	(14,941)
Public works	2,996,734	3,486,459	2,336,495	1,149,964
Capital outlay	1,343,500	1,224,500	156,909	1,067,591
Total expenditures	<u>41,462,946</u>	<u>38,974,451</u>	<u>39,121,313</u>	<u>(146,862)</u>
Excess of revenues over expenditures	<u>761,224</u>	<u>3,874,779</u>	<u>(1,128,548)</u>	<u>(5,003,327)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	338,483	338,483	-	(338,483)
Transfers out	(721,562)	(721,562)	(1,292,327)	(570,765)
Subscription/lease acquisition	-	-	1,424,840	1,424,840
Total other financing sources (uses)	<u>(383,079)</u>	<u>(383,079)</u>	<u>132,513</u>	<u>515,592</u>
Net change in fund balance	378,145	3,491,700	(996,035)	(4,487,735)
Fund balance, beginning of year	<u>24,672,171</u>	<u>24,672,171</u>	<u>24,672,171</u>	<u>-</u>
Fund balance, end of year	<u>\$ 25,050,316</u>	<u>\$ 28,163,871</u>	<u>\$ 23,676,136</u>	<u>\$ (4,487,735)</u>

**CITY OF SOUTH PASADENA**

**SLFRF FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 1,118,655	\$ 1,118,655
Total revenues	-	-	1,118,655	1,118,655
<b>Expenditures</b>				
Current:				
General government	-	5,174,539	969,011	4,205,528
Community services	-	50,000	29,710	20,290
Capital outlay	152,048	592,058	275,029	317,029
Total expenditures	152,048	5,816,597	1,273,750	4,542,847
Excess of revenues over expenditures	(152,048)	(5,816,597)	(155,095)	5,661,502
<b>Other Financing Sources (Uses)</b>				
Subscription acquisition	-	-	155,095	155,095
Total other financing sources (uses)	-	-	155,095	155,095
Net change in fund balance	(152,048)	(5,816,597)	-	5,816,597
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ (152,048)	\$ (5,816,597)	\$ -	\$ 5,816,597

**CITY OF SOUTH PASADENA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AND RELATED RATIOS – COST SHARING  
LAST TEN YEARS\***

<u>Measurement Date</u>	<u>Employer's Proportion of the Collective Net Pension Liability<sup>1</sup></u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll</u>	<u>Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability</u>
6/30/2014	0.35660%	\$ 22,189,470	\$ 10,021,859	221.41%	79.82%
6/30/2015	0.35146%	24,123,577	10,601,417	227.55%	78.40%
6/30/2016	0.36618%	31,865,437	10,683,089	298.28%	74.06%
6/30/2017	0.36714%	36,410,081	11,218,719	324.55%	73.31%
6/30/2018	0.37770%	36,396,135	11,190,390	325.24%	74.01%
6/30/2019	0.38379%	39,327,077	10,760,952	365.46%	72.89%
6/30/2020	0.39201%	42,652,833	11,634,785	366.60%	70.74%
6/30/2021	0.49945%	27,011,583	12,540,902	215.39%	82.31%
6/30/2022	0.39036%	45,089,597	12,690,746	355.30%	72.25%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

<sup>1</sup> Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

**CITY OF SOUTH PASADENA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PLAN CONTRIBUTIONS – COST SHARING  
LAST TEN YEARS\***

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 1,926,460	\$ (1,926,460)	\$ -	\$ 10,601,417	18.17%
6/30/2016	2,445,893	(2,445,893)	-	10,683,089	22.89%
6/30/2017	3,258,700	(3,258,700)	-	11,218,719	29.05%
6/30/2018	3,082,379	(3,082,379)	-	11,190,390	27.54%
6/30/2019	3,460,075	(3,460,075)	-	10,760,952	32.15%
6/30/2020	4,295,978	(4,295,978)	-	11,634,785	36.92%
6/30/2021	5,001,568	(5,001,568)	-	12,540,902	39.88%
6/30/2022	9,206,330	(9,206,330)	-	12,690,746	72.54%
6/30/2023	5,201,924	(5,201,924)	-	13,609,542	38.22%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

**Notes to Schedule:**

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.



**CITY OF SOUTH PASADENA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS  
LAST TEN YEARS\***

Fiscal Year Measurement Period	2017-18 2016-17	2018-19 2017-18	2019-20 2018-19	2020-21 2019-20	2021-22 2020-21	2022-23 2021-22
<b>Total OPEB Liability</b>						
Service cost	\$ 664,681	\$ 560,960	\$ 506,445	\$ 666,996	\$ 895,656	\$ 712,718
Interest	519,308	607,364	651,066	600,512	461,163	396,046
Changes in benefit terms	-	-	270,482	-	(3,110,716)	391,787
Actual vs. expected experience	-	-	(1,405,666)	-	887,933	-
Changes in assumptions	(1,694,570)	(606,526)	829,039	2,810,290	(874,999)	(3,495,189)
Benefit payments	(645,346)	(637,788)	(660,893)	(694,791)	(498,954)	(716,472)
Net change in total OPEB liability	(1,155,927)	(75,990)	190,473	3,383,007	(2,239,917)	(2,711,110)
Total OPEB liability - beginning	17,879,331	16,723,404	16,647,414	16,837,887	20,220,894	17,980,977
Total OPEB liability - ending (a)	16,723,404	16,647,414	16,837,887	20,220,894	17,980,977	15,269,867
<b>Plan Fiduciary Net Position</b>						
Contributions – employer	-	-	-	-	-	1,847,160
Net investment income	-	-	-	-	-	16,528
Benefit payments	-	-	-	-	-	(716,472)
Administrative expense	-	-	-	-	-	(5,697)
Net change in plan fiduciary net position	-	-	-	-	-	1,141,519
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-	-	1,141,519
 Net OPEB liability - ending (a) - (b)	 <u>\$ 16,723,404</u>	 <u>\$ 16,647,414</u>	 <u>\$ 16,837,887</u>	 <u>\$ 20,220,894</u>	 <u>\$ 17,980,977</u>	 <u>\$ 14,128,348</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.0%	 0.0%	 0.0%	 0.0%	 0.0%	 7.5%
 Covered-employee payroll	 \$ 11,644,645	 \$ 14,031,728	 \$ 10,487,587	 \$ 11,952,495	 \$ 15,678,975	 \$ 16,323,541
 Net OPEB liability as a percentage of covered employee payroll	 143.6%	 118.6%	 160.6%	 169.2%	 114.7%	 86.6%

**Notes to Schedule:**

Changes in assumptions: Discount rate increased from 2.16% at June 30, 2021 to 3.79% at June 30, 2022.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

The City does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits. Contributions are fixed and not based on a measure of pay.

\*Fiscal Year 2017-18 was the first year of implementation

# CITY OF SOUTH PASADENA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2023

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### Note 1: General Budget Policies

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 adopted budgets for the General, Special Revenue, and Capital Projects Funds with the exception of the Measure H, Prop C Exchange, MTA Pedestrian Improvement, Gold Line Mitigation, Rogan HR 5294 Grant, and BTA Grant Special Revenue Funds.

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 operation portions of the budget without increasing total appropriations for that division.

### Note 2: Supplementary Budget Information

Excess of expenditures over appropriations at the functional level were as follows:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
General Government	\$ 9,143,443	\$ 9,447,459	\$ (304,016)
Public safety	17,736,370	20,049,922	(2,313,552)
Community Services	3,457,733	3,472,674	(14,941)

**SUPPLEMENTARY INFORMATION**

## CITY OF SOUTH PASADENA

### NON-MAJOR GOVERNMENTAL FUNDS

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#### Special Revenue Funds

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

**\*201 - MTA Pedestrian Improvement Fund** – To account for MTA grants used for the Fair Oaks/Mission pedestrian improvement projects which include pedestrian accessibility, widened bikeways, landscaping, lighting modification and aesthetics.

**205 - Proposition A Local Return Fund** – To account for all revenues and expenditures associated with the one-half cent 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.

**207 - Proposition C Local Return Fund** – To account for all revenues and expenditures associated with the one-half cent 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.

**\*214 - Rogan HR 5294 Grant Fund** – To account for the revenue and expenditures associated with the 110 FWY Hook Ramp Project funded by Rogan grant.

**215 - Street Lighting and Landscaping Fund** – 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.

**218 - Clean Air Act Fund** – To account for revenues and expenditures expended for air quality improvement projects as established by the South Coast Air Quality Management District.

**220 - Parking and Business Improvement Tax (BIT) Fund** – To account for business improvement tax returns collected by the City for specified purposes within the Parking and Business Improvement Area: (1) decoration of any public place, (2) promotion of public events; (3) furnishing of music; (4) general promotion of retail trade activities.

**\*223 - Gold Line Mitigation Fund** – To account for the MTA's funding for the improvements to the Gold Line Mission Street Station.

**226 - Mission Meridian Public Garage Fund** – To account for the revenues and expenditures of the Mission Meridian Public Garage.

## CITY OF SOUTH PASADENA

### NON-MAJOR GOVERNMENTAL FUNDS

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**230 - State Gas Tax Fund** – 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.

**232 - County Park Bond** – To account for the revenues and expenditures for the County Park Bond related improvements.

**255 - Capital Growth Requirements Fund** – To account for fees paid to the City for building development to be applied towards the costs of public facilities improvements.

**260 - Community Development Block Grant (CDBG) Fund** – To account for the revenues and expenditures for Community Development Block Grant projects.

**270 - Asset Forfeiture Fund** – To account for proceeds received from forfeiture in narcotics investigations allocated for law enforcement activities.

**239 - Measure W Fund** – To account for all revenues and expenditures associated with improving conditions of stormwater runoffs funded by parcel tax.

**272 - State Police Grant Fund** – To account for revenue and expenditures for frontline police services funded by COPS (AB 3229) grant.

**274 - Homeland Security Grant Fund** – To account for revenue and expenditures the operations of police equipment and conferences funded by Homeland Security.

**275 - Park Impact Fees Fund** – To account for the proceeds of a development fee used for the purpose of park facilities improvements and related expenditures.

**233 - Measure R Fund** – To account for all revenues and expenditures associated with the one-half cent sales tax approved by Measure R in 2009. All revenues of this fund must be expended for transportation-related items as established by the Los Angeles County Transportation Commission.

**236 - Measure M Fund** – To account for all revenues and expenditures associated with the one-half cent sales tax approved by Measure M in 2016. All revenues of this fund must be expended for transportation-related items as established by the Los Angeles County Transportation Commission.

**\*208 - TDA/Metro Grant Fund** – To account for all revenues and expenditures associated with the TEA/Metro Fund. All revenues of this fund must be expended for transportation-related items.

## CITY OF SOUTH PASADENA

### NON-MAJOR GOVERNMENTAL FUNDS

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**217 - Public Education Fund** – To account for revenues and expenditures used for public education and government access charges that the City’s cable franchise collects. Monies in this fund must be used to purchase equipment related to the production of public education and government access television.

**237 - Road Maintenance & Rehab Fund** – To account for all revenues and expenditures associated with State Gas Tax SB1.

**238 - MSRC Grant Fund** – To account for the revenues and expenditures for the Mobile Source Air Pollution Reduction Review Committee projects.

**\*241 - Measure H Fund** – To account for the revenues and expenditures for the “Los Angeles County Plan to Prevent and Combat Homelessness” for the specific purposes of funding homeless services and short-term housing.

**\*242 - Prop C Exchange Fund** – To account for all revenues and expenditures associated with competitive Metro Grant for eligible transportation projects.

**\*248 - BTA Grant Fund** – To account for the revenues and expenditures for the Bicycle Transportation Account (BTA) grant funded by the Los Angeles County Metropolitan Transportation Authority. This grant was awarded to fund two projects from the City’s Bicycle Master Plan: the Mission Street Green Sharrow Lane Project and the South Pasadena Bicycle Parking Project.

**228 - Housing Authority Fund** – To account for the revenues and expenditures for the City of South Pasadena Housing Authority.

**\*249 - Golden Streets Grant Fund** – To account for the revenues and expenditures for the open streets grant funded by the Los Angeles County Metropolitan Transportation Authority. The goals of the Open Streets Grant Program is to provide opportunities for 1) riding transit, walking and riding a bike, possibly for the first time, 2) to encourage future mode shift to more sustainable transportation modes, and for 3) civic engagement to foster the development of multi-modal policies and infrastructure at the city/community level.

**277 - Highway Safety Improvement Program Grant (HSIP) Fund** – To account for revenues and expenditures related to street improvements funded by the grant.

**\*276 - Historic Preservation Grant Fund** – To account for revenues and expenditures related to historic preservation grant funds.

**213 – SB2 Planning Grant Fund** – To account for state funding to help implement plans and process improvements that streamline housing approvals and accelerate housing production.

**\*278 – LEAP Grant Fund** – The Local Early Action Planning (LEAP) grant is a State grant to fund a portion of the preparation of the 6th Cycle 2021-2029 Housing Element.

*\*Note that no budget was adopted for this fund.*

**CITY OF SOUTH PASADENA**

**NON-MAJOR GOVERNMENTAL FUNDS**

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**Capital Projects Funds**

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

**105 - Facilities & Equipment Replacement Fund** – To account the replacement costs of City vehicles and equipment.

**\*106 - Technology Surcharge Fund** – To account for the funding collected through the City's Technology Fee Surcharge intended for acquiring and maintenance of a permitting software system.

**\*327 - 2000 Tax Allocation Bonds Fund** – To account for capital expenditures for improvements funded by the bonds formerly held by the Successor Agency to the Community Redevelopment Agency.

**104 - Streets Improvement Program Fund** – To account for capital expenditures related to street improvements projects.

*\*Note that no budget was adopted for this fund.*

**CITY OF SOUTH PASADENA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds			
	MTA Pedestrian Improvement	Proposition A	Proposition C	Rogan HR 5294 Grant Fund
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ 1,941,007	\$ 1,549,717	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	7,066	5,623	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 1,948,073</b>	<b>\$ 1,555,340</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 28,426	\$ 11,924	\$ 77,563
Accrued liabilities	-	10,242	6,234	-
Deposits payable	-	-	-	-
Due to other funds	29,951	-	-	95,391
<b>Total liabilities</b>	<b>29,951</b>	<b>38,668</b>	<b>18,158</b>	<b>172,954</b>
<b>Fund Balances (Deficits):</b>				
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Community services	-	1,909,405	-	-
Public works - streets and roads	-	-	1,537,182	-
Capital projects	-	-	-	-
Public works - street lighting	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	(29,951)	-	-	(172,954)
<b>Total fund balances (deficits)</b>	<b>(29,951)</b>	<b>1,909,405</b>	<b>1,537,182</b>	<b>(172,954)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ -</b>	<b>\$ 1,948,073</b>	<b>\$ 1,555,340</b>	<b>\$ -</b>



(continued)

Special Revenue Funds				
Street Lighting	Clean Air Act	Parking and Business Improvement	Gold Line Mitigation	Mission Meridian Public Garage
\$ 441,101	\$ 171,949	\$ -	\$ 63,923	\$ -
-	17,939	-	-	-
15,848	-	-	-	-
694	632	-	235	-
-	-	-	-	-
<u>\$ 457,643</u>	<u>\$ 190,520</u>	<u>\$ -</u>	<u>\$ 64,158</u>	<u>\$ -</u>
\$ 329,759	\$ -	\$ -	\$ -	\$ 4,825
2,737	-	-	-	-
7,733	-	-	-	-
-	-	27,741	-	365,273
<u>340,229</u>	<u>-</u>	<u>27,741</u>	<u>-</u>	<u>370,098</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	190,520	-	64,158	-
117,414	-	-	-	-
-	-	-	-	-
-	-	(27,741)	-	(370,098)
<u>117,414</u>	<u>190,520</u>	<u>(27,741)</u>	<u>64,158</u>	<u>(370,098)</u>
<u>\$ 457,643</u>	<u>\$ 190,520</u>	<u>\$ -</u>	<u>\$ 64,158</u>	<u>\$ -</u>

**CITY OF SOUTH PASADENA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds			
	State Gas Tax	County Park Bond	Capital Growth Requirements	C.D.B.G
<b>ASSETS</b>				
Pooled cash and investments	\$ 853,993	\$ -	\$ 643,264	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	3,200	-	2,336	-
Due from other governments	59,383	-	-	-
<b>Total assets</b>	<b>\$ 916,576</b>	<b>\$ -</b>	<b>\$ 645,600</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 29,789	\$ 6,463	\$ 10,079	\$ -
Accrued liabilities	24,491	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	250,545	-	4,908
<b>Total liabilities</b>	<b>54,280</b>	<b>257,008</b>	<b>10,079</b>	<b>4,908</b>
<b>Fund Balances (Deficits):</b>				
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Community services	-	-	-	-
Public works - streets and roads	862,296	-	-	-
Capital projects	-	-	635,521	-
Public works - street lighting	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	-	(257,008)	-	(4,908)
<b>Total fund balances (deficits)</b>	<b>862,296</b>	<b>(257,008)</b>	<b>635,521</b>	<b>(4,908)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 916,576</b>	<b>\$ -</b>	<b>\$ 645,600</b>	<b>\$ -</b>

(continued)

Special Revenue Funds				
Asset Forfeiture	Measure W	State Police Grant	Homeland Security Grant	Park Impact Fees
\$ 234,365	\$ 398,922	\$ 559,018	\$ -	\$ 950,407
-	-	-	-	-
861	1,512	1,686	-	3,419
-	-	-	-	-
<u>\$ 235,226</u>	<u>\$ 400,434</u>	<u>\$ 560,704</u>	<u>\$ -</u>	<u>\$ 953,826</u>
\$ -	\$ 13,783	\$ -	\$ 62,680	\$ -
-	1,295	-	-	-
-	-	-	-	-
-	-	-	83,691	-
-	15,078	-	146,371	-
-	-	-	-	-
235,226	-	560,704	-	-
-	-	-	-	953,826
-	385,356	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(146,371)	-
<u>235,226</u>	<u>385,356</u>	<u>560,704</u>	<u>(146,371)</u>	<u>953,826</u>
<u>\$ 235,226</u>	<u>\$ 400,434</u>	<u>\$ 560,704</u>	<u>\$ -</u>	<u>\$ 953,826</u>

**CITY OF SOUTH PASADENA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds			
	Measure R	Measure M	TDA/Metro Grant Fund	Public Education
<b>ASSETS</b>				
Pooled cash and investments	\$ 1,857,061	\$ 2,268,185	\$ 152,699	\$ 196,594
Receivables:				
Accounts	-	-	-	1,531
Taxes	-	-	-	-
Accrued interest	6,725	8,129	561	718
Due from other governments	-	-	-	-
	<u>1,863,786</u>	<u>2,276,314</u>	<u>153,260</u>	<u>198,843</u>
Total assets	<u>\$ 1,863,786</u>	<u>\$ 2,276,314</u>	<u>\$ 153,260</u>	<u>\$ 198,843</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 18,390	\$ -	\$ -
Accrued liabilities	2,036	2,036	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
	<u>2,036</u>	<u>20,426</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,036</u>	<u>20,426</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits):</b>				
Restricted for:				
Community development projects	-	-	-	198,843
Public safety - police	-	-	-	-
Community services	-	-	-	-
Public works - streets and roads	1,861,750	2,255,888	153,260	-
Capital projects	-	-	-	-
Public works - street lighting	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>1,861,750</u>	<u>2,255,888</u>	<u>153,260</u>	<u>198,843</u>
	<u>\$ 1,863,786</u>	<u>\$ 2,276,314</u>	<u>\$ 153,260</u>	<u>\$ 198,843</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,863,786</u>	<u>\$ 2,276,314</u>	<u>\$ 153,260</u>	<u>\$ 198,843</u>

(continued)

Special Revenue Funds				
Road Maintenance & Rehab	MSRC Grant Fund	Measure H	Prop C Exchange	BTA Grant Fund
\$ 1,750,115	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
6,241	-	-	-	-
105,448	-	-	-	-
<u>\$ 1,861,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 17,093	\$ -
-	-	-	-	-
-	-	-	-	-
-	157,536	74,270	345,047	416,948
<u>-</u>	<u>157,536</u>	<u>74,270</u>	<u>362,140</u>	<u>416,948</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,861,804	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(157,536)	(74,270)	(362,140)	(416,948)
<u>1,861,804</u>	<u>(157,536)</u>	<u>(74,270)</u>	<u>(362,140)</u>	<u>(416,948)</u>
<u>\$ 1,861,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SOUTH PASADENA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds			
	Housing Authority Fund	Golden Streets Grant Fund	HSIP Grant Fund	Historic Preservation Grant Fund
<b>ASSETS</b>				
Pooled cash and investments	\$ 169,083	\$ 18,171	\$ -	\$ 5,673
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	609	-	-	21
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 169,692</b>	<b>\$ 18,171</b>	<b>\$ -</b>	<b>\$ 5,694</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,590	\$ -	\$ 10,276	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	2,203	-	-	-
Due to other funds	-	-	59,514	-
<b>Total liabilities</b>	<b>4,793</b>	<b>-</b>	<b>69,790</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Restricted for:				
Community development projects	164,899	-	-	5,694
Public safety - police	-	-	-	-
Community services	-	-	-	-
Public works - streets and roads	-	18,171	-	-
Capital projects	-	-	-	-
Public works - street lighting	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	-	-	(69,790)	-
<b>Total fund balances (deficits)</b>	<b>164,899</b>	<b>18,171</b>	<b>(69,790)</b>	<b>5,694</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 169,692</b>	<b>\$ 18,171</b>	<b>\$ -</b>	<b>\$ 5,694</b>

(continued)

Special Revenue Funds		Capital Projects Funds		
SB2 Planning Grant Fund	LEAP Grant Fund	Facilities & Equip. Replacement Fund	Technology Surcharge Fund	2000 Tax Allocation Bonds Fund
\$ -	\$ -	\$ 2,311,533	\$ 54,278	\$ 924,867
-	135,000	-	-	-
-	-	-	-	-
-	-	8,730	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 135,000</u>	<u>\$ 2,320,263</u>	<u>\$ 54,278</u>	<u>\$ 924,867</u>
\$ 32,850	\$ -	\$ 76,063	\$ 49	\$ -
-	-	-	-	-
-	-	-	-	-
12,218	-	-	-	-
<u>45,068</u>	<u>-</u>	<u>76,063</u>	<u>49</u>	<u>-</u>
-	-	-	-	924,867
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	135,000	2,244,200	54,229	-
(45,068)	-	-	-	-
<u>(45,068)</u>	<u>135,000</u>	<u>2,244,200</u>	<u>54,229</u>	<u>924,867</u>
<u>\$ -</u>	<u>\$ 135,000</u>	<u>\$ 2,320,263</u>	<u>\$ 54,278</u>	<u>\$ 924,867</u>

**CITY OF SOUTH PASADENA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

**(concluded)**

	Capital Projects Funds	
	Streets Improvement Program Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
Pooled cash and investments	\$ 2,312,733	\$ 19,828,658
Receivables:		
Accounts	-	154,470
Taxes	-	15,848
Accrued interest	-	58,998
Due from other governments	-	164,831
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 2,312,733</u>	<u>\$ 20,222,805</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 732,602
Accrued liabilities	-	49,071
Deposits payable	-	9,936
Due to other funds	-	1,923,033
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>-</u>	<u>2,714,642</u>
 <b>Fund Balances (Deficits):</b>		
Restricted for:		
Community development projects	-	1,294,303
Public safety - police	-	795,930
Community services	-	2,863,231
Public works - streets and roads	-	8,550,351
Capital projects	-	1,275,555
Public works - street lighting	-	117,414
Committed to:		
Capital projects	2,312,733	4,746,162
Unassigned	-	(2,134,783)
	<u>                    </u>	<u>                    </u>
Total fund balances (deficits)	<u>2,312,733</u>	<u>17,508,163</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,312,733</u>	<u>\$ 20,222,805</u>



**CITY OF SOUTH PASADENA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds			
	MTA Pedestrian Improvement	Proposition A	Proposition C	Rogan HR 5294 Grant Fund
<b>Revenues</b>				
Taxes	\$ -	\$ 674,676	\$ 559,624	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	6,762	-
Intergovernmental	-	-	-	-
Charges for services	-	3,059	-	-
Use of money and property	-	22,631	17,107	-
Miscellaneous	-	1,210	-	-
Total revenues	-	701,576	583,493	-
<b>Expenditures</b>				
Current:				
General government	-	16,056	7,153	-
Community development	-	-	-	-
Community services	-	452,722	221,217	-
Public works	-	-	-	-
Capital outlay	-	181,458	35,400	167,246
Total expenditures	-	650,236	263,770	167,246
Excess (deficiency) of revenues over (under) expenditures	-	51,340	319,723	(167,246)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	51,340	319,723	(167,246)
Fund Balances (Deficit), beginning	(29,951)	1,858,065	1,217,459	(5,708)
Fund Balances (Deficit), ending	\$ (29,951)	\$ 1,909,405	\$ 1,537,182	\$ (172,954)

(continued)

Special Revenue Funds				
Street Lighting	Clean Air Act	Parking and Business Improvement	Gold Line Mitigation	Mission Meridian Public Garage
\$ -	\$ -	\$ 63,231	\$ -	\$ -
896,896	-	-	-	-
-	-	33,068	-	-
-	35,088	-	-	-
-	-	-	-	-
1,526	1,920	-	750	-
3,685	-	-	-	-
<u>902,107</u>	<u>37,008</u>	<u>96,299</u>	<u>750</u>	<u>-</u>
-	-	108,431	-	8,042
-	-	-	-	-
-	-	-	-	-
1,261,781	-	-	-	-
-	-	-	-	-
<u>1,261,781</u>	<u>-</u>	<u>108,431</u>	<u>-</u>	<u>8,042</u>
<u>(359,674)</u>	<u>37,008</u>	<u>(12,132)</u>	<u>750</u>	<u>(8,042)</u>
<u>383,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>383,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
23,405	37,008	(12,132)	750	(8,042)
<u>94,009</u>	<u>153,512</u>	<u>(15,609)</u>	<u>63,408</u>	<u>(362,056)</u>
<u>\$ 117,414</u>	<u>\$ 190,520</u>	<u>\$ (27,741)</u>	<u>\$ 64,158</u>	<u>\$ (370,098)</u>

**CITY OF SOUTH PASADENA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds			
	State Gas Tax	County Park Bond	Capital Growth Requirements	C.D.B.G
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	681,344	-	-	-
Charges for services	-	-	59,971	-
Use of money and property	11,168	-	7,273	-
Miscellaneous	-	-	-	20,968
Total revenues	<u>692,512</u>	<u>-</u>	<u>67,244</u>	<u>20,968</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	23,292
Public works	749,673	46,543	-	-
Capital outlay	-	-	20,252	-
Total expenditures	<u>749,673</u>	<u>46,543</u>	<u>20,252</u>	<u>23,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,161)</u>	<u>(46,543)</u>	<u>46,992</u>	<u>(2,324)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(57,161)	(46,543)	46,992	(2,324)
Fund Balances (Deficit), beginning	<u>919,457</u>	<u>(210,465)</u>	<u>588,529</u>	<u>(2,584)</u>
Fund Balances (Deficit), ending	<u>\$ 862,296</u>	<u>\$ (257,008)</u>	<u>\$ 635,521</u>	<u>\$ (4,908)</u>

(continued)

Special Revenue Funds				
Asset Forfeiture	Measure W	State Police Grant	Homeland Security Grant	Park Impact Fees
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	254,324	165,370	-	-
-	-	-	-	177,067
2,749	4,503	5,465	-	10,260
-	-	-	-	-
<u>2,749</u>	<u>258,827</u>	<u>170,835</u>	<u>-</u>	<u>187,327</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,099
-	154,694	-	-	-
-	-	-	-	36,288
<u>-</u>	<u>154,694</u>	<u>-</u>	<u>-</u>	<u>39,387</u>
<u>2,749</u>	<u>104,133</u>	<u>170,835</u>	<u>-</u>	<u>147,940</u>
-	-	-	-	-
-	-	-	-	-
2,749	104,133	170,835	-	147,940
<u>232,477</u>	<u>281,223</u>	<u>389,869</u>	<u>(146,371)</u>	<u>805,886</u>
<u>\$ 235,226</u>	<u>\$ 385,356</u>	<u>\$ 560,704</u>	<u>\$ (146,371)</u>	<u>\$ 953,826</u>

**CITY OF SOUTH PASADENA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds			
	Measure R	Measure M	TDA/Metro Grant Fund	Public Education
<b>Revenues</b>				
Taxes	\$ 419,597	\$ 474,654	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	6,659
Charges for services	-	-	-	-
Use of money and property	20,053	24,538	1,792	2,272
Miscellaneous	-	-	-	-
Total revenues	<u>439,650</u>	<u>499,192</u>	<u>1,792</u>	<u>8,931</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	21,020	39,409	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>21,020</u>	<u>39,409</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>418,630</u>	<u>459,783</u>	<u>1,792</u>	<u>8,931</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	418,630	459,783	1,792	8,931
Fund Balances (Deficit), beginning	<u>1,443,120</u>	<u>1,796,105</u>	<u>151,468</u>	<u>189,912</u>
Fund Balances (Deficit), ending	<u>\$ 1,861,750</u>	<u>\$ 2,255,888</u>	<u>\$ 153,260</u>	<u>\$ 198,843</u>

(continued)

Special Revenue Funds				
Road Maintenance & Rehab	MSRC Grant Fund	Measure H	Prop C Exchange	BTA Grant Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
601,769	-	-	-	-
-	-	13,429	-	-
17,842	-	-	-	-
-	-	-	-	-
619,611	-	13,429	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	4,550	-	17,093	-
-	4,550	-	17,093	-
619,611	(4,550)	13,429	(17,093)	-
-	-	-	-	-
-	-	-	-	-
619,611	(4,550)	13,429	(17,093)	-
1,242,193	(152,986)	(87,699)	(345,047)	(416,948)
\$ 1,861,804	\$ (157,536)	\$ (74,270)	\$ (362,140)	\$ (416,948)

**CITY OF SOUTH PASADENA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds			
	Housing Authority Fund	Golden Streets Grant Fund	HSIP Grant Fund	Historic Preservation Grant Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	420,000	180,188	-
Charges for services	-	-	-	-
Use of money and property	51,616	-	-	67
Miscellaneous	-	-	-	-
Total revenues	51,616	420,000	180,188	67
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Community development	3,690	-	-	-
Community services	-	-	-	-
Public works	-	90,033	-	-
Capital outlay	-	-	21,317	-
Total expenditures	3,690	90,033	21,317	-
Excess (deficiency) of revenues over (under) expenditures	47,926	329,967	158,871	67
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	47,926	329,967	158,871	67
Fund Balances (Deficit), beginning	116,973	(311,796)	(228,661)	5,627
Fund Balances (Deficit), ending	\$ 164,899	\$ 18,171	\$ (69,790)	\$ 5,694

(continued)

Special Revenue Funds		Capital Projects Funds		
SB2 Planning Grant Fund	LEAP Grant Fund	Facilities & Equip. Replacement Fund	Technology Surcharge Fund	2000 Tax Allocation Bonds Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	135,000	-	-	-
-	-	-	31,004	-
-	-	28,793	-	-
-	-	-	-	-
-	135,000	28,793	31,004	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
45,068	-	255,387	-	-
45,068	-	255,387	-	-
(45,068)	135,000	(226,594)	31,004	-
-	-	-	-	-
-	-	-	-	-
(45,068)	135,000	(226,594)	31,004	-
-	-	2,470,794	23,225	924,867
\$ (45,068)	\$ 135,000	\$ 2,244,200	\$ 54,229	\$ 924,867



**CITY OF SOUTH PASADENA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**(concluded)**

	Capital Projects Funds <u>Streets Improvement Program Fund</u>	Total Nonmajor Governmental Funds <u>Funds</u>
<b>Revenues</b>		
Taxes	\$ -	\$ 2,191,782
Assessments	-	896,896
Licenses and permits	-	39,830
Intergovernmental	-	2,479,742
Charges for services	-	284,530
Use of money and property	(1,604)	230,721
Miscellaneous	-	25,863
	<u>(1,604)</u>	<u>6,149,364</u>
<b>Expenditures</b>		
Current:		
General government	-	139,682
Community development	-	3,690
Community services	-	700,330
Public works	-	2,363,153
Capital outlay	43,984	828,043
	<u>43,984</u>	<u>4,034,898</u>
Total expenditures	<u>43,984</u>	<u>4,034,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,588)</u>	<u>2,114,466</u>
<b>Other Financing Sources (Uses)</b>		
Transfers in	-	383,079
	<u>-</u>	<u>383,079</u>
Total other financing sources (uses)	<u>-</u>	<u>383,079</u>
Net change in fund balances	(45,588)	2,497,545
Fund Balances (Deficit), beginning	<u>2,358,321</u>	<u>15,010,618</u>
Fund Balances (Deficit), ending	<u>\$ 2,312,733</u>	<u>\$ 17,508,163</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 PROPOSITION A  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 626,217	\$ 626,217	\$ 674,676	\$ 48,459
Charges for services	5,000	5,000	3,059	(1,941)
Use of money and property	10,000	10,000	22,631	12,631
Miscellaneous	15,000	15,000	1,210	(13,790)
Total revenues	<u>656,217</u>	<u>656,217</u>	<u>701,576</u>	<u>45,359</u>
<b>Expenditures</b>				
Current:				
General government	15,631	15,631	16,056	(425)
Community services	601,823	601,823	452,722	149,101
Capital outlay	169,000	201,595	181,458	20,137
Total expenditures	<u>786,454</u>	<u>819,049</u>	<u>650,236</u>	<u>168,813</u>
Net change in fund balance	(130,237)	(162,832)	51,340	214,172
Fund balance, beginning	<u>1,858,065</u>	<u>1,858,065</u>	<u>1,858,065</u>	-
Fund balance, ending	<u>\$ 1,727,828</u>	<u>\$ 1,695,233</u>	<u>\$ 1,909,405</u>	<u>\$ 214,172</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 PROPOSITION C  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 519,430	\$ 519,430	\$ 559,624	\$ 40,194
Licenses and permits	40,000	40,000	6,762	(33,238)
Use of money and property	9,000	9,000	17,107	8,107
Total revenues	<u>568,430</u>	<u>568,430</u>	<u>583,493</u>	<u>15,063</u>
<b>Expenditures</b>				
Current:				
General government	6,698	6,698	7,153	(455)
Community services	301,087	301,087	221,217	79,870
Capital outlay	300,000	331,550	35,400	296,150
Total expenditures	<u>607,785</u>	<u>639,335</u>	<u>263,770</u>	<u>375,565</u>
Net change in fund balance	(39,355)	(70,905)	319,723	390,628
Fund balance, beginning	<u>1,217,459</u>	<u>1,217,459</u>	<u>1,217,459</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,178,104</u>	<u>\$ 1,146,554</u>	<u>\$ 1,537,182</u>	<u>\$ 390,628</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
STREET LIGHTING  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Assessments	\$ 900,000	\$ 900,000	\$ 896,896	\$ (3,104)
Use of money and property	4,000	4,000	1,526	(2,474)
Miscellaneous	5,000	5,000	3,685	(1,315)
Total revenues	<u>909,000</u>	<u>909,000</u>	<u>902,107</u>	<u>(6,893)</u>
<b>Expenditures</b>				
Current:				
Public works	1,573,281	1,671,281	1,261,781	409,500
Capital outlay	30,000	30,000	-	30,000
Total expenditures	<u>1,603,281</u>	<u>1,701,281</u>	<u>1,261,781</u>	<u>439,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(694,281)</u>	<u>(792,281)</u>	<u>(359,674)</u>	<u>432,607</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	383,079	383,079	383,079	-
Total other financing sources (uses)	<u>383,079</u>	<u>383,079</u>	<u>383,079</u>	<u>-</u>
Net change in fund balance	(311,202)	(409,202)	23,405	432,607
Fund balance, beginning	<u>94,009</u>	<u>94,009</u>	<u>94,009</u>	<u>-</u>
Fund balance, ending	<u>\$ (217,193)</u>	<u>\$ (315,193)</u>	<u>\$ 117,414</u>	<u>\$ 432,607</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 CLEAN AIR ACT  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 33,200	\$ 33,200	\$ 35,088	\$ 1,888
Use of money and property	1,500	1,500	1,920	420
Total revenues	<u>34,700</u>	<u>34,700</u>	<u>37,008</u>	<u>2,308</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	34,700	34,700	37,008	2,308
Fund balance, beginning	<u>153,512</u>	<u>153,512</u>	<u>153,512</u>	<u>-</u>
Fund balance, ending	<u>\$ 188,212</u>	<u>\$ 188,212</u>	<u>\$ 190,520</u>	<u>\$ 2,308</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 PARKING AND BUSINESS DEVELOPMENT  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 60,000	\$ 60,000	\$ 63,231	\$ 3,231
Licenses and permits	26,000	26,000	33,068	7,068
Use of money and property	500	500	-	(500)
Total revenues	<u>86,500</u>	<u>86,500</u>	<u>96,299</u>	<u>9,799</u>
<b>Expenditures</b>				
Current:				
General government	110,500	112,000	108,431	3,569
Total expenditures	<u>110,500</u>	<u>112,000</u>	<u>108,431</u>	<u>3,569</u>
Net change in fund balance	(24,000)	(25,500)	(12,132)	13,368
Fund balance (deficit), beginning	<u>(15,609)</u>	<u>(15,609)</u>	<u>(15,609)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (39,609)</u>	<u>\$ (41,109)</u>	<u>\$ (27,741)</u>	<u>\$ 13,368</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 MISSION MERIDIAN PUBLIC GARAGE  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current:				
General government	15,000	15,000	8,042	6,958
Total expenditures	15,000	15,000	8,042	6,958
Net change in fund balance	(15,000)	(15,000)	(8,042)	6,958
Fund balance (deficit), beginning	(362,056)	(362,056)	(362,056)	-
Fund balance (deficit), ending	\$ (377,056)	\$ (377,056)	\$ (370,098)	\$ 6,958

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 STATE GAS TAX  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 747,620	\$ 747,620	\$ 681,344	\$ (66,276)
Use of money and property	10,000	10,000	11,168	1,168
Total revenues	<u>757,620</u>	<u>757,620</u>	<u>692,512</u>	<u>(65,108)</u>
<b>Expenditures</b>				
Current:				
Public works	1,226,418	1,242,418	749,673	492,745
Capital outlay	65,000	65,000	-	65,000
Total expenditures	<u>1,291,418</u>	<u>1,307,418</u>	<u>749,673</u>	<u>557,745</u>
Net change in fund balance	(533,798)	(549,798)	(57,161)	492,637
Fund balance, beginning	<u>919,457</u>	<u>919,457</u>	<u>919,457</u>	<u>-</u>
Fund balance, ending	<u>\$ 385,659</u>	<u>\$ 369,659</u>	<u>\$ 862,296</u>	<u>\$ 492,637</u>



**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 COUNTY PARK BOND  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 470,000	\$ 470,000	\$ -	\$ (470,000)
Total revenues	<u>470,000</u>	<u>470,000</u>	<u>-</u>	<u>(470,000)</u>
<b>Expenditures</b>				
Current:				
Public works	97,500	106,000	46,543	59,457
Total expenditures	<u>97,500</u>	<u>106,000</u>	<u>46,543</u>	<u>59,457</u>
Net change in fund balance	372,500	364,000	(46,543)	(410,543)
Fund balance (deficit), beginning	<u>(210,465)</u>	<u>(210,465)</u>	<u>(210,465)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ 162,035</u>	<u>\$ 153,535</u>	<u>\$ (257,008)</u>	<u>\$ (410,543)</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 CAPITAL GROWTH REQUIREMENTS  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 40,000	\$ 40,000	\$ 59,971	\$ 19,971
Use of money and property	-	-	7,273	7,273
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>67,244</u>	<u>27,244</u>
<b>Expenditures</b>				
Capital outlay	450,000	450,000	20,252	429,748
Total expenditures	<u>450,000</u>	<u>450,000</u>	<u>20,252</u>	<u>429,748</u>
Net change in fund balance	(410,000)	(410,000)	46,992	456,992
Fund balance, beginning	<u>588,529</u>	<u>588,529</u>	<u>588,529</u>	<u>-</u>
Fund balance, ending	<u>\$ 178,529</u>	<u>\$ 178,529</u>	<u>\$ 635,521</u>	<u>\$ 456,992</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
CDBG  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 236,533	\$ 236,533	\$ -	\$ (236,533)
Miscellaneous	28,000	28,000	20,968	(7,032)
Total revenues	<u>264,533</u>	<u>264,533</u>	<u>20,968</u>	<u>(243,565)</u>
<b>Expenditures</b>				
Current:				
Community services	26,281	26,281	23,292	2,989
Capital outlay	105,126	321,723	-	321,723
Total expenditures	<u>131,407</u>	<u>348,004</u>	<u>23,292</u>	<u>324,712</u>
Net change in fund balance	133,126	(83,471)	(2,324)	81,147
Fund balance (deficit), beginning	<u>(2,584)</u>	<u>(2,584)</u>	<u>(2,584)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ 130,542</u>	<u>\$ (86,055)</u>	<u>\$ (4,908)</u>	<u>\$ 81,147</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 ASSET FORFEITURE  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 2,749	\$ 2,749
Total revenues	-	-	2,749	2,749
<b>Expenditures</b>				
Current:				
Public Safety	10,000	10,000	-	10,000
Capital outlay	50,000	50,000	-	50,000
Total expenditures	60,000	60,000	-	60,000
Net change in fund balance	(60,000)	(60,000)	2,749	62,749
Fund balance, beginning	232,477	232,477	232,477	-
Fund balance, ending	\$ 172,477	\$ 172,477	\$ 235,226	\$ 62,749

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 MEASURE W  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 251,179	\$ 251,179	\$ 254,324	\$ 3,145
Use of money and property	-	-	4,503	4,503
Total revenues	<u>251,179</u>	<u>251,179</u>	<u>258,827</u>	<u>7,648</u>
<b>Expenditures</b>				
Current:				
Public works	290,270	290,270	154,694	135,576
Capital outlay	5,000	5,000	-	5,000
Total expenditures	<u>295,270</u>	<u>295,270</u>	<u>154,694</u>	<u>140,576</u>
Net change in fund balance	(44,091)	(44,091)	104,133	148,224
Fund balance, beginning	<u>281,223</u>	<u>281,223</u>	<u>281,223</u>	<u>-</u>
Fund balance, ending	<u>\$ 237,132</u>	<u>\$ 237,132</u>	<u>\$ 385,356</u>	<u>\$ 148,224</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 STATE POLICE GRANT  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 165,370	\$ 65,370
Use of money and property	2,500	2,500	5,465	2,965
Total revenues	<u>102,500</u>	<u>102,500</u>	<u>170,835</u>	<u>68,335</u>
<b>Expenditures</b>				
Capital outlay	130,000	130,000	-	130,000
Total expenditures	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>130,000</u>
Net change in fund balance	(27,500)	(27,500)	170,835	198,335
Fund balance, beginning	<u>389,869</u>	<u>389,869</u>	<u>389,869</u>	<u>-</u>
Fund balance, ending	<u>\$ 362,369</u>	<u>\$ 362,369</u>	<u>\$ 560,704</u>	<u>\$ 198,335</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 HOMELAND SECURITY GRANT  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 44,369	\$ 44,369	\$ -	\$ (44,369)
Total revenues	44,369	44,369	-	(44,369)
<b>Expenditures</b>				
Capital outlay	1,240	1,240	-	1,240
Total expenditures	1,240	1,240	-	1,240
Net change in fund balance	43,129	43,129	-	(43,129)
Fund balance (deficit), beginning	(146,371)	(146,371)	(146,371)	-
Fund balance (deficit), ending	\$ (103,242)	\$ (103,242)	\$ (146,371)	\$ (43,129)

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 PARK IMPACT FEES  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 160,000	\$ 160,000	\$ 177,067	\$ 17,067
Use of money and property	6,000	6,000	10,260	4,260
Total revenues	<u>166,000</u>	<u>166,000</u>	<u>187,327</u>	<u>21,327</u>
<b>Expenditures</b>				
Current:				
Community services	-	-	3,099	(3,099)
Capital outlay	825,000	876,255	36,288	839,967
Total expenditures	<u>825,000</u>	<u>876,255</u>	<u>39,387</u>	<u>836,868</u>
Net change in fund balance	(659,000)	(710,255)	147,940	858,195
Fund balance, beginning	<u>805,886</u>	<u>805,886</u>	<u>805,886</u>	-
Fund balance, ending	<u>\$ 146,886</u>	<u>\$ 95,631</u>	<u>\$ 953,826</u>	<u>\$ 858,195</u>



**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 MEASURE R  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 389,573	\$ 389,573	\$ 419,597	\$ 30,024
Use of money and property	10,000	10,000	20,053	10,053
Total revenues	<u>399,573</u>	<u>399,573</u>	<u>439,650</u>	<u>40,077</u>
<b>Expenditures</b>				
Current:				
Public works	67,416	71,376	21,020	50,356
Capital outlay	<u>300,000</u>	<u>300,000</u>	-	<u>300,000</u>
Total expenditures	<u>367,416</u>	<u>371,376</u>	<u>21,020</u>	<u>350,356</u>
Net change in fund balance	32,157	28,197	418,630	390,433
Fund balance, beginning	<u>1,443,120</u>	<u>1,443,120</u>	<u>1,443,120</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,475,277</u>	<u>\$ 1,471,317</u>	<u>\$ 1,861,750</u>	<u>\$ 390,433</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 MEASURE M  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 441,516	\$ 441,516	\$ 474,654	\$ 33,138
Use of money and property	7,000	7,000	24,538	17,538
Total revenues	<u>448,516</u>	<u>448,516</u>	<u>499,192</u>	<u>50,676</u>
<b>Expenditures</b>				
Current:				
Public works	239,851	243,811	39,409	204,402
Capital outlay	177,565	177,565	-	177,565
Total expenditures	<u>417,416</u>	<u>421,376</u>	<u>39,409</u>	<u>381,967</u>
Net change in fund balance	31,100	27,140	459,783	432,643
Fund balance, beginning	<u>1,796,105</u>	<u>1,796,105</u>	<u>1,796,105</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,827,205</u>	<u>\$ 1,823,245</u>	<u>\$ 2,255,888</u>	<u>\$ 432,643</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 PUBLIC EDUCATION FUND  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 6,659	\$ (3,341)
Use of money and property	1,000	1,000	2,272	1,272
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>8,931</u>	<u>(2,069)</u>
<b>Expenditures</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	11,000	11,000	8,931	(2,069)
Fund balance, beginning	<u>189,912</u>	<u>189,912</u>	<u>189,912</u>	<u>-</u>
Fund balance, ending	<u>\$ 200,912</u>	<u>\$ 200,912</u>	<u>\$ 198,843</u>	<u>\$ (2,069)</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 ROAD MAINTENANCE & REHAB FUND  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 585,093	\$ 585,093	\$ 601,769	\$ 16,676
Use of money and property	7,000	7,000	17,842	10,842
Total revenues	<u>592,093</u>	<u>592,093</u>	<u>619,611</u>	<u>27,518</u>
<b>Expenditures</b>				
Capital outlay	585,093	585,093	-	585,093
Total expenditures	<u>585,093</u>	<u>585,093</u>	<u>-</u>	<u>585,093</u>
Net change in fund balance	7,000	7,000	619,611	612,611
Fund balance, beginning	<u>1,242,193</u>	<u>1,242,193</u>	<u>1,242,193</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,249,193</u>	<u>\$ 1,249,193</u>	<u>\$ 1,861,804</u>	<u>\$ 612,611</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 MSRC GRANT  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures</b>				
Capital outlay	-	4,550	4,550	-
Total expenditures	-	4,550	4,550	-
Net change in fund balance	-	(4,550)	(4,550)	-
Fund balance (deficit), beginning	(152,986)	(152,986)	(152,986)	-
Fund balance (deficit), ending	\$ (152,986)	\$ (157,536)	\$ (157,536)	\$ -

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 HOUSING AUTHORITY  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 45,528	\$ 45,528	\$ 51,616	\$ 6,088
Total revenues	45,528	45,528	51,616	6,088
<b>Expenditures</b>				
Current:				
Community development	11,700	11,700	3,690	8,010
Total expenditures	11,700	11,700	3,690	8,010
Net change in fund balance	33,828	33,828	47,926	14,098
Fund balance, beginning	116,973	116,973	116,973	-
Fund balance, ending	\$ 150,801	\$ 150,801	\$ 164,899	\$ 14,098

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 HSIP GRANT  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 554,365	\$ 554,365	\$ 180,188	\$ (374,177)
Total revenues	<u>554,365</u>	<u>554,365</u>	<u>180,188</u>	<u>(374,177)</u>
<b>Expenditures</b>				
Capital outlay	554,365	623,762	21,317	602,445
Total expenditures	<u>554,365</u>	<u>623,762</u>	<u>21,317</u>	<u>602,445</u>
Net change in fund balance	-	(69,397)	158,871	228,268
Fund balance (deficit), beginning	<u>(228,661)</u>	<u>(228,661)</u>	<u>(228,661)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (228,661)</u>	<u>\$ (298,058)</u>	<u>\$ (69,790)</u>	<u>\$ 228,268</u>

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 SB2 PLANNING GRANT  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 160,000	\$ 160,000	\$ -	\$ (160,000)
Use of money and property	-	-	-	-
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
<b>Expenditures</b>				
Capital outlay	160,000	160,000	45,068	114,932
Total expenditures	<u>160,000</u>	<u>160,000</u>	<u>45,068</u>	<u>114,932</u>
Net change in fund balance	-	-	(45,068)	(45,068)
Fund balance , beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,068)</u>	<u>\$ (45,068)</u>



**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FACILITIES & EQUIPMENT REPLACEMENT CAPITAL PROJECT  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 1,000	\$ 1,000	\$ 28,793	\$ 27,793
Total revenues	1,000	1,000	28,793	27,793
<b>Expenditures</b>				
Capital outlay	1,014,000	1,490,124	255,387	1,234,737
Total expenditures	1,014,000	1,490,124	255,387	1,234,737
Net change in fund balance	(1,013,000)	(1,489,124)	(226,594)	1,262,530
Fund balance, beginning	2,470,794	2,470,794	2,470,794	-
Fund balance, ending	\$ 1,457,794	\$ 981,670	\$ 2,244,200	\$ 1,262,530

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 STREETS IMPROVEMENT PROGRAM CAPITAL PROJECT  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ (1,604)	\$ (1,604)
Total revenues	-	-	(1,604)	(1,604)
<b>Expenditures</b>				
Capital outlay	-	2,353,628	43,984	2,309,644
Total expenditures	-	2,353,628	43,984	2,309,644
Net change in fund balance	-	(2,353,628)	(45,588)	2,308,040
Fund balance, beginning	2,358,321	2,358,321	2,358,321	-
Fund balance, ending	\$ 2,358,321	\$ 4,693	\$ 2,312,733	\$ 2,308,040

**STATISTICAL SECTION**

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# CITY OF SOUTH PASADADENA

## STATISTICAL SECTION

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The statistical section of the City of South Pasadena's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

<b>CONTENTS</b>	<b>Page</b>
<b>Financial Trends</b>	121
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.</p>	
<b>Revenue Capacity</b>	126
<p>These schedules contain information to help the reader assess one of the City's most significant local revenue source, the property tax.</p>	
<b>Debt Capacity</b>	130
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information</b>	134
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
<b>Operating Information</b>	137
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</p>	

**Source:** Unless otherwise noted, the information in the schedules is derived from the annual financial comprehensive reports for the relevant year.

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## ***Financial Trends***

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**CITY OF SOUTH PASADADENA**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 62,764,726	\$ 63,611,268	\$ 57,152,793	\$ 59,774,372	\$ 62,806,755	\$ 60,351,839	\$ 59,395,318	\$ 60,662,686	\$ 60,214,729	\$ 55,139,529
Restricted	3,184,841	4,179,297	4,894,822	6,328,022	6,336,084	8,115,962	9,634,946	10,700,987	13,615,668	14,896,784
Unrestricted	8,720,752	(14,506,500)	(12,620,721)	(15,130,068)	(24,210,258)	(22,350,734)	(26,491,377)	(21,837,814)	(20,425,310)	(15,008,471)
<b>Total governmental activities net position</b>	<b>\$ 74,670,319</b>	<b>\$ 53,284,065</b>	<b>\$ 49,426,894</b>	<b>\$ 50,972,326</b>	<b>\$ 44,932,581</b>	<b>\$ 46,117,067</b>	<b>\$ 42,538,887</b>	<b>\$ 49,525,859</b>	<b>\$ 53,405,087</b>	<b>\$ 55,027,842</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 10,855,319	\$ 11,727,300	\$ 19,878,644	\$ 22,302,873	\$ 25,526,014	\$ 23,661,335	\$ 25,255,248	\$ 32,772,024	\$ 32,481,547	\$ 29,984,714
Restricted	-	2,982,160	2,880,237	2,998,161	1,154,374	1,156,612	1,158,406	1,158,268	158,464	164,055
Unrestricted	6,943,845	4,690,608	4,159,721	4,178,403	6,037,490	10,548,528	13,371,764	11,179,697	25,432,678	34,302,067
<b>Total business-type activities net position</b>	<b>\$ 17,799,164</b>	<b>\$ 19,400,068</b>	<b>\$ 26,918,602</b>	<b>\$ 29,479,437</b>	<b>\$ 32,717,878</b>	<b>\$ 35,366,475</b>	<b>\$ 39,785,418</b>	<b>\$ 45,109,989</b>	<b>\$ 58,072,689</b>	<b>\$ 64,450,836</b>
<b>Primary Government:</b>										
Net investment in capital assets	\$ 73,620,045	\$ 75,338,568	\$ 77,031,437	\$ 82,077,245	\$ 88,332,769	\$ 84,013,174	\$ 84,650,566	\$ 93,434,710	\$ 92,696,276	\$ 85,124,243
Restricted	3,184,841	7,161,457	7,775,059	9,326,183	7,490,458	9,272,574	10,793,352	11,859,255	13,774,132	15,060,839
Unrestricted	15,664,597	(9,815,892)	(8,461,000)	(10,951,665)	(18,172,768)	(11,802,206)	(13,119,613)	(10,658,117)	5,007,368	19,293,596
<b>Total primary government net position</b>	<b>\$ 92,469,483</b>	<b>\$ 72,684,133</b>	<b>\$ 76,345,496</b>	<b>\$ 80,451,763</b>	<b>\$ 77,650,459</b>	<b>\$ 81,483,542</b>	<b>\$ 82,324,305</b>	<b>\$ 94,635,848</b>	<b>\$ 111,477,776</b>	<b>\$ 119,478,678</b>

**CITY OF SOUTH PASADENA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses:</b>										
Governmental Activities:										
General government	\$ 5,039,084	\$ 4,354,683	\$ 3,847,476	\$ 4,324,484	\$ 5,560,722	\$ 6,014,464	\$ 10,256,658	\$ 8,193,683	\$ 10,995,232	\$ 14,558,524
Public safety	11,012,625	12,363,366	13,218,063	15,596,078	14,624,313	14,261,686	16,650,223	19,452,587	16,504,092	17,246,487
Community development	918,665	1,116,084	953,471	1,289,447	1,037,091	1,361,590	1,891,456	1,861,097	2,672,653	3,661,544
Community services	3,132,433	3,336,626	3,153,329	3,566,285	3,819,654	3,984,070	3,768,976	3,477,936	4,284,119	4,682,762
Public works	4,990,390	5,578,457	5,578,850	5,529,025	5,197,516	6,045,511	5,536,975	3,661,617	4,479,655	6,302,312
Interest on long-term debt	4,465	4,335	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>25,097,662</b>	<b>26,753,551</b>	<b>26,751,189</b>	<b>30,305,319</b>	<b>30,239,296</b>	<b>31,667,321</b>	<b>38,104,288</b>	<b>36,646,920</b>	<b>38,935,751</b>	<b>46,451,629</b>
Business-type activities:										
Water Utility	5,804,509	4,772,647	5,886,309	7,028,827	7,060,363	8,116,822	8,817,002	8,206,574	9,521,857	9,517,654
Sewer Utility	998,603	968,996	962,623	1,012,338	686,672	1,280,398	1,189,754	1,353,548	1,233,642	1,285,403
Arroyo Seco Golf Course	930,255	923,660	954,898	1,032,358	1,096,327	1,158,137	1,030,565	1,131,455	1,314,725	1,389,047
<b>Total Business-type Activities Expenses</b>	<b>7,733,367</b>	<b>6,665,303</b>	<b>7,803,830</b>	<b>9,073,523</b>	<b>8,843,362</b>	<b>10,555,357</b>	<b>11,037,321</b>	<b>10,691,577</b>	<b>12,070,224</b>	<b>12,192,104</b>
<b>Total Primary Government Expenses</b>	<b>32,831,029</b>	<b>33,418,854</b>	<b>34,555,019</b>	<b>39,378,842</b>	<b>39,082,658</b>	<b>42,222,678</b>	<b>49,141,609</b>	<b>47,338,497</b>	<b>51,005,975</b>	<b>58,643,733</b>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
General government	1,173,376	1,372,549	1,126,241	1,026,398	922,603	806,758	2,138,708	1,615,244	3,993,078	6,504,618
Public safety	983,181	1,189,968	1,154,628	1,166,125	1,554,948	1,584,152	1,479,307	2,077,333	1,465,821	1,727,521
Community development	761,632	963,987	804,309	871,571	3,160	7,647	15,812	-	16,976	4,164
Community services	864,271	1,064,439	853,949	926,897	841,445	761,334	480,130	324,106	813,361	740,318
Public works	1,159,519	1,226,729	1,172,172	1,189,342	1,449,325	1,313,942	1,385,391	1,358,505	1,825,634	2,082,322
<b>Total Charges for Services</b>	<b>4,941,979</b>	<b>5,817,672</b>	<b>5,111,299</b>	<b>5,180,333</b>	<b>4,771,481</b>	<b>4,473,833</b>	<b>5,499,348</b>	<b>5,375,188</b>	<b>8,114,870</b>	<b>11,058,943</b>
Operating Contribution and Grants:										
General government	53,999	21,413	164,625	312,062	48,304	755,965	414,862	1,415,551	693,911	2,121,823
Public safety	328,654	185,067	116,029	175,919	173,401	136,627	197,747	176,000	220,950	200,269
Community development	504,312	476,886	627,488	810,749	22,189	34,967	2,876	23,916	40,093	2,950
Community services	24,876	38,348	20,527	84,519	25,248	965,060	1,010,094	931,932	1,212,540	1,255,268
Public works	348,797	212,472	399,656	87,864	702,884	2,338,935	1,802,848	1,823,284	2,095,848	2,430,259
<b>Total Operating Contributions and Grants</b>	<b>1,260,638</b>	<b>934,186</b>	<b>1,328,325</b>	<b>1,471,113</b>	<b>972,026</b>	<b>4,231,554</b>	<b>3,428,427</b>	<b>4,370,683</b>	<b>4,263,342</b>	<b>6,010,569</b>
Capital Contributions and Grants:										
Community development	-	-	-	901,436	-	-	-	-	-	-
Community services	-	-	-	-	143,601	115,076	-	-	-	-
Public works	1,300,814	1,220,504	734,935	1,516,800	1,182,367	957,234	976,308	1,429,167	923,772	1,316,896
<b>Total Capital Contributions and Grants</b>	<b>1,300,814</b>	<b>1,220,504</b>	<b>734,935</b>	<b>2,418,236</b>	<b>1,325,968</b>	<b>1,072,310</b>	<b>976,308</b>	<b>1,429,167</b>	<b>923,772</b>	<b>1,316,896</b>
<b>Total Governmental Activities Program Revenue</b>	<b>7,503,431</b>	<b>7,972,362</b>	<b>7,174,559</b>	<b>9,069,682</b>	<b>7,069,475</b>	<b>9,777,697</b>	<b>9,904,083</b>	<b>11,175,038</b>	<b>13,301,984</b>	<b>18,386,408</b>
Business-type Activities:										
Charges for services:										
Water Utility	9,210,982	8,694,880	8,094,350	8,804,890	9,830,246	10,152,661	11,089,616	12,022,464	12,484,238	11,516,207
Sewer Utility	1,256,682	1,353,233	1,543,925	1,583,362	1,614,351	1,472,122	1,962,443	2,108,764	2,200,532	2,226,832
Arroyo Seco Golf Course	1,197,047	1,133,562	1,129,927	1,101,970	1,166,516	1,255,815	1,074,883	1,767,133	1,390,303	1,672,607
Operating Contribution and Grants:										
Water Utility	-	-	-	-	200,167	-	90,833	30,604	-	-
<b>Total Business-type Activities Program Revenue</b>	<b>11,664,711</b>	<b>11,181,675</b>	<b>10,768,202</b>	<b>11,490,222</b>	<b>12,811,280</b>	<b>12,880,598</b>	<b>14,217,775</b>	<b>15,928,965</b>	<b>16,075,073</b>	<b>15,415,646</b>
<b>Total primary government program revenues</b>	<b>19,168,142</b>	<b>19,154,037</b>	<b>17,942,761</b>	<b>20,559,904</b>	<b>19,880,755</b>	<b>22,658,295</b>	<b>24,121,858</b>	<b>27,104,003</b>	<b>29,377,057</b>	<b>33,802,054</b>
<b>Net (expenses) revenues:</b>										
Governmental activities	(17,594,231)	(18,781,189)	(19,576,630)	(21,235,637)	(23,169,821)	(21,889,624)	(28,200,205)	(25,471,882)	(25,633,767)	(28,065,221)
Business-type activities	3,931,344	4,516,372	2,964,372	2,416,699	3,967,918	2,325,241	3,180,454	5,237,388	4,004,849	3,223,542
<b>Total primary government net (expenses)/revenues</b>	<b>\$ (13,662,887)</b>	<b>\$ (14,264,817)</b>	<b>\$ (16,612,258)</b>	<b>\$ (18,818,938)</b>	<b>\$ (19,201,903)</b>	<b>\$ (19,564,383)</b>	<b>\$ (25,019,751)</b>	<b>\$ (20,234,494)</b>	<b>\$ (21,628,918)</b>	<b>\$ (24,841,679)</b>

**CITY OF SOUTH PASADENA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 11,462,585	\$ 11,779,438	\$ 12,632,984	\$ 13,236,932	\$ 14,135,844	\$ 15,368,198	\$ 15,491,557	\$ 16,772,602	\$ 17,906,070	\$ 18,728,374
Sales taxes	3,447,593	3,535,113	3,786,423	3,627,051	3,965,016	2,563,117	2,864,474	5,132,645	6,096,613	6,523,428
Franchise taxes	804,995	878,332	875,304	818,724	784,736	1,002,408	794,838	995,705	1,027,468	1,131,598
Business License taxes	373,935	385,691	397,762	412,594	389,726	399,653	375,399	392,174	386,891	451,309
Other taxes	4,004,746	3,965,217	3,940,883	4,057,552	3,775,843	3,228,320	3,445,454	3,738,531	3,875,268	4,431,072
Motor Vehicle in Lieu - Unrestricted	-	16,845	10,561	11,660	13,682	392,595	396,008	415,385	420,842	459,032
Use of money and property	498,208	542,196	739,761	553,165	650,749	1,308,952	1,356,990	4,859,029	(466,695)	745,160
Other	32,823	70,188	745,315	38,877	130,310	11,815	197,666	152,783	266,538	72,011
Transfers	-	87,000	13,919	24,514	-	80,000	(321,132)	-	-	580,037
Total governmental activities	20,624,885	21,260,020	23,142,912	22,781,069	23,845,906	24,355,058	24,601,254	32,458,854	29,512,995	33,122,021
Business-type activities:										
Use of money and property	28,372	32,205	137,524	(2,802)	92,551	392,230	265,004	62,447	(360,030)	133,523
Other	10,143	184,786	230,156	171,452	216,693	94,367	652,353	24,736	9,317,881	21,945
Transfers	-	(87,000)	(13,919)	(24,514)	-	(80,000)	321,132	-	-	(580,037)
Total business-type activities	38,515	129,991	353,761	144,136	309,244	406,597	1,238,489	87,183	8,957,851	(424,569)
<b>Total primary government</b>	<b>20,663,400</b>	<b>21,390,011</b>	<b>23,496,673</b>	<b>22,925,205</b>	<b>24,155,150</b>	<b>24,761,655</b>	<b>25,839,743</b>	<b>32,546,037</b>	<b>38,470,846</b>	<b>32,697,452</b>
<b>Change in Net Position:</b>										
Governmental activities	3,030,654	2,478,831	3,566,282	1,545,432	676,085	2,465,434	(3,598,951)	6,986,972	3,879,228	5,056,800
Business-type activities	3,969,859	4,646,363	3,318,133	2,560,835	4,277,162	2,731,838	4,418,943	5,324,571	12,962,700	2,798,973
<b>Total primary government</b>	<b>\$ 7,000,513</b>	<b>\$ 7,125,194</b>	<b>\$ 6,884,415</b>	<b>\$ 4,106,267</b>	<b>\$ 4,953,247</b>	<b>\$ 5,197,272</b>	<b>\$ 819,992</b>	<b>\$ 12,311,543</b>	<b>\$ 16,841,928</b>	<b>\$ 7,855,773</b>

**CITY OF SOUTH PASADENA**

**FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ 1,207,961	\$ 1,022,841	\$ 1,035,224	\$ 1,044,519	\$ 904,445	\$ 455,083	\$ 305,396	\$ 1,332,864	\$ 9,299	\$ 37,940
Restricted	-	-	-	-	-	-	-	-	1,141,509	-
Committed	2,650,000	3,500,000	5,635,000	5,899,130	5,803,778	5,945,656	5,547,682	5,526,943	4,526,943	4,464,943
Assigned	-	-	-	-	-	-	-	72,940	62,998	122,548
Unassigned	12,788,280	13,124,419	12,724,205	9,681,531	11,182,760	12,017,146	12,700,662	17,422,872	18,931,422	19,050,705
Total General Fund	16,646,241	17,647,260	19,394,429	16,625,180	17,890,983	18,417,885	18,553,740	24,355,619	24,672,171	23,676,136
All Other Governmental Funds:										
Nonspendable	-	-	-	-	-	4,106	-	-	-	-
Restricted	3,184,841	4,179,297	4,894,822	6,328,022	6,336,084	8,115,962	9,634,946	10,700,987	12,474,159	14,896,784
Committed	611,447	461,472	696,953	2,482,803	796,721	3,635,244	4,423,938	5,009,495	4,852,340	4,746,162
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(791,469)	(572,623)	(771,286)	(791,741)	(874,184)	(1,178,791)	(1,817,114)	(1,376,171)	(2,315,881)	(2,134,783)
Total all other governmental funds	3,004,819	4,068,146	4,820,489	8,019,084	6,258,621	10,576,521	12,241,770	14,334,311	15,010,618	17,508,163
Total governmental funds	\$ 19,651,060	\$ 21,715,406	\$ 24,214,918	\$ 24,644,264	\$ 24,149,604	\$ 28,994,406	\$ 30,795,510	\$ 38,689,930	\$ 39,682,789	\$ 41,184,299

**CITY OF SOUTH PASADENA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Taxes	\$ 19,697,011	\$ 20,205,691	\$ 21,235,594	\$ 21,740,257	\$ 22,827,899	\$ 24,330,245	\$ 24,739,711	\$ 28,928,014	\$ 31,616,881	\$ 33,572,235
Assessment	896,465	895,798	876,972	892,361	890,227	893,205	890,461	892,903	898,450	896,896
Licenses and permits	985,186	1,047,540	1,069,023	1,093,865	1,001,349	968,082	929,327	845,430	852,731	910,804
Intergovernmental	2,303,094	1,989,281	1,104,398	3,193,603	1,374,597	2,222,496	1,557,375	3,174,531	1,919,847	3,832,777
Charges for services	2,682,074	3,880,357	3,439,167	3,529,076	3,711,816	3,567,809	3,289,275	3,509,581	4,289,345	4,714,494
Use of money and property	498,208	542,194	739,761	553,165	650,749	1,308,948	1,356,990	4,859,030	(466,697)	745,161
Fines and forfeitures	412,748	347,585	444,556	397,738	388,061	339,636	264,601	143,449	52,291	65,860
Contributions	12,455	12,365	9,691	4,310	16,135	-	-	-	-	-
Miscellaneous	594,210	480,206	1,028,401	576,915	54,548	422,334	552,386	554,360	537,268	522,557
<b>Total Revenues</b>	<b>28,081,451</b>	<b>29,401,017</b>	<b>29,947,563</b>	<b>31,981,290</b>	<b>30,915,381</b>	<b>34,052,755</b>	<b>33,580,126</b>	<b>42,907,298</b>	<b>39,700,116</b>	<b>45,260,784</b>
<b>Expenditures:</b>										
Current:										
General government	4,297,373	3,988,989	3,930,354	4,208,084	4,643,875	5,195,028	5,148,946	5,992,210	7,144,212	10,556,152
Public safety	10,636,711	11,651,620	12,099,774	13,454,529	13,223,377	13,253,827	14,737,277	17,277,121	19,217,158	20,049,922
Community development	911,871	1,121,098	1,003,041	1,157,431	1,037,091	1,127,178	1,891,456	1,861,097	2,672,653	3,661,544
Community services	2,970,037	3,209,105	3,175,023	3,394,984	3,570,903	3,523,793	3,282,820	2,996,421	3,806,952	4,202,714
Public works	2,970,322	3,107,053	3,638,844	3,602,684	3,294,839	3,657,890	3,457,068	3,577,000	4,416,045	4,699,648
Capital outlay	3,536,250	3,739,660	3,507,229	5,687,034	5,639,956	2,260,280	2,800,323	2,081,779	1,450,237	1,259,981
Debt service:										
Principal retirement	53,130	55,725	58,450	-	-	-	-	-	-	-
Interest and fiscal charges	8,178	5,583	2,858	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>25,383,872</b>	<b>26,878,833</b>	<b>27,415,573</b>	<b>31,504,746</b>	<b>31,410,041</b>	<b>29,017,996</b>	<b>31,317,890</b>	<b>33,785,628</b>	<b>38,707,257</b>	<b>44,429,961</b>
Excess/(deficiency) of Revenues Over Expenditures	2,697,579	2,522,184	2,531,990	476,544	(494,660)	5,034,759	2,262,236	9,121,670	992,859	830,823
Other financing sources (uses):										
Transfers in	421,511	408,497	648,622	5,424,382	-	1,671,000	1,990,597	1,294,627	130,700	383,079
Transfers out	(421,511)	(625,137)	(681,100)	(5,481,580)	-	(1,860,956)	(2,451,729)	(2,521,877)	(130,700)	(1,292,327)
Subscription/lease acquisition	-	-	-	-	-	-	-	-	-	1,579,935
Total other financing sources (uses)	-	(216,640)	(32,478)	(57,198)	-	(189,956)	(461,132)	(1,227,250)	-	670,687
<b>Net Change in Fund Balances</b>	<b>\$ 2,697,579</b>	<b>\$ 2,305,544</b>	<b>\$ 2,499,512</b>	<b>\$ 419,346</b>	<b>\$ (494,660)</b>	<b>\$ 4,844,803</b>	<b>\$ 1,801,104</b>	<b>\$ 7,894,420</b>	<b>\$ 992,859</b>	<b>\$ 1,501,510</b>
Debt service as a percentage of noncapital expenditures	0.3%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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## ***Revenue Capacity***

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**CITY OF SOUTH PASADENA**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(in thousands of dollars)**

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>a</sup>	Taxable Assessed Value as a Percentage of Actual Taxable Value
2014	\$ 3,329,419	\$ 260,726	\$ 135,712	\$ (34,820)	\$ 3,691,037	0.264%	N/A	N/A
2015	3,501,716	267,657	124,487	(32,836)	3,861,024	0.264%	N/A	N/A
2016	3,692,063	269,163	121,018	(9,974)	4,072,270	0.264%	N/A	N/A
2017	3,879,157	277,223	130,593	(9,974)	4,276,999	0.264%	N/A	N/A
2018	4,127,779	302,031	131,435	(9,974)	4,551,271	0.264%	N/A	N/A
2019	4,421,323	318,282	117,481	(9,974)	4,847,112	0.263%	N/A	N/A
2020	4,654,181	338,070	134,525	(9,977)	5,116,799	0.264%	N/A	N/A
2021	4,901,129	369,099	137,804	(9,977)	5,398,055	0.264%	N/A	N/A
2022	5,093,432	375,173	146,324	(9,953)	5,604,976	0.264%	N/A	N/A
2023	5,474,970	419,682	157,171	(14,160)	6,037,663	0.264%	N/A	N/A

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

**Note:** <sup>a</sup> Estimated Actual Taxable 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 the 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 Fund	Los Angeles County Fire FFW	Los Angeles County Flood Control	Community College
2014	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2015	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2016	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2017	0.2400	0.2400	0.2856	0.2551	0.0060	0.0096	0.0320
2018	0.2400	0.2637	0.2857	0.2551	0.0060	0.0096	0.0320
2019	0.2400	0.2634	0.2857	0.2551	0.0060	0.0096	0.0320
2020	0.2400	0.2638	0.2857	0.2551	0.0060	0.0096	0.0320
2021	0.2400	0.2640	0.2857	0.2551	0.0060	0.0096	0.0320
2022	0.2400	0.2640	0.2857	0.2551	0.0060	0.0096	0.0320
2023	0.2400	0.2642	0.2857	0.2551	0.0060	0.0096	0.0320

Fiscal Year	Overlapping Rates						Total
	Voter Approved						
School District	Upper San Gabriel Valley Municipal Water District	South Pasadena Unified School District	Upper San Gabriel Valley Municipal Water District	Detention Facilities	Pasadena Community College District		
2014	0.1712	0.0005	0.1014	0.00350	-	0.0190	1.1240
2015	0.1712	0.0005	0.1006	0.00350	-	0.0103	1.1145
2016	0.1712	0.0005	0.0981	0.00350	-	0.0087	1.1104
2017	0.1712	0.0005	0.0993	0.00350	-	0.0089	1.1117
2018	0.1712	0.0005	0.1514	0.00350	-	0.0082	1.1631
2019	0.1712	0.0005	0.1438	0.00350	-	0.0077	1.1551
2020	0.1712	0.0005	0.1453	0.00350	-	0.0072	1.1561
2021	0.1712	0.0005	0.1712	0.00048	-	0.0320	1.2037
2022	0.1712	0.0005	0.1428	0.00350	-	0.0090	1.1554
2023	0.1712	0.0005	0.1397	0.00350	-	0.0087	1.1520

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

**CITY OF SOUTH PASADENA**

**PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2022/2023			2013/2014		
	Taxable Assessed Value (1)	Rank	Percentage of Total City Taxable Assessed Value	Combined Taxable Value (1)	Rank	Percentage of Total City Taxable Assessed Value
625 Fair Oaks Investors LLC	\$ 32,916,602	1	0.54%			
WF Property Holdings LP	17,385,988	2	0.29%			
GELT Storage 919 Mission LLC	17,344,443	3	0.29%			
WWNC 1653 Amberwood Dr LLC	14,905,044	4	0.25%			
NNC Apartment Ventures LLC	14,671,123	5	0.24%			
DC El Centro Holdings	14,190,904	6	0.23%			
Jerry B and Roberta L Furrey Trust	13,540,559	7	0.22%			
LDW Pico Properties LLC	12,975,714	8	0.21%			
ACI Real Estate SPE 164 LLC LSOR	12,911,975	9	0.21%			
Casa De General LLC	12,827,625	10	0.21%			
H and O Fair Oaks Partners				\$ 17,042,473	1	0.46%
Casa De General LLC				11,042,189	2	0.30%
99 Pasadena Avenue LLC				10,921,122	3	0.30%
Golden Oaks Investment LLC				9,568,942	4	0.26%
NNC Terraces At South Pasadena				9,439,605	5	0.26%
California Empire LP				9,191,823	6	0.25%
City of Hope				8,558,716	7	0.23%
Richard Wagner Trust				8,506,997	8	0.23%
CCCC Growth Fund LLC				8,451,593	9	0.23%
H P III Limited				7,993,877	10	0.22%
<b>Total</b>	<b>\$ 163,669,977</b>		<b>2.69%</b>	<b>\$ 100,717,337</b>		<b>2.74%</b>

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

**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
2014	\$ 8,569,818	\$ 8,389,757	97.9%	\$ (16,427)	\$ 8,373,331	97.7%
2015	9,063,962	8,791,225	97.0%	(16,959)	8,774,266	96.8%
2016	9,607,577	9,281,790	96.6%	(19,676)	9,262,115	96.4%
2017	10,163,709	9,757,452	96.0%	(14,953)	9,742,499	95.9%
2018	10,718,463	10,421,475	97.2%	(18,677)	10,396,718	97.0%
2019	11,427,260	10,832,812	94.8%	(56,597)	10,776,215	94.3%
2020	12,054,638	11,959,079	99.2%	(35,338)	11,923,741	98.9%
2021	12,740,204	12,430,784	97.6%	(23,528)	12,407,256	97.4%
2022	13,224,352	13,118,545	99.2%	2,129	13,120,674	99.2%
2023	14,229,754	13,983,720	98.3%	52,221	14,035,942	98.6%

**Source:** Los Angeles County Tax Collector and City of South Pasadena, Finance Division  
HDL Property Tax Revenue

## ***Debt Capacity***

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**CITY OF SOUTH PASADENA**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita <sup>a</sup>
	Tax Allocation Bonds	Capital Leases	Other Liabilities	Water Revenue Bonds	State Loan			
2014	\$ 1,550,000	\$ 114,175	\$ -	\$ 48,854,762	\$ 527,283	\$ 51,046,220	4.11%	1,903
2015	1,445,000	58,450	-	47,838,993	2,475,913	51,818,356	4.16%	1,936
2016	1,335,000	-	-	46,753,226	4,147,892	52,236,118	4.21%	1,956
2017	1,220,000	-	-	48,533,332	6,373,623	56,126,955	4.58%	2,112
2018	1,095,000	-	-	46,957,581	7,415,790	55,468,371	4.34%	2,130
2019	965,000	-	-	45,526,831	9,866,459	56,358,290	4.02%	2,147
2020	825,000	-	-	43,435,821	15,138,699	59,399,520	4.00%	2,333
2021	680,000	-	-	42,560,331	14,740,387	57,980,718	3.72%	2,259
2022	525,000	-	-	41,014,581	14,416,233	55,955,814	3.38%	2,105
2023	360,000	-	1,146,621	39,413,831	19,539,843	60,460,295	3.33%	2,301

**Note:**

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

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

**CITY OF SOUTH PASADENA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2023**

	<u>Debt Outstanding</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 6/30/2023</u>
<b>Direct Debt</b>			
Lease Liabilities	283,367	100.0000%	283,367
Subscription Liabilities	863,254	100.0000%	863,254
Total Direct Debt			\$ 1,146,621
<b>Overlapping Tax and Assessment Debt</b>			
Metropolitan Water District	\$ 19,215,000	0.166%	\$ 31,897
Pasadena Area Community College District	51,995,000	5.603%	2,913,280
South Pasadena Unified School District	90,647,718	100.0000%	90,647,718
Total Overlapping Tax and Assessment Debt			\$ 93,592,895
<b>Overlapping General Fund Debt</b>			
Los Angeles County General Fund Obligations	\$ 2,601,551,282	0.320%	\$ 8,324,964
Los Angeles County Superintendent of Schools Certificates of Participation	3,403,487	0.320%	10,891
Pasadena Area Community College District Certificates of Participation	28,785,000	5.603%	1,612,824
Los Angeles County Sanitation District No.16 Authority	495,396	9.579%	47,454
Total Overlapping General Fund Debt			\$ 9,996,133
<b>Overlapping Tax Increment Debt (Successor Agency)</b>	<b>\$ 360,000</b>	<b>100%</b>	<b>\$ 360,000</b>
Total Direct Debt			\$ 1,146,621
Total Overlapping Debt			103,949,028
<b>Combined Total Debt</b>			<b>\$ 105,095,649</b>

Source: (1) HDL Coren & Core, 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.

Debt to Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	2.24%
Total Debt	3.36%



**CITY OF SOUTH PASADENA**

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(in thousands of dollars)**

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total Net Debt Applicable to Limit</b>	<b>Legal Debt Limit</b>	<b>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</b>
2014	\$ 494,193	\$ -	\$ 494,193	0.00%
2015	516,507	-	516,507	0.00%
2016	544,458	-	544,458	0.00%
2017	641,550	-	641,550	0.00%
2018	682,691	-	682,691	0.00%
2019	727,067	-	727,067	0.00%
2020	767,520	-	767,520	0.00%
2021	809,708	-	809,708	0.00%
2022	840,746	-	840,746	0.00%
2023	905,650	-	905,650	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Assessed value	\$ 6,037,663
Debt limit (15% of assessed value)	905,650
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 905,650</u>

**CITY OF SOUTH PASADENA**

**PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS  
(in thousands of dollars)**

Water Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 9,221	\$ 5,674	\$ 3,547	\$ 95	\$ 2,271	3.90
2015	8,695	4,430	4,265	1,065	2,240	2.63
2016	8,094	4,562	3,532	1,095	2,211	2.45
2017	8,805	6,218	2,587	340	1,142	5.94
2018	9,627	6,371	3,256	1,195	1,802	1.09
2019	9,176	6,254	2,922	1,195	1,779	3.09
2020	11,742	7,041	4,701	1,270	1,731	3.91
2021	11,705	7,211	4,494	1,310	1,710	3.88
2022	12,207	4,968	7,239	1,310	1,663	4.11
2023	11,286	5,669	5,616	1,365	1,611	3.79

**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 2013 and 2016.

***Demographic and Economic  
Information***

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**CITY OF SOUTH PASADENA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

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<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (In Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	26,011	\$ 1,203,347	\$ 46,263	3.7%
2014	26,022	1,211,194	46,545	5.9%
2015	26,028	1,208,853	46,444	4.7%
2016	25,992	1,199,887	46,163	3.7%
2017	26,047	1,276,801	49,019	3.2%
2018	26,245	1,402,630	53,443	3.9%
2019	25,458	1,483,267	58,263	3.7%
2020	25,668	1,556,952	60,657	9.9%
2021	26,580	1,655,050	62,266	6.7%
2022	26,273	1,814,515	69,053	4.2%

**CITY OF SOUTH PASADENA**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2022-2023			2012-2013		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
SOUTH PASADENA CARE CENTER, LLC	135	1	3.15%			
TRADER JOE NO. 18	119	2	2.78%			
THE VONS COMPANIES - PAVILLIONS #2228	100	4	2.34%			
RALPH'S GROCERY CO. #21	90	3	2.10%			
BRISTOL FARMS	82	5	1.91%			
VCA TLC PASADENA VETERINARY SPECIALTY AND EMERGENCY	74	6	1.73%			
CITY OF HOPE SOUTH PASADENA	62	7	1.45%			
THE VONS COMPANIES #3075	61	8	1.42%			
WHITTIER TRUST COMPANY	53	9	1.24%			
WESTLAKE ACE HARDWARE #143	51	10	1.19%			
<b>Total</b>	<b>827</b>		<b>19.31%</b>			
So. PASADENA CONVALESCENT HOSPITAL				170	1	4.50%
WNC INSURNACE SERVICES INC.				99	2	2.62%
THE VONS COMPANIES INC. PAVILIONS				88	4	2.33%
TRADER JOE'S				83	3	2.20%
RALPH'S GROCERY Co.				81	5	2.14%
BRISTOL FARMS				79	6	2.09%
ORCHARD SUPPLY HARDWARE				63	7	1.67%
STARGATE FILMS INC.				61	8	1.61%
THE VONS COMPANIES INC.				59	9	1.56%
COLLINS, COLLINS, MUIR & STEWART, LLP				58	10	1.54%
<b>Total</b>				<b>841</b>		<b>22.26%</b>
<b>Total City Employment (3)</b>	<b>4,282</b>			<b>3778</b>		

**Source:** South Pasadena Finance Department/Business License

**CITY OF SOUTH PASADENA**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<b>Function/Program:</b>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government										
Legislative	8	5	5	5	5	5	5	5	5	5
City Manager	10	12	12	11	12	12	11	15	11	14
Finance	9	9	9	9	9	5	6	7	7	8
Public safety	79	81	80	80	77	75	80	82	76	78
Community Development	6	6	6	6	7	7	8	9	11	13
Public Works	20	21	21	20	21	22	23	22	29	28
Community Services	21	19	20	20	26	28	26	41	27	46
Water Utility	<u>11</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>6</u>	<u>10</u>
<b>Total</b>	<u><u>163.15</u></u>	<u><u>163</u></u>	<u><u>163</u></u>	<u><u>161</u></u>	<u><u>167</u></u>	<u><u>164</u></u>	<u><u>170</u></u>	<u><u>192</u></u>	<u><u>172</u></u>	<u><u>202</u></u>

Source: South Pasadena Finance Department/Adopted budget book

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## ***Operating Information***

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# CITY OF SOUTH PASADENA

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government:										
Number of building permits issued	354	349	433	424	876	1,510	1,396	379	1621	1800
Number of building inspections conducted	2,568	2,087	1,860	2,041	3,240	3,775	2,287	1,846	2930	3948
Refuse collection										
Refuse collected (tons per day)	83	69	74	77	83	80	86	79	81	81
Recyclables collected (tons per day)	28	25	29	32	30	32	31	31	30	26
Other public works										
Street resurfacing (miles)	1	2	2	0	5	1	1	2	0	0
Potholes repaired *	1,500	1,450	1,400	259	300	356	217	560	1300	2331
Water										
New connections	11	7	8	5	2	6	288	362	334	274
Water main breaks	10	9	6	5	4	7	5	8	8	7
Average daily consumption (million gallons)	5	3	3	3	3	3	3	3	3	3
Peak daily consumption (million gallons)	6	5	4	4	4	5	4	4	N/A	N/A
Fire Department										
Number of emergency calls responded to	1,695	1,775	1,880	1,483	2,584	2,276	2,445	2,180	2,572	2,585
Number of fire inspections	563	521	520	540	1,163	1,800	1,163	1,440	1,606	1,267
Police Department										
Arrest statistics	1,003	855	699	830	829	779	706	439	347	318
Traffic citations	3,717	2,847	2,288	4,313	4,038	3,815	2,970	131	2,482	1,625
Parking citations	11,388	8,843	10,811	9,136	7,803	7,071	4,517	4,906	4,450	3,633
Community Services										
Facility rentals	89	86	95	142	80	363	411	163	233	218
Recreation classes	432	399	416	465	277	631	593	703	506	459

**Note:** \* Based on average sized potholes and cold patch purchased

**Source:** Various City Departments.

**CITY OF SOUTH PASADENA**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Other public works										
Street (miles)	55	55	55	55	55	55	69	69	69	69
Traffic signals	31	31	31	31	31	33	33	33	33	33
Park and recreation										
Parks	6	6	6	6	6	6	6	6	6	6
Acreage	89	89	89	89	89	89	89	89	89	89
Playgrounds	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	6	6	6	6	6	6	6	6	6	6
Soccer/football fields	4	4	4	4	4	4	4	4	4	4
Community centers	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	68	68	68	68	68	68	70	70	70	83
Fire hydrants	165	165	165	165	165	308	452	452	452	452
Storage capacity (million gallons)	13	13	13	13	13	13	14	14	14	14
Sewage System										
Sanitary sewers (miles)	55	55	55	55	55	55	58	58	58	58
Storm sewers (miles)	2	2	2	2	2	2	2	2	2	2

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

**Sources:** Various City departments.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Brenda L. Odle, CPA, MST (Partner Emeritus)

*Independent Auditor's Report*

To the Honorable City Council  
City of South Pasadena

We have audited, 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, the 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 (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 17, 2024.

**MANAGERS / STAFF**

Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Responses* as item 2023-001 that we consider to be a material weakness.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying *Schedule of Findings and Responses* as item 2023-002.

### **City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Responses*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
January 17, 2024

## Schedule of Findings and Responses

### **Finding 2023-001 Material Weakness – Bank Reconciliations (previously reported as Finding 2022-001)**

#### Criteria

Bank reconciliations should be prepared, reviewed and approved in a timely manner.

#### Condition and Context

During our audit, we noted that reconciliations of bank statements to the general ledger for various accounts were not reviewed and approved in a timely manner.

#### Cause

The City did not have controls in place to ensure the review and approval of bank reconciliations were performed in a timely manner.

#### Effect

Most of the problems encountered within the area of cash can be avoided if a proper system of checks and balances is incorporated into the City's procedures.

#### Recommendation

We recommend that all of the bank accounts be reconciled monthly to the general ledger and that all unusual reconciling items be promptly investigated and adjusted with adequate explanations and that the review and approval of the reconciliations be promptly conducted. This is a repeat finding from the prior year, and although we observed progress toward correcting this item, it was not sufficient to fully remove the finding.

#### Views of Responsible Officials and Planned Corrective Actions

See accompanying "Corrective Action Plan".

### **Finding 2023-002 Material Weakness – Noncompliance with Debt Reporting**

#### Criteria

In order to maintain compliance with bond requirements, annual filings must be made in a timely manner to Electronic Municipal Market Access (EMMA).

#### Condition and Context

During the audit, we noted reporting of continuing disclosure on the Tax Allocation Bonds, Series 2000 had not been submitted to Electronic Municipal Market Access (EMMA) agency in a timely manner.

#### Cause

Due to the delay of financial reporting and issuance of the June 30, 2020 financial statements, the City fell out of compliance with the requirements noted above.

## **Schedule of Findings and Responses**

### **Effect**

The City is not in compliance with bond reporting requirements.

### **Recommendation**

We recommend the City prioritize timely financial reporting in the future to allow for timely reporting to EMMA. This is a repeat finding from the prior year, and although we observed some progress toward correcting this item, it was not sufficient to fully remove the finding.

### **Views of Responsible Officials and Planned Corrective Actions**

See accompanying "Corrective Action Plan".





## CITY OF SOUTH PASADENA

CITY CLERK DIVISION

1414 MISSION STREET, SOUTH PASADENA, CA 91030

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### Corrective Action Plan

#### **Finding 2023-001 Material Weakness – Bank Reconciliations (previously reported as Finding 2022-001)**

Corrective Action: Management agrees with the recommendation and has made bank reconciliation a top priority. The new accountant is primarily focused on resolving outstanding bank reconciliations. Currently, a two-month delay exists due to recent staff turnover. However, as the accountant adjusts and refines the process, it is anticipated that the bank reconciliations will be updated promptly.

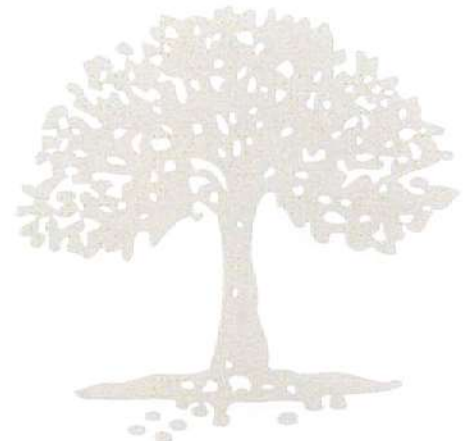
Proposed Completion Date: Management anticipates having the bank reconciliations completed through February 2024 up to date by March 2024.

#### **Finding 2023-002 Material Weakness – Noncompliance with Debt Reporting**

Corrective Action: Management agrees with the recommendation and will ensure swift financial reporting for timely EMMA submissions in the future. The delay in financial reporting and financial statement issuance, caused by staff turnover, was proactively communicated to the municipal advisors.

Proposed Completion Date: Management commits to delivering the financial reports to the appropriate parties by the due date.

John Downs  
Finance Director





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To the Honorable City Council  
City of South Pasadena

We have audited the financial statements of the City of South Pasadena (the City) as of and for the year ended June 30, 2023, and have issued our report thereon dated January 17, 2024. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 9, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies and material weaknesses over financial reporting and material noncompliance and other matters noted during our audit in a separate letter to you dated January 17, 2024.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

### **Significant Risk Identified**

We have identified the possibility of the following significant risks:

*Management's override of internal controls over financial reporting:* Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

*Revenue recognition:* Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

## **Qualitative Aspects of the City's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. The City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments and determined that it is reasonable in relation to the basic financial statements taken as a whole.

- Management's estimate of depreciation expense is based on the useful lives of acquired assets. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability and other post-employment benefits liability and related deferred inflows and outflows are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the statements taken as a whole.
- Management's estimate of leases receivable, deferred inflows of resources related to leases, and lease/SBITA amortization is based on present value calculations using certain terms and assumptions in the lease agreements in accordance with generally accepted accounting principles. Management's estimate of lease/SBITA liabilities, right-to-use assets, and asset amortization is based on present value calculations using certain terms and assumptions in the lease agreements and estimated useful lives of assets in accordance with generally accepted accounting principles. We evaluated the key factors and assumptions used to develop the lease related estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to:

- The disclosure of fair value of investments in the basic financial statements represents amounts susceptible to market fluctuations.
- The disclosure of accumulated depreciation in the basic financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.
- The disclosure of net pension liability and other post-employment benefits liability and related deferred inflows and outflows in the basic financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.
- The disclosure of leases receivable, deferred inflows of resources related to leases, lease/SBITA amortization, leases/SBITA liabilities, right-to-use assets, and asset amortization in the basic financial statements is based on certain terms and assumptions in the lease agreements which could differ from actual amounts.

#### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all such misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached Schedule A summarizes material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated January 17, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

### **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards:

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual non-major fund financial statements and the budgetary comparison schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Honorable City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
January 17, 2024

Client: **CIT0011 - City of South Pasadena**  
Engagement: **2023 - City of South Pasadena**  
Period Ending: **6/30/2023**  
Trial Balance: **TB Database - All Funds**  
Workpaper: **3700.01 - Combined Journal Entries Report**  
Fund Level: **All**  
Index: **All**

Schedule A

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 305</b>			
To reverse the PY FV adjustment for LAIF.			
101-0000-0000-1035-000	LAIF - Fair Market Value	200,599.17	
101-0000-0000-4805-000	Unrealized Gain / Loss		200,599.17
<b>Total</b>		<b>200,599.17</b>	<b>200,599.17</b>
<b>Adjusting Journal Entries JE # 309</b>			
To recognize ARPA expenditures for FY22/23.			
206-0000-0000-2600-000	Unearned Revenue	1,118,655.33	
206-0000-0000-5073-000	Federal Grant - ARPA		1,118,655.33
<b>Total</b>		<b>1,118,655.33</b>	<b>1,118,655.33</b>
<b>Adjusting Journal Entries JE # 311</b>			
To reverse the prepaid payroll entry.			
101-4010-4011-7000-000	Salaries - Permanent	21,677.01	
101-4010-4011-7010-000	Salaries - Temp / Part	788.66	
101-4010-4011-7020-000	Overtime	5,100.52	
101-4010-4011-7040-000	Holiday	2,788.96	
101-4010-4011-7045-000	Overtime - Special Detail	848.21	
101-4010-4011-7060-000	IOD - Safety	2,227.78	
101-4010-4011-7100-000	Retirement	4,400.06	
101-4010-4011-7108-000	Deferred Compensation	333.46	
101-4010-4011-7110-000	Workers Compensation	1,190.67	
101-4010-4011-7160-000	Life Insurance	1.18	
101-4010-4011-7170-000	FICA - Medicare	468.82	
101-4010-4011-7180-000	Uniform Allowance	249.16	
101-5010-5011-7000-000	Salaries - Permanent	11,813.12	
101-5010-5011-7020-000	Overtime	6,524.05	
101-5010-5011-7030-000	Overtime - Flsa	159.94	
101-5010-5011-7040-000	Holiday	1,024.56	
101-5010-5011-7045-000	Overtime - Special Detail	332.50	
101-5010-5011-7060-000	IOD - Safety	588.26	
101-5010-5011-7100-000	Retirement	2,549.21	
101-5010-5011-7108-000	Deferred Compensation	205.27	
101-5010-5011-7110-000	Workers Compensation	1,607.50	
101-5010-5011-7160-000	Life Insurance	2.36	
101-5010-5011-7170-000	FICA - Medicare	289.10	
101-5010-5011-7180-000	Uniform Allowance	84.03	
500-6010-6710-7000-000	Salaries - Permanent	3,012.80	
500-6010-6710-7020-000	Overtime	146.19	
500-6010-6710-7100-000	Retirement	282.29	
500-6010-6710-7108-000	Deferred Compensation	31.59	
500-6010-6710-7110-000	Workers Compensation	99.35	
500-6010-6710-7160-000	Life Insurance	0.19	
500-6010-6710-7170-000	FICA - Medicare	45.81	
500-6010-6711-7000-000	Salaries - Permanent	1,738.31	
500-6010-6711-7020-000	Overtime	247.54	
500-6010-6711-7040-000	Holiday	50.05	
500-6010-6711-7100-000	Retirement	198.99	
500-6010-6711-7108-000	Deferred Compensation	20.79	
500-6010-6711-7110-000	Workers Compensation	81.87	
500-6010-6711-7130-000	Group Health Insurance	42.86	
500-6010-6711-7170-000	FICA - Medicare	30.14	

101-0000-0000-1450-000	Prepaid Expenses		65,254.39
500-0000-0000-1450-000	Prepaid Expenses		6,028.77
<b>Total</b>		<b>71,283.16</b>	<b>71,283.16</b>

**Adjusting Journal Entries JE # 312**

To record the accrued payroll.

101-2010-2011-7000-000	Salaries - Permanent	20,475.50
101-2010-2011-7020-000	Overtime	534.87
101-2010-2011-7100-000	Retirement	2,062.79
101-2010-2011-7108-000	Deferred Compensation	210.12
101-2010-2011-7110-000	Workers Compensation	234.25
101-2010-2011-7160-000	Life Insurance	5.49
101-2010-2011-7170-000	FICA - Medicare	304.65
101-2030-2031-7000-000	Salaries Permanent	10,492.97
101-2030-2031-7010-000	Salaries - Temp / Part	7,893.74
101-2030-2031-7100-000	Retirement	1,024.71
101-2030-2031-7108-000	Deferred Compensation	104.92
101-2030-2031-7110-000	Workers Compensation	219.09
101-2030-2031-7160-000	Life Insurance	5.38
101-2030-2031-7170-000	FICA - Medicare	266.60
101-2030-2033-7000-000	Salaries - Permanent	2,431.79
101-2030-2033-7100-000	Retirement	188.71
101-2030-2033-7108-000	Deferred Compensation	24.32
101-2030-2033-7110-000	Workers Compensation	26.41
101-2030-2033-7160-000	Life Insurance	7.07
101-2030-2033-7170-000	FICA - Medicare	35.26
101-3010-3011-7000-000	Salaries - Permanent	12,069.67
101-3010-3011-7020-000	Overtime	667.58
101-3010-3011-7100-000	Retirement	985.75
101-3010-3011-7108-000	Deferred Compensation	127.35
101-3010-3011-7110-000	Workers Compensation	122.70
101-3010-3011-7160-000	Life Insurance	3.55
101-3010-3011-7170-000	FICA - Medicare	184.68
101-4010-4011-7000-000	Salaries - Permanent	130,061.97
101-4010-4011-7010-000	Salaries - Temp / Part	4,731.97
101-4010-4011-7020-000	Overtime	30,603.12
101-4010-4011-7040-000	Holiday	16,733.79
101-4010-4011-7045-000	Overtime - Special Detail	5,089.29
101-4010-4011-7060-000	IOD - Safety	13,366.68
101-4010-4011-7100-000	Retirement	26,400.39
101-4010-4011-7108-000	Deferred Compensation	2,000.79
101-4010-4011-7110-000	Workers Compensation	7,144.00
101-4010-4011-7160-000	Life Insurance	7.07
101-4010-4011-7170-000	FICA - Medicare	2,812.95
101-4010-4011-7180-000	Uniform Allowance	1,494.95
101-5010-5011-7000-000	Salaries - Permanent	70,878.74
101-5010-5011-7020-000	Overtime	39,144.28
101-5010-5011-7030-000	Overtime - Flsa	959.67
101-5010-5011-7040-000	Holiday	6,147.36
101-5010-5011-7045-000	Overtime - Special Detail	1,995.00
101-5010-5011-7060-000	IOD - Safety	3,529.59
101-5010-5011-7100-000	Retirement	15,295.23
101-5010-5011-7108-000	Deferred Compensation	1,231.59
101-5010-5011-7110-000	Workers Compensation	9,644.99
101-5010-5011-7160-000	Life Insurance	14.14
101-5010-5011-7170-000	FICA - Medicare	1,734.63
101-5010-5011-7180-000	Uniform Allowance	504.19
101-6010-6011-7000-000	Salaries - Permanent	13,133.35
101-6010-6011-7010-000	Salaries - Temp / Part	716.50
101-6010-6011-7020-000	Overtime	329.85
101-6010-6011-7100-000	Retirement	1,272.43
101-6010-6011-7108-000	Deferred Compensation	134.64
101-6010-6011-7110-000	Workers Compensation	167.62
101-6010-6011-7160-000	Life Insurance	0.57



101-6010-6011-7170-000	FICA - Medicare	250.03
101-6010-6015-7000-000	Salaries - Permanent	1,441.28
101-6010-6015-7020-000	Overtime	50.11
101-6010-6015-7100-000	Retirement	157.98
101-6010-6015-7108-000	Deferred Compensation	14.91
101-6010-6015-7110-000	Workers Compensation	16.36
101-6010-6015-7170-000	FICA - Medicare	21.63
101-6010-6410-7000-000	Salaries - Permanent	3,205.84
101-6010-6410-7020-000	Overtime	136.05
101-6010-6410-7100-000	Retirement	342.57
101-6010-6410-7108-000	Deferred Compensation	33.42
101-6010-6410-7110-000	Workers Compensation	85.02
101-6010-6410-7160-000	Life Insurance	0.58
101-6010-6410-7170-000	FICA - Medicare	48.45
101-6010-6601-7000-000	Salaries - Permanent	6,992.61
101-6010-6601-7020-000	Overtime	1,045.50
101-6010-6601-7040-000	Holiday Pay	256.04
101-6010-6601-7100-000	Retirement	702.58
101-6010-6601-7108-000	Deferred Compensation	82.94
101-6010-6601-7110-000	Workers Compensation	278.64
101-6010-6601-7160-000	Life Insurance	0.57
101-6010-6601-7170-000	FICA - Medicare	120.26
101-7010-7011-7000-000	Salaries - Permanent	33,449.85
101-7010-7011-7010-000	Salaries - Temp / Part	1,047.09
101-7010-7011-7100-000	Retirement	3,246.48
101-7010-7011-7108-000	Deferred Compensation	334.50
101-7010-7011-7110-000	Workers Compensation	388.52
101-7010-7011-7160-000	Life Insurance	17.36
101-7010-7011-7170-000	FICA - Medicare	565.11
101-8010-8011-7000-000	Salaries - Permanent	27,110.90
101-8010-8011-7010-000	Salaries - Temp / Part	11,224.99
101-8010-8011-7100-000	Retirement	2,892.28
101-8010-8011-7108-000	Deferred Compensation	271.11
101-8010-8011-7110-000	Workers Compensation	468.46
101-8010-8011-7160-000	Life Insurance	11.57
101-8010-8011-7170-000	FICA - Medicare	1,106.55
101-8030-8021-7000-000	Salaries - Regular Employees	2,433.37
101-8030-8021-7010-000	Salaries - Temp / Part	6,661.46
101-8030-8021-7100-000	Retirement	461.23
101-8030-8021-7108-000	Deferred Compensation	24.33
101-8030-8021-7110-000	Workers Compensation Ins.	98.76
101-8030-8021-7170-000	FICA - Medicare	308.77
101-8030-8031-7000-000	Salaries - Permanent	5,270.02
101-8030-8031-7100-000	Retirement	611.85
101-8030-8031-7108-000	Deferred Compensation	52.71
101-8030-8031-7110-000	Workers Compensation	59.96
101-8030-8031-7170-000	FICA - Medicare	76.41
101-8030-8032-7000-000	Salaries - Permanent	501.39
101-8030-8032-7010-000	Salaries - Temp / Part	22,826.07
101-8030-8032-7100-000	Retirement	341.86
101-8030-8032-7108-000	Deferred Compensation	44.06
101-8030-8032-7110-000	Workers Compensation	259.24
101-8030-8032-7170-000	FICA - Medicare	1,510.82
205-2010-2210-7000-000	Salaries - Regular Employees	465.63
205-2010-2210-7100-000	Retirement	54.06
205-2010-2210-7108-000	Deferred Compensation	4.65
205-2010-2210-7110-000	Workers Compensation Ins.	5.06
205-2010-2210-7170-000	FICA - Medicare	6.75
205-8030-8024-7000-000	Salaries - Permanent	644.73
205-8030-8024-7100-000	Retirement	74.85
205-8030-8024-7108-000	Deferred Compensation	6.45
205-8030-8024-7110-000	Workers Compensation	7.00
205-8030-8024-7170-000	FICA - Medicare	9.34
205-8030-8025-7000-000	Salaries - Permanent	5,813.85
205-8030-8025-7010-000	Salaries - Temp / Part	2,080.54

205-8030-8025-7100-000	Retirement	743.91
205-8030-8025-7108-000	Deferred Compensation	58.14
205-8030-8025-7110-000	Workers Compensation	93.91
205-8030-8025-7170-000	FICA - Medicare	172.70
207-2010-2260-7000-000	Salaries - Permanent	214.91
207-2010-2260-7100-000	Retirement	24.95
207-2010-2260-7108-000	Deferred Compensation	2.15
207-2010-2260-7110-000	Workers Compensation	2.33
207-2010-2260-7170-000	FICA - Medicare	3.12
207-8030-8025-7000-000	Salaries - Regular Employees	5,342.70
207-8030-8025-7100-000	Retirement	451.86
207-8030-8025-7108-000	Deferred Compensation	53.43
207-8030-8025-7110-000	Workers Compensation Ins.	61.07
207-8030-8025-7170-000	FICA - Medicare	77.47
210-6010-6501-7000-000	Salaries - Permanent	14,128.59
210-6010-6501-7020-000	Overtime	809.37
210-6010-6501-7100-000	Retirement	1,414.90
210-6010-6501-7108-000	Deferred Compensation	149.38
210-6010-6501-7110-000	Workers Compensation	343.92
210-6010-6501-7160-000	Life Insurance	3.07
210-6010-6501-7170-000	FICA - Medicare	216.53
215-6010-6201-7000-000	Salaries - Permanent	373.51
215-6010-6201-7100-000	Retirement	35.97
215-6010-6201-7108-000	Deferred Compensation	3.73
215-6010-6201-7110-000	Workers Compensation	4.63
215-6010-6201-7170-000	FICA - Medicare	5.43
215-6010-6310-7000-000	Salaries - Permanent	1,827.51
215-6010-6310-7020-000	Overtime	163.95
215-6010-6310-7100-000	Retirement	205.23
215-6010-6310-7108-000	Deferred Compensation	19.92
215-6010-6310-7110-000	Workers Compensation	67.77
215-6010-6310-7170-000	FICA - Medicare	28.87
230-6010-6116-7000-000	Salaries - Permanent	19,788.12
230-6010-6116-7020-000	Overtime	1,790.37
230-6010-6116-7100-000	Retirement	1,695.77
230-6010-6116-7108-000	Deferred Compensation	215.81
230-6010-6116-7110-000	Workers Compensation	675.85
230-6010-6116-7160-000	Life Insurance	12.15
230-6010-6116-7170-000	FICA - Medicare	312.93
233-6010-6011-7000-000	Salaries - Permanent	1,829.67
233-6010-6011-7100-000	Retirement	141.98
233-6010-6011-7108-000	Deferred Compensation	18.30
233-6010-6011-7110-000	Workers Compensation	19.86
233-6010-6011-7170-000	FICA - Medicare	26.53
236-6010-6011-7000-000	Salaries - Permanent	1,829.67
236-6010-6011-7100-000	Retirement	141.99
236-6010-6011-7108-000	Deferred Compensation	18.29
236-6010-6011-7110-000	Workers Compensation	19.88
236-6010-6011-7170-000	FICA - Medicare	26.53
239-6010-6011-7000-000	Salaries - Permanent	1,139.65
239-6010-6011-7020-000	Overtime	5.97
239-6010-6011-7100-000	Retirement	109.00
239-6010-6011-7108-000	Deferred Compensation	11.48
239-6010-6011-7110-000	Workers Compensation	12.42
239-6010-6011-7160-000	Life Insurance	0.29
239-6010-6011-7170-000	FICA - Medicare	16.59
500-3010-3012-7000-000	Salaries - Permanent	6,662.49
500-3010-3012-7020-000	Overtime	296.94
500-3010-3012-7100-000	Retirement	561.27
500-3010-3012-7108-000	Deferred Compensation	69.62
500-3010-3012-7110-000	Workers Compensation	49.83
500-3010-3012-7160-000	Life Insurance	3.17
500-3010-3012-7170-000	FICA - Medicare	100.92
500-6010-6710-7000-000	Salaries - Permanent	18,076.79
500-6010-6710-7020-000	Overtime	877.12

500-6010-6710-7100-000	Retirement	1,693.77	
500-6010-6710-7108-000	Deferred Compensation	189.53	
500-6010-6710-7110-000	Workers Compensation	596.10	
500-6010-6710-7160-000	Life Insurance	1.17	
500-6010-6710-7170-000	FICA - Medicare	274.85	
500-6010-6711-7000-000	Salaries - Permanent	10,429.85	
500-6010-6711-7020-000	Overtime	1,485.26	
500-6010-6711-7040-000	Holiday	300.32	
500-6010-6711-7100-000	Retirement	1,193.91	
500-6010-6711-7108-000	Deferred Compensation	124.71	
500-6010-6711-7110-000	Workers Compensation	491.25	
500-6010-6711-7130-000	Group Health Insurance	257.14	
500-6010-6711-7170-000	FICA - Medicare	180.85	
503-6010-6713-7000-000	Salaries - Permanent	1,124.16	
503-6010-6713-7020-000	Overtime	25.05	
503-6010-6713-7100-000	Retirement	101.71	
503-6010-6713-7108-000	Deferred Compensation	11.48	
503-6010-6713-7110-000	Workers Compensation	14.35	
503-6010-6713-7170-000	FICA - Medicare	16.68	
101-0000-0000-2300-000	Accrued Payroll Payable		606,951.71
205-0000-0000-2300-000	Accrued Payroll Payable		10,241.57
207-0000-0000-2300-000	Accrued Payroll Payable		6,233.99
210-0000-0000-2300-000	Accrued Payroll Payable		17,065.76
215-0000-0000-2300-000	Accrued Payroll Payable		2,736.52
230-0000-0000-2300-000	Accrued Payroll Payable		24,491.00
233-0000-0000-2300-000	Accrued Payroll Payable		2,036.34
236-0000-0000-2300-000	Accrued Payroll Payable		2,036.36
239-0000-0000-2300-000	Accrued Payroll Payable		1,295.40
500-0000-0000-2300-000	Accrued Payroll Payable		43,916.86
503-0000-0000-2300-000	Accrued Payroll Payable		1,293.43
<b>Total</b>		<b>718,298.94</b>	<b>718,298.94</b>

#### Adjusting Journal Entries JE # 314

To post the prior period adjustment for business-

210-0000-0000-9999-000	Depreciation Expense	1,341,288.94	
500-0000-0000-9999-000	Depreciation Expense	2,237,885.00	
210-0000-0000-3200-000	Fund Balance - Undesignated		1,341,288.94
500-0000-0000-3200-000	Fund Balance - Undesignated		2,237,885.00
<b>Total</b>		<b>3,579,173.94</b>	<b>3,579,173.94</b>

#### Adjusting Journal Entries JE # 316

To correct the SLFRF Fund net income as an

101-0000-0000-1000-000	Cash & Cash Equivalents	52,982.01	
206-2030-2032-8170-000	Professional Service	52,982.01	
101-2030-2032-8334-000	Subscription Finan Principal		52,982.01
206-0000-0000-1000-000	Cash & Cash Equivalents		52,982.01
<b>Total</b>		<b>105,964.02</b>	<b>105,964.02</b>

#### Adjusting Journal Entries JE # 318

To remove the CERBT activity as it is already

110-0000-0000-4802-000	Gain / Loss on Investments	73,737.41	
110-3010-3011-8453	OPEB - General Government	399,528.31	
110-3010-3011-8454	OPEB - Public Safety	741,981.15	
110-0000-0000-1020-000	Investments		1,214,260.13
110-3010-3011-8170-000	Professional Services		986.74
<b>Total</b>		<b>1,215,246.87</b>	<b>1,215,246.87</b>

#### Adjusting Journal Entries JE # 319

Proposed entry to correct a voided check that

274-4010-4019-8520-000	Machinery & Equipment	62,680.00	
274-0000-0000-2100-000	Accounts Payable		62,680.00

<b>Total</b>	<u><u>62,680.00</u></u>	<u><u>62,680.00</u></u>
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**Adjusting Journal Entries JE # 321**  
To post PBC JE's

101-0000-0000-2230-000	FICA Payable	14.88	
101-0000-0000-4230-002	Utility Tax - Electric	53,903.85	
101-0000-0000-4230-003	Utility Tax - Gas	160.60	
101-0000-0000-4230-004	Utility Tax - Telephone	36,469.46	
101-0000-0000-4230-006	Utility Tax - Cable	21,948.92	
101-0000-0000-5505-000	Miscellaneous	22,428.06	
101-6010-6011-8100-000	Vehicle Maintenance	641.83	
101-6010-6011-8100-000	Vehicle Maintenance	1,299.08	
101-6010-6601-8100-000	Vehicle Maintenance	2,762.20	
101-6010-6601-8100-000	Vehicle Maintenance	560.00	
215-6010-6201-8100-000	Vehicle Maintenance	186.67	
215-6010-6310-8100-000	Vehicle Maintenance	150.61	
101-0000-0000-1114-000	Accounts Receivable - Misc.		112,482.83
101-0000-0000-2100-000	Accounts Payable		5,263.11
101-0000-0000-2210-000	Federal Withholding Payable		22,129.89
101-0000-0000-2220-000	State Withholding Payable		313.05
215-0000-0000-2100-000	Accounts Payable		337.28
<b>Total</b>		<u><u>140,526.16</u></u>	<u><u>140,526.16</u></u>
<b>Total Adjusting Journal Entries</b>		<u><u>7,212,427.59</u></u>	<u><u>7,212,427.59</u></u>



## CITY OF SOUTH PASADENA

FINANCE DEPARTMENT

1414 MISSION STREET, SOUTH PASADENA, CA 91030

TEL: (626) 403-7250 • FAX: (626) 403-7251

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January 17, 2024

Rogers, Anderson, Malody & Scott, LLP  
735 E. Carnegie Drive, Suite 100  
San Bernardino, CA 92408

This representation letter is provided in connection with your audit of the financial statements of the City of South Pasadena (the City) as of June 30, 2023, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 17, 2024:

### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 9, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.

7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
9. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
16. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
17. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
18. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
19. All interfund and intra-entity transactions and balances have been properly classified and reported.
20. Special items and extraordinary items have been properly classified and reported, if applicable.
21. Deposit and investment risks have been properly and fully disclosed.
22. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
23. All required supplementary information is measured and presented within the prescribed guidelines.
24. With regard to investments and other instruments reported at fair value:
  - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
25. With respect to nonattest services, including assistance in preparing the financial statements, we have performed the following:
  - a. Made all management decisions and performed all management functions;

- b. Assigned a competent individual to oversee the services;
- c. Evaluated the adequacy of the services performed;
- d. Evaluated and accepted responsibility for the result of the service performed; and
- e. Established and maintained internal controls, including monitoring ongoing activities.

### **Information Provided**

1. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
2. The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
3. All transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
5. We have provided to you our analysis of the City's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
6. We have no knowledge of any fraud or suspected fraud that affects the City and involves—
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
7. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, vendors, regulators, or others.
8. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
9. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
10. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
11. The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
12. We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
13. We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
14. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic



- areas for which events could occur that would significantly disrupt normal finances within the next year.
15. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
  16. There are no:
    - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
    - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with financial reporting standards.
    - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by financial reporting standards.
    - d. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
  17. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
  18. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
  19. With respect to the supplementary information, as listed in the table of contents of the financial statements:
    - a. We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America and we believe the supplementary information, including its form and content, is fairly presented in accordance with applicable criteria.
    - b. We believe the Supplementary Information, including its form and content, is fairly presented in accordance with the applicable criteria.
    - c. The methods of measurement or presentation have not changed from those used in the prior period and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the Supplementary Information.
    - d. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the City of the supplementary information and the auditor's report thereon.
    - e. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
    - f. We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the City of the supplementary information and the auditor's report thereon.
  20. With respect to the required supplementary information, as listed in the table of contents of the accompanying the financial statements:
    - a. We acknowledge our responsibility for the presentation of the required supplementary information (RSI) in accordance with U.S. GAAP.
    - b. We believe the RSI, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.



- c. The methods of measurement or presentation have not changed from those used in the prior period.
- 21. We agree with the findings of specialists in evaluating the GASB 68 accounting report and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 22. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 23. There have been no changes or updates to legal information disclosed to you by our attorney(s) since the date of such legal response and now.

Signature:   
Title: Finance Director