



**CITY OF SOUTH PASADENA
FINANCE COMMISSION
SPECIAL MEETING AGENDA**

Commissioners to participate via ZOOM
Meeting ID: 864 1398 9287
Password: 4123
July 14, 2021, at 6:30 pm

CALL TO ORDER: Commission Chair Findley

ROLL CALL: Chair Elsner, Vice Chair Choi, Commissioners Findley, Tao and Wood, and City Treasurer Pia

COUNCIL LIAISON: Council Member, Jack Donovan

STAFF PRESENT: Interim Assistant City Manager, Elaine Aguilar

NOTICE OF PUBLIC PARTICIPATION AND ACCESSIBILITY

Pursuant to Executive Order N-08-21 the Special Meeting of the Finance Commission for **July 14, 2021** will be conducted remotely and held by video conference, beginning at 6:30 p.m.

Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Council Chambers will not be open for the meeting. Commissioners will be participating remotely and will not be physically present in the Council Chambers.

If you would like to comment on an agenda item, or make a general public comment, members of the public may submit their comments for Finance Commission's consideration by 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.

Option 2: Email your public comment(s) to fcpubliccomment@southpasadenaca.gov Public Comments must be received by 6 p.m., July 13, 2021 to ensure adequate time to compile and post. Public Comment portion of the email is limited to 150 words. Please make sure to indicate: 1) your name; 2) what agenda item you are submitting public comment on, or if it is a general public comment; and 3) clearly state if you wish for your comment to be read.

ACTION/DISCUSSION

1. Review FY 2020 Annual Comprehensive Financial Report

ADJOURNMENT

FUTURE FINANCE COMMISSION MEETINGS

September 23, 2021

In Person Meeting

PUBLIC ACCESS TO AGENDA DOCUMENTS

Prior to meeting's agenda related documents are available for public inspection at, City Hall, 1414 Mission Street, South Pasadena, CA 91030. The complete agenda packet may also be viewed on the City's website at: www.southpasadenaca.gov/financecommission

ACCOMMODATIONS



The City of South Pasadena wishes to make all of its public meetings accessible to the public. Meeting facilities are accessible to persons with disabilities. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division at (626) 403-7230. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Hearing assistive devices are available in the Council Chamber. 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).

I declare under penalty of perjury that I posted this notice of agenda 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.

7/8/2021

Date



Finance Commission Agenda Report

DATE: July 14, 2021

FROM: Elaine Agular, Interim Assistant City Manager

SUBJECT: **Presentation of Draft Annual Comprehensive Financial Report (ACFR) for Fiscal Year Ending June 30, 2020**

Recommendation

It is recommended that the Finance Commission review, and receive and file the Draft Annual Comprehensive Financial Report (ACFR) for fiscal year ending June 30, 2020.

Discussion/Analysis

Based upon review by the Finance Commission, it is anticipated that draft ACFR will be presented to Council on July 21, 2021.

The State Controller's Office has adopted the recommendation from the Government Finance Officers Association to immediately change the name of the "Comprehensive Annual Financial Report". Consistent with guidance under development by the Governmental Accounting Standards Board, the State Controller's Office has changed the name to the "Annual Comprehensive Financial Report", beginning with reports dated June 30, 2020. The City's report now reflects the revised name.

Background

The attached draft ACFR for fiscal year ending June 30, 2020, is included in the agenda packet for your reference. A representative of Rogers, Anderson, Malody, & Scott, LLP, will be presenting the audit. Please note, the document is a "draft" as there are a few minor typographical items that need to be corrected, and a final "proof reading" by the City's auditors, but staff does not anticipate any major revisions that would change the audit results.

For information purposes, the City Council recently approved a three year contract extension with Rogers, Anderson, Malody, & Scott, LLP for the FY 2021, 2022, and 2023 audits. Staff anticipates that the auditors will begin work on the FY 2021 audit in the near future.

Fiscal Impact

There is no fiscal impact.

FY 2020 ACFR

July 14, 2021

Page 2 of 2

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachments:

1. Draft ACFR for Fiscal Year Ending June 30, 2020



CITY OF SOUTH PASADENA

California

Annual Comprehensive Financial Report

Fiscal Year Ending June 30, 2020



CITY OF SOUTH PASADENA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY: FINANCE DEPARTMENT

This page intentionally left blank

CITY OF SOUTH PASADENA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Letter of Transmittal	i
Organizational Chart	vii
List of Principal Officials	viii
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	ix

FINANCIAL SECTION:

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	11
Statement of Activities.....	12
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Proprietary Funds	
Statement of Fund Net Position	18
Statement of Revenues, Expenses and Changes in Fund Net Position	19
Statement of Cash Flows	20
Fiduciary Funds	
Statement of Fiduciary Net Position	21
Statement of Changes in Fiduciary Net Position	22
Notes to Financial Statements	23
Required Supplementary Information:	
Budgetary Comparison Schedule General Fund	61
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios – Cost Sharing	62
Schedule of Plan Contributions – Cost Sharing	63
Schedule of Changes in the Total OPEB Liability and Related Ratios.....	64
Notes to Required Supplementary Information	65

CITY OF SOUTH PASADENA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2020

TABLE OF CONTENTS, (Continued)

FINANCIAL SECTION, (Continued):

Supplementary Information:

Non-Major Governmental Funds	66
Combining Balance Sheet	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	78
Schedule of Revenues, Expenditures and Fund Balance - Budget and Actual	
Proposition A	86
Proposition C	87
Street Lighting	88
Clean Air Act	89
Parking and Business Development	90
Mission Meridian Public Garage	91
State Gas Tax	92
County Park Bond	93
Capital Growth Requirements	94
CDBG	95
Measure W	96
Bike and Pedestrian Paths	97
State Police Grant	98
Park Impact Fees	99
Measure R	100
Measure M	101
TDA/Metro Grant Fund	102
Public Education Fund	103
Road Maintenance & Rehab Fund	104
Housing Authority	105
Facilities & Equipment Capital Project Fund	106
2000 Tax Allocation Bonds Capital Projects Fund	107
Streets Improvement Program Capital Project	108

CITY OF SOUTH PASADENA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2020

TABLE OF CONTENTS, (Continued)

STATISTICAL SECTION (UNAUDITED):

Net Position by Component	110
Changes in Net Position.....	112
Fund Balances of Governmental Funds.....	116
Changes in Fund Balances of Governmental Funds	118
Assessed Value and Estimated Actual Value of Taxable Property	120
Direct and Overlapping Property Tax Rates	121
Principal Property Tax Payers.....	122
Property Tax Levies and Collections.....	123
Ratios of Outstanding Debt by Type	124
Direct and Overlapping Governmental Activities Debt.....	125
Legal Debt Margin Information.....	126
Pledged Revenue Coverage	127
Demographic and Economic Statistics.....	128
Principal Employers	129
Full-Time Equivalent City Government Employees by Function/Program	130
Operating Indicators by Function/Program	131
Capital Asset Statistics by Function/Program	132

This page intentionally left blank

July xx, 2021

Honorable Mayor and Members of the City Council,

We proudly present to you the City of South Pasadena's Annual Comprehensive Financial Report (ACFR). 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, 2020, 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, 2020, 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 25,992. 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 a public hearing to adopt the annual budget resolution by July 1 of each fiscal year for all funds and account groups. The City Council may modify appropriations with majority approval. The budgets are adopted and presented on a basis consistent with generally accepted accounting principles.

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

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the City of South Pasadena operates.

Local Economy

At the start of FY 2019/2020, the City of South Pasadena, the greater Los Angeles region and the State of California, continue to experience increasing revenues over the last several years. The COVID-19 Pandemic and the impacts on the economy, resulting from quarantining and the stay-at-home orders, resulted in the economy coming to an almost complete halt in March 2020. California's economy was severely impacted and, in some cases, sectors completely shut down due to the COVID-19 Pandemic.

The four largest sources of revenue to the City's General Fund are property taxes, utility taxes, sales taxes, and current services. Property taxes make up 56% of all General Fund revenues. Utility users' taxes (UUT) make up 12% of total General Fund revenues. Sales taxes make up 10% 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 5.6% for the 2019/20 tax roll, which was slightly less than the increase experienced countywide at 6.3%. The assessed value increase between 2018/19 and 2019/20 was \$270 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$93.9 million, which accounted for 35% of all growth experienced in the city. Current median home prices, in many regions, are at or above the pre-recession peak values. In the past year, the number of sales has generally declined and growth in median sale prices has flattened in most areas of the State. Despite the moderation of growth in sale prices and somewhat lower mortgage rates, affordability remains a concern. 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 Utility Users Tax (UUT) is the second largest revenue source for the General Fund, at \$3.4 million. At the November 2020 local elections, the South Pasadena community voted to extend the UUT indefinitely, while retaining the amount at the current 7.5%. When the voters approved the new UUT Ordinance, the sunset clause was removed.

South Pasadena voters had previously approved Measure A, a ¾% local sales tax increase in November 2019, with implementation in April 2020. Measure A revenues received in FY 2020, reflected receipts for only a partial year, amounting to approximately \$412,000. Annual receipts are anticipated to amount to approximately \$2 million beginning in FY 2021.

The City underwent a comprehensive fee study in the spring of 2018, which included a resolution to adjust fees according to Consumer Price Index (CPI) moving forward.

Overall, for FY 2020, South Pasadena continues to remain in satisfactory financial condition thanks to a relatively diverse and stable revenue base, and core services have remained consistent.

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 combination of self-insurance, Joint Powers Authority participation 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 whereby risks are transferred to the JPA to fund appropriately for its member agencies. General liability, Workers Compensation and Property losses are pooled among the member cities at certain levels, and coverage is jointly purchased in excess layers. The City pays an annual deposit based on a calculation of prior claims experience and payroll (or Total Insured Values for 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. 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.

Increased demands from CalPERS have also added significant costs. The State's pension fund lost almost 35% of its value during the recession and has been unable to achieve return rates assumed in the pro forma. As with pension programs across the Country, PERS has also found other fundamental assumptions to be unsustainable. For example, retirees are living much longer than originally planned and are pulling benefits for at least a decade longer than anticipated. This is the same issue faced by Social Security and most State pension plans created in the early 20th Century. Currently, funded at just under 70%, PERS is aiming to bring fund balances closer to 90-95%. With few other options, PERS has mandated huge payments from member cities to cover unfunded liability. Pension reforms have been enacted at the State level to reduce future liability, but those changes will not be fully realized for another 20 years. In the meantime, nearly every city in the State is struggling to fund the increases, with experts estimating many small cities will go bankrupt as a result.

South Pasadena offers one of the lowest pension formulas (2% at 55) for miscellaneous employees 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.

Retiree Health

This past year, 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 PEMHCA minimum. By reducing the retiree health contributions for future employees from \$625/month to the PEMCHA minimum (currently \$143/month,) the City will see significant long-term savings and substantially reduce the City's unfunded liabilities.

Fee Study

As part of the 2018-19 Strategic Plan, the City engaged in a fee study to review current fees. The User Fee Study evaluates delivery methods, staffing, and overhead costs to determine the appropriate fee structures and full cost recovery potential of individual services. The study revealed that in total the City collected approximately 59% of the cost of services.

The Fee study indicated the majority of City fees were set at a rate far below the cost of providing the service and that additional fees would be appropriate to align with new services. The study also recommended annual CPI increases which have been incorporated into the resolution for the proposed Fee Schedule.

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.

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, 2019. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of South Pasadena has received a Certificate of Achievement for the last 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 again submit it to GFOA for award consideration.

The preparation and publication of this report is made possible through the dedication of the entire Finance Department staff. 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,

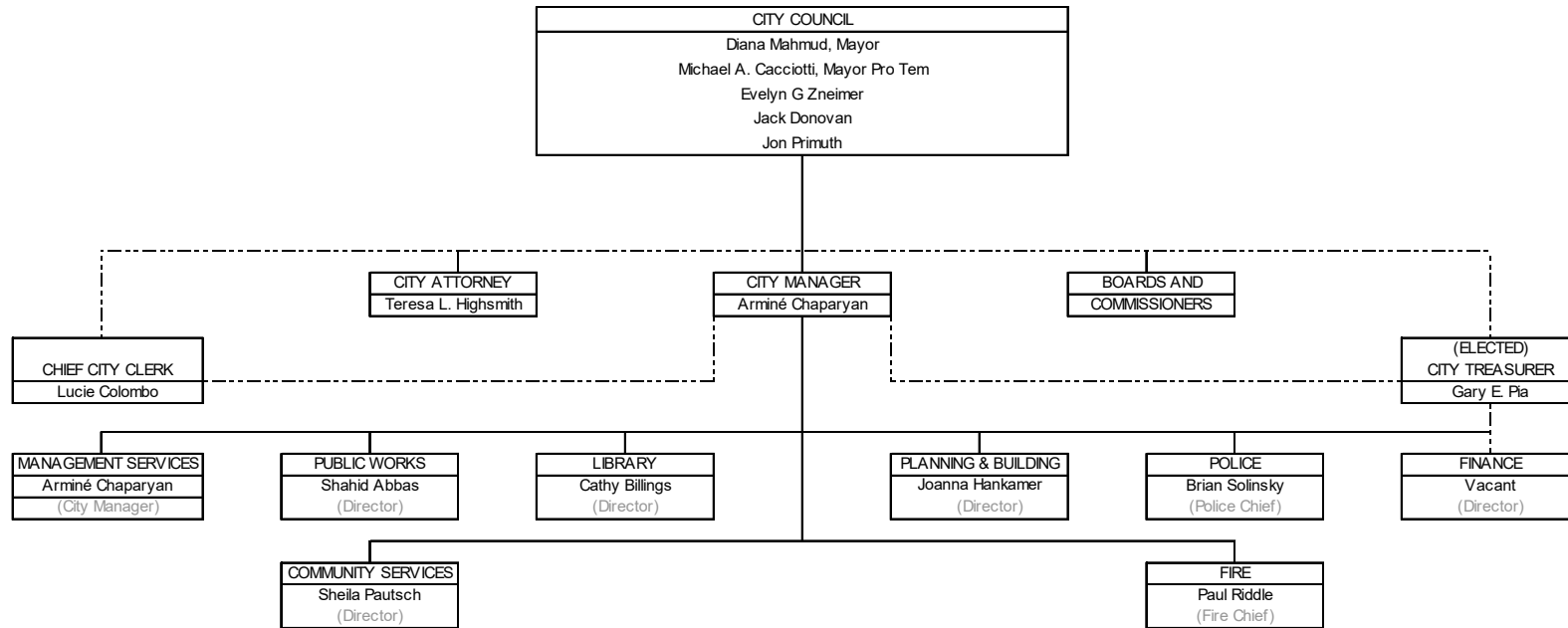
Elaine Aguilar

Elaine Aguilar, Interim Assistant City Manager

CITY OF SOUTH PASADENA

ORGANIZATIONAL CHART

2019 - 2020



CITY OF SOUTH PASADENA, CALIFORNIA

OFFICIALS OF THE CITY OF SOUTH PASADENA

CITY COUNCIL

Diana Mahmud
Mayor

Michael A. Cacciotti
Mayor Pro Tempore

Evelyn G. Zneimer
Councilmember

Jack Donovan
Councilmember

Jon Primuth
Councilmember

ADMINISTRATION AND DEPARTMENT HEADS

City Manager	Arminé Chaparyan
Chief City Clerk	Lucie Colombo
City Treasurer	Gary E. Pia
City Attorney	Teresa L. Highsmith
Director of Finance	Vacant
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	Shahid Abbas
Director of Planning and Building	Joanna Hankamer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of South Pasadena
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena, California (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena, California, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Pasadena's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements and the nonmajor fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July xx, 2021 on our consideration of the City of South Pasadena'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 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 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 City of South Pasadena's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
July xx, 2021

This page intentionally left blank

CITY OF SOUTH PASADENA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020. 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 \$82,324,305. Unrestricted net position in an amount of (\$13,119,613) is primarily due to the City recording the net pension liability, other post-employment benefits liability and deferred outflows/inflows of resources related to each, per GASB Statements No. 68, and 75.
- The City's total net position increased by \$840,764.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$30,795,510 an increase of \$1,801,104. Of this amount, \$10,883,548 or approximately 35% 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 \$12,700,662, or 48% of the total General Fund Expenditures.
- The City's net investment in capital assets increased \$637,392 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, 2020**

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 35 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 34 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.

CITY OF SOUTH PASADENA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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.

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 \$82,324,305 at the close of the most recent fiscal year. This represents an increase of \$840,764 or 1% from the prior year, primarily due to an increase in investments in capital assets. Capital Assets are by far the largest portion of the City's net position; \$84,650,566 or 103% 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, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 34,450,764	\$ 31,826,966	\$ 17,594,852	\$ 13,693,935	\$ 52,045,616	\$ 45,520,901
Capital assets, net	59,395,318	60,351,839	84,733,676	79,054,625	144,128,994	139,406,464
Total assets	<u>93,846,082</u>	<u>92,178,805</u>	<u>102,328,528</u>	<u>92,748,560</u>	<u>196,174,610</u>	<u>184,927,365</u>
Deferred outflow of resources	9,290,434	8,385,499	6,201,041	6,189,651	15,491,475	14,575,150
Long-term liabilities	51,014,404	48,451,206	63,751,103	59,086,852	114,765,507	107,538,058
Other liabilities	5,260,167	2,870,360	4,426,924	4,111,910	9,687,091	6,982,270
Total liabilities	<u>56,274,571</u>	<u>51,321,566</u>	<u>68,178,027</u>	<u>63,198,762</u>	<u>124,452,598</u>	<u>114,520,328</u>
Deferred inflow of resources	4,323,058	3,125,672	566,124	372,974	4,889,182	3,498,646
Net investment in capital assets	59,395,318	60,351,839	25,255,248	23,661,335	84,650,566	84,013,174
Restricted	9,634,946	8,115,962	1,158,406	1,156,612	10,793,352	9,272,574
Unrestricted	(26,491,377)	(22,350,735)	13,371,764	10,548,528	(13,119,613)	(11,802,207)
Total net position	<u>\$ 42,538,887</u>	<u>\$ 46,117,066</u>	<u>\$ 39,785,418</u>	<u>\$ 35,366,475</u>	<u>\$ 82,324,305</u>	<u>\$ 81,483,541</u>

The second portion of the City net position of \$10,793,352 represents special revenue resources that are subject to external restrictions on how they may be used. Unrestricted net position shows a negative balance of (\$13,119,613).

CITY OF SOUTH PASADENA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

The City's governmental current assets increased by \$2,623,798 and capital assets decreased by \$956,521. 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 \$3,900,917, due to proceeds from capital debt for capital spending water and sewer projects. The City reported a net increase of \$5,679,0514 in capital assets due to an increase in construction-in-progress relating to the Graves Well Rehabilitation Project, and completion of the Wellhead Treatment Project.

City of South Pasadena Change in Net Position
For the Years Ended June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues:						
Charges for services	\$ 5,499,348	\$ 4,473,833	\$ 14,126,942	\$ 12,880,598	\$ 19,626,290	\$ 17,354,431
Operating contributions and grants	3,428,427	4,231,554	90,833	-	3,519,260	4,231,554
Capital contributions and grants	976,308	1,072,310	-	-	976,308	1,072,310
General revenues:						
Property taxes	15,491,557	15,368,198	-	-	15,491,557	15,368,198
Other taxes	7,896,945	7,586,093	-	-	7,896,945	7,586,093
Intergovernmental	-	-	-	-	-	-
Use of money and property	1,356,990	1,308,952	265,004	392,230	1,621,994	1,701,182
Other	197,666	11,815	652,353	94,367	850,019	106,182
Total revenues	<u>34,847,241</u>	<u>34,052,755</u>	<u>15,135,132</u>	<u>13,367,195</u>	<u>49,982,373</u>	<u>47,419,950</u>
Expenses:						
General government	10,256,658	6,014,464	-	-	10,256,658	6,014,464
Public safety	16,650,223	14,257,292	-	-	16,650,223	14,257,292
Community development	1,891,456	1,361,590	-	-	1,891,456	1,361,590
Community services	3,768,976	3,988,465	-	-	3,768,976	3,988,465
Public works	5,536,975	6,045,511	-	-	5,536,975	6,045,511
Water	-	-	8,817,002	8,116,822	8,817,002	8,116,822
Sewer	-	-	1,189,754	1,280,398	1,189,754	1,280,398
Golf course	-	-	1,030,565	1,158,137	1,030,565	1,158,137
Total expenses	<u>38,104,288</u>	<u>31,667,322</u>	<u>11,037,321</u>	<u>10,555,357</u>	<u>49,141,609</u>	<u>42,222,679</u>
Income before transfers	(3,257,047)	2,385,433	4,097,811	2,811,838	840,764	5,197,271
Transfers	(321,132)	80,000	321,132	(80,000)	-	-
Increase in net position	(3,578,179)	2,465,433	4,418,943	2,731,838	840,764	5,197,271
Net position, beginning, as restated	46,117,066	43,651,633	35,366,475	32,634,637	81,483,541	76,286,270
Net position, ending	<u>\$ 42,538,887</u>	<u>\$ 46,117,066</u>	<u>\$ 39,785,418</u>	<u>\$ 35,366,475</u>	<u>\$ 82,324,305</u>	<u>\$ 81,483,541</u>

Governmental Activities

Governmental activities net position decreased by \$3,578,179, due to an increase in general expenses across multiple departments, which is offset with a small increase in the general revenues.

CITY OF SOUTH PASADENA**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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 fund at the end of the fiscal year shows \$13,371,764. Total net position for these funds was \$39,785,418, an increase of \$4,418,943 (12%) over the prior year, due to increases in the capital construction expenses for the Graves Well Rehabilitation Project, and Wellhead Treatment Project

(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 \$30,795,510 an increase of \$1,801,104 from the prior fiscal year. Approximately 35% 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 (31%), committed by City Council action for specific purposes (32%), or represents net position that are non-spendable resources (%).

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 \$12,700,662, while the total fund balance reached \$18,553,740. 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 48% of General Fund expenditures, while the total fund balance represents 71% of that same amount.

The fund balance of the City's General Fund increased by \$135,855 in the current fiscal year. This represents an increase of less than 1% in fund balance from FY 2019. This was the result of overall increase in revenues, off-set by an overall 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, 2020**

The General Fund reflected a net total favorable budget variance of \$366,087 when comparing actual amounts to the final budget for the current fiscal year. This budget variance reflects a favorable variance in revenues of \$500,586 and a favorable variance in total expenditures of \$406,633, and an unfavorable variance in transfers out of (\$541,132).

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, 2020, amounts to \$59,395,318 and \$25,255,248, respectively. This investment in capital assets includes land, buildings, park improvements, roadways, vehicles, computer equipment, furniture, other equipment, and construction in progress and is offset by capital-related debt.

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 \$51,107,936.

Governmental Activities Long-term Liabilities

	Governmental Activities	
	2020	2019
Employee compensated absences	\$ 935,322	\$ 603,136
OPEB liability	14,581,610	14,416,661
Net pension liability	35,591,004	33,491,723
Total long-term liabilities	<u>\$ 51,107,936</u>	<u>\$ 48,511,520</u>

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

Business-Type Activities Long-term Liabilities

	Business-Type Activities	
	2020	2019
Employee compensated absences	\$ 66,358	\$ 21,274
Loans payable	15,138,700	9,866,459
Bonds payable	44,066,081	45,526,831
OPEB liability	2,256,277	2,230,753
Net pension liability	3,736,073	2,904,412
Total long-term liabilities	<u>\$ 65,263,489</u>	<u>\$ 60,549,729</u>

Business-type activities long-term liabilities increased \$4,713,760 during the current fiscal year due to drawdown on the SRF State Loan. The increase is offset by payments towards the principal for the 2012 State Loan, 2013 Water Revenue Bonds, and 2016 Water Revenue Bonds. Further details on long-term debt can be found in Notes 5 through 7 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, 2020**

Economic Factors and Next Year's Budget

- Increases in the contributions toward employee pensions through the California Public Employees Retirement System (PERS) as well as the increasing unfunded liability for Other Post-Employment Benefits remain serious concerns. In order to begin addressing these issues, the South Pasadena City Council has already committed \$1,000,000 of the General Fund balance towards funding retiree benefits and has prepaid the annual unfunded liability for both classic miscellaneous and safety employees. During the upcoming fiscal year, the City Council is anticipated to evaluate alternatives to respond to this increasing liability.
- Sales taxes generally are a direct reflection of the general economy. The City has a mature tax base, with no big box stores or car dealerships, etc. Sales taxes have been increasing. The City had emerged from recession and receipts have moved back to pre-recession levels, until the onset of the COVID-19 pandemic. The economic impacts of the COVID-19 pandemic on City revenues, and sales taxes specifically, will hopefully be somewhat offset by a full year's receipts of Measure A, the ¼% local sales tax increase.

During the 2019-2020 fiscal year, unassigned fund balance in the General Fund remained substantial at \$12,700,662. Due to the financial uncertainty resulting from the pandemic, and City Council direction, the fiscal year 2021 Budget includes no General Fund funding for new capital improvement projects. Only carry-over projects or capital projects funded from restricted funds are included in the FY 2021 budget. 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, 626.403.7250, or by U.S. mail: Finance Department, 1414 Mission Street, South Pasadena, CA 91030.

This page intentionally left blank

CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities (Governmental Funds)	Business-Type Activities (Enterprise Funds)	Total
Assets			
Cash and investments	\$ 32,394,528	\$ 14,986,974	\$ 47,381,502
Receivables:			
Accounts	165,296	1,469,834	1,635,130
Taxes	1,412,405	-	1,412,405
Accrued interest	40,811	22,893	63,704
Internal balances	300,000	(300,000)	-
Due from other governments	132,328	-	132,328
Inventories	5,396	256,745	262,141
Restricted assets:			
Cash and investments with fiscal agent	-	1,158,406	1,158,406
Capital assets, not being depreciated	4,576,693	10,996,992	15,573,685
Capital assets, net of accumulated depreciation	54,818,625	73,736,684	128,555,309
Total assets	<u>93,846,082</u>	<u>102,328,528</u>	<u>196,174,610</u>
Deferred outflows of resources			
Deferred loss on debt refunding	-	5,164,988	5,164,988
Pension related	8,068,319	846,950	8,915,269
Other post-employment benefits related	1,222,115	189,103	1,411,218
Total deferred outflows of resources	<u>9,290,434</u>	<u>6,201,041</u>	<u>15,491,475</u>
Liabilities			
Accounts payable	2,230,696	1,950,672	4,181,368
Accrued liabilities	333,514	41,378	374,892
Accrued interest	-	604,956	604,956
Deposits payable	866,425	317,532	1,183,957
Claims and judgements payable	1,736,000	-	1,736,000
Compensated absences, due within one year	93,532	6,636	100,168
Bonds payable, due within one year	-	1,505,750	1,505,750
Noncurrent liabilities:			
Bonds payable, due in more than one year	-	57,699,031	57,699,031
Compensated absences	841,790	59,722	901,512
Net pension liability	35,591,004	3,736,073	39,327,077
Other post-employment benefits liability	14,581,610	2,256,277	16,837,887
Total liabilities	<u>56,274,571</u>	<u>68,178,027</u>	<u>124,452,598</u>
Deferred inflows of resources			
Pension related	2,065,903	216,863	2,282,766
Other post-employment benefits related	2,257,155	349,261	2,606,416
Total deferred outflows of resources	<u>4,323,058</u>	<u>566,124</u>	<u>4,889,182</u>
Net position			
Net investment in capital assets	59,395,318	25,255,248	84,650,566
Restricted for:			
Community development projects	1,182,584	-	1,182,584
Public safety	495,947	-	495,947
Community services	1,941,266	-	1,941,266
Public works	5,331,535	-	5,331,535
Capital projects	683,614	-	683,614
Debt service	-	1,158,406	1,158,406
Unrestricted	(26,491,377)	13,371,764	(13,119,613)
Total net position	<u>\$ 42,538,887</u>	<u>\$ 39,785,418</u>	<u>\$ 82,324,305</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, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 10,256,658	\$ 2,138,708	\$ 414,862	\$ -
Public safety	16,650,223	1,479,307	197,747	-
Community development	1,891,456	15,812	2,876	-
Community services	3,768,976	480,130	1,010,094	-
Public works	5,536,975	1,385,391	1,802,848	976,308
Total governmental activities	38,104,288	5,499,348	3,428,427	976,308
Business-type activities:				
Water	8,817,002	11,089,616	90,833	-
Sewer	1,189,754	1,962,443	-	-
Arroyo Seco Golf Course	1,030,565	1,074,883	-	-
Total business-type activities	11,037,321	14,126,942	90,833	-
Total Primary Government	\$ 49,141,609	\$ 19,626,290	\$ 3,519,260	\$ 976,308

General revenues:

Taxes:

Property taxes

Sales taxes

Franchise taxes

Business license taxes

Utility users tax

Other taxes

Motor vehicle in lieu

Use of money and property

Other

Transfers

Total general revenues and transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

(continued)

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (7,703,088)	\$ -	\$ (7,703,088)
(14,973,169)	-	(14,973,169)
(1,872,768)	-	(1,872,768)
(2,278,752)	-	(2,278,752)
<u>(1,372,428)</u>	<u>-</u>	<u>(1,372,428)</u>
<u>(28,200,205)</u>	<u>-</u>	<u>(28,200,205)</u>
-	2,363,447	2,363,447
-	772,689	772,689
<u>-</u>	<u>44,318</u>	<u>44,318</u>
-	3,180,454	3,180,454
<u>(28,200,205)</u>	<u>3,180,454</u>	<u>(25,019,751)</u>
15,491,557	-	15,491,557
2,864,474	-	2,864,474
794,838	-	794,838
375,399	-	375,399
3,445,454	-	3,445,454
396,008	-	396,008
20,772	-	20,772
1,356,990	265,004	1,621,994
197,666	652,353	850,019
<u>(321,132)</u>	<u>321,132</u>	<u>-</u>
<u>24,622,026</u>	<u>1,238,489</u>	<u>25,860,515</u>
(3,578,179)	4,418,943	840,764
46,117,066	35,366,475	81,483,541
<u>\$ 42,538,887</u>	<u>\$ 39,785,418</u>	<u>\$ 82,324,305</u>

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

CITY OF SOUTH PASADENA

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Pooled cash and investments	\$ 17,439,391	\$ 14,783,061	\$ 32,222,452
Receivables:			
Accounts	161,822	3,474	165,296
Taxes	1,402,221	10,184	1,412,405
Accrued interest	18,013	22,798	40,811
Due from other governments	54,700	77,628	132,328
Due from other funds	1,784,613	-	1,784,613
Advances to other funds	300,000	-	300,000
Inventories	5,396	-	5,396
	<u>\$ 21,166,156</u>	<u>\$ 14,897,145</u>	<u>\$ 36,063,301</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,382,431	\$ 846,108	\$ 2,228,539
Accrued liabilities	318,751	14,763	333,514
Deposits payable	856,534	9,891	866,425
Due to other funds	-	1,784,613	1,784,613
	<u>2,557,716</u>	<u>2,655,375</u>	<u>5,213,091</u>
Deferred Inflows of Resources:			
Unavailable revenue	54,700	-	54,700
Fund Balances:			
Nonspendable:			
Advances to other funds	300,000	-	300,000
Inventories	5,396	-	5,396
Restricted for:			
Community development projects	-	1,182,584	1,182,584
Public safety - police	-	495,947	495,947
Community services	-	1,941,266	1,941,266
Public works - streets and roads	-	4,879,969	4,879,969
Capital projects	-	683,614	683,614
Public works - street lighting	-	451,566	451,566
Committed to:			
Capital projects	-	4,423,938	4,423,938
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
Retiree Medical Benefits	500,000	-	500,000
Retiree Pension Benefits	500,000	-	500,000
Stormwater Reserve	600,000	-	600,000
Library Park Drainage Reserve	22,000	-	22,000
Financial Sustainability Reserve	900,000	-	900,000
Slater Reimbursement Reserve	345,876	-	345,876
Assigned to:			
Stables CIP Reserve	20,739	-	20,739
Unassigned	12,700,662	(1,817,114)	10,883,548
	<u>18,553,740</u>	<u>12,241,770</u>	<u>30,795,510</u>
Total fund balances	<u>18,553,740</u>	<u>12,241,770</u>	<u>30,795,510</u>
	<u>\$ 21,166,156</u>	<u>\$ 14,897,145</u>	<u>\$ 36,063,301</u>
Total liabilities and fund balances	<u>\$ 21,166,156</u>	<u>\$ 14,897,145</u>	<u>\$ 36,063,301</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, 2020**

Fund balances of governmental funds		\$ 30,795,510
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.		59,395,318
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	\$ 8,068,319	
Pension related deferred inflows of resources	(2,065,903)	
Total other post-employment benefits related deferred outflows of resources	1,222,115	
Total other post-employment benefits related deferred inflows of resources	<u>(2,257,155)</u>	
		4,967,376
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Compensated absences	(935,322)	
Net pension liability	(35,591,004)	
Other post-employment benefits liability	<u>(14,581,610)</u>	
		(51,107,936)
Revenues reported as unavailable revenue in the governmental funds are recognized in the Statement of Activities. These are classified as intergovernmental revenues in the Government-Wide Financial Statements.		54,700
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>(1,566,081)</u>
Net position of governmental activities		<u>\$ 42,538,887</u>

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

This page intentionally left blank

CITY OF SOUTH PASADENA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 23,093,852	\$ 1,645,859	\$ 24,739,711
Assessments	-	890,461	890,461
Licenses and permits	863,691	65,636	929,327
Intergovernmental	63,072	1,494,303	1,557,375
Charges for services	3,052,722	236,553	3,289,275
Use of money and property	989,284	367,706	1,356,990
Fines and forfeitures	264,601	-	264,601
Miscellaneous	490,744	61,642	552,386
Total revenues	<u>28,817,966</u>	<u>4,762,160</u>	<u>33,580,126</u>
Expenditures			
Current:			
General government	5,017,719	131,227	5,148,946
Public safety	14,659,320	77,957	14,737,277
Community development	1,876,257	15,199	1,891,456
Community services	2,705,865	576,955	3,282,820
Public works	1,883,385	1,573,683	3,457,068
Capital outlay	87,836	2,712,487	2,800,323
Total expenditures	<u>26,230,382</u>	<u>5,087,508</u>	<u>31,317,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,587,584</u>	<u>(325,348)</u>	<u>2,262,236</u>
Other Financing Sources (Uses)			
Transfers in	-	1,990,597	1,990,597
Transfers out	<u>(2,451,729)</u>	<u>-</u>	<u>(2,451,729)</u>
Total other financing sources (uses)	<u>(2,451,729)</u>	<u>1,990,597</u>	<u>(461,132)</u>
Net change in fund balance	135,855	1,665,249	1,801,104
Fund Balances, Beginning	<u>18,417,885</u>	<u>10,576,521</u>	<u>28,994,406</u>
Fund Balances, Ending	<u>\$ 18,553,740</u>	<u>\$ 12,241,770</u>	<u>\$ 30,795,510</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, 2020**

Net changes in fund balances - total governmental funds	\$ 1,801,104
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 expense. This is the amount by which depreciation exceeded capital outlay in the current period:	
Capital asset expenditures, net of deletions of capital assets	\$ 2,216,166
Depreciation expense, net of deletions of capital assets	<u>(3,172,687)</u>
	(956,521)
Certain revenues in the governmental funds are deferred inflows of resources because they are measurable but not available under the modified accrual basis of accounting. However, the revenues are included on the accrual basis used in the government-wide statements. This amount represents the change during the year:	
Grants and other reimbursement revenue	54,700
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	(332,186)
Changes in pension related items	(2,278,478)
Changes in other post-employment benefits related items	<u>(278,203)</u>
	(2,888,867)
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.	<u>(1,588,595)</u>
Changes in net position of governmental activities	<u>\$ (3,578,179)</u>

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

CITY OF SOUTH PASADENA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Arroyo Seco Golf Course	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 8,584,310	\$ 5,859,438	\$ 543,226	\$ 14,986,974	\$ 172,076
Receivables:					
Accounts	1,280,950	188,187	697	1,469,834	-
Accrued interest	12,736	10,144	13	22,893	-
Inventories	245,574	-	11,171	256,745	-
Restricted:					
Cash and investments with fiscal agent	1,158,406	-	-	1,158,406	-
Total current assets	<u>11,281,976</u>	<u>6,057,769</u>	<u>555,107</u>	<u>17,894,852</u>	<u>172,076</u>
Noncurrent assets:					
Capital assets, not depreciated	10,996,992	-	-	10,996,992	-
Capital assets, net of depreciation	63,450,093	9,486,245	800,346	73,736,684	-
Total noncurrent assets	<u>74,447,085</u>	<u>9,486,245</u>	<u>800,346</u>	<u>84,733,676</u>	<u>-</u>
Total assets	<u>85,729,061</u>	<u>15,544,014</u>	<u>1,355,453</u>	<u>102,628,528</u>	<u>172,076</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on debt refunding	5,164,988	-	-	5,164,988	-
Pension related	684,692	162,258	-	846,950	-
Other post-employment benefits related	157,633	31,470	-	189,103	-
Total deferred outflows of resources	<u>6,007,313</u>	<u>193,728</u>	<u>-</u>	<u>6,201,041</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	1,911,218	18,593	20,861	1,950,672	2,157
Accrued liabilities	25,569	8,809	7,000	41,378	-
Accrued interest	432,756	172,200	-	604,956	-
Deposits payable	317,532	-	-	317,532	-
Claims and judgements payable	-	-	-	-	1,736,000
Compensated absences	5,857	779	-	6,636	-
Bonds payable	1,505,750	-	-	1,505,750	-
Total current liabilities	<u>4,198,682</u>	<u>200,381</u>	<u>27,861</u>	<u>4,426,924</u>	<u>1,738,157</u>
Noncurrent liabilities:					
Advances from other funds	-	300,000	-	300,000	-
Compensated absences	52,710	7,012	-	59,722	-
Total other post-employment benefits liability	1,880,792	375,485	-	2,256,277	-
Net pension liability	3,020,320	715,753	-	3,736,073	-
Loans payable	6,193,268	8,945,432	-	15,138,700	-
Bonds payable	42,560,331	-	-	42,560,331	-
Total noncurrent liabilities	<u>53,707,421</u>	<u>10,343,682</u>	<u>-</u>	<u>64,051,103</u>	<u>-</u>
Total liabilities	<u>57,906,103</u>	<u>10,544,063</u>	<u>27,861</u>	<u>68,478,027</u>	<u>1,738,157</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	175,317	41,546	-	216,863	-
Other post-employment benefits related	291,137	58,124	-	349,261	-
Total deferred inflows of resources	<u>466,454</u>	<u>99,670</u>	<u>-</u>	<u>566,124</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	23,914,089	540,813	800,346	25,255,248	-
Restricted	1,158,406	-	-	1,158,406	-
Unrestricted	8,291,322	4,553,196	527,246	13,371,764	(1,566,081)
Total net position	<u>\$ 33,363,817</u>	<u>\$ 5,094,009</u>	<u>\$ 1,327,592</u>	<u>\$ 39,785,418</u>	<u>\$ (1,566,081)</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, 2020**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Arroyo Seco Golf Course	Total	
OPERATING REVENUES					
Sales and service charges	\$ 11,089,616	\$ 1,962,443	\$ 1,074,883	\$ 14,126,942	\$ 1,212,415
Miscellaneous	652,353	-	-	652,353	-
Total operating revenues	11,741,969	1,962,443	1,074,883	14,779,295	1,212,415
OPERATING EXPENSES					
Administration and general	1,888,840	541,111	976,193	3,406,144	-
Pumping	1,388,073	-	-	1,388,073	-
Transmission/collection	2,520,386	-	-	2,520,386	-
Treatment	-	182,856	-	182,856	-
Insurance costs and claims	-	-	-	-	2,941,010
Depreciation expense	1,220,757	268,800	54,372	1,543,929	-
Amortization expense	22,500	-	-	22,500	-
Total operating expenses	7,040,556	992,767	1,030,565	9,063,888	2,941,010
Operating income (loss)	4,701,413	969,676	44,318	5,715,407	(1,728,595)
NON-OPERATING REVENUES (EXPENSES)					
Interest revenue	79,084	185,693	227	265,004	-
Interest expense	(1,775,196)	(196,987)	-	(1,972,183)	-
Operating grants and contributions	90,833	-	-	90,833	-
Miscellaneous expenses	(1,250)	-	-	(1,250)	-
Total non-operating revenues (expenses)	(1,606,529)	(11,294)	227	(1,617,596)	-
Income (loss) before transfers	3,094,884	958,382	44,545	4,097,811	(1,728,595)
TRANSFERS					
Transfers in	321,132	-	-	321,132	140,000
Total transfers	321,132	-	-	321,132	140,000
Change in net position	3,416,016	958,382	44,545	4,418,943	(1,588,595)
NET POSITION					
Net position, beginning	29,947,801	4,135,627	1,283,047	35,366,475	22,514
Net position, ending	\$ 33,363,817	\$ 5,094,009	\$ 1,327,592	\$ 39,785,418	\$ (1,566,081)

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, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Arroyo Seco Golf Course	Total	
Cash flows from operating activities					
Cash received from customers and users	\$ 10,511,729	\$ 1,794,108	\$ 1,074,216	\$ 13,380,053	\$ 1,212,415
Cash paid to suppliers for goods and services	(5,455,970)	(723,552)	(1,012,775)	(7,192,297)	(1,205,280)
Cash paid to employees for services	745,006	93,287	-	838,293	-
Cash received from (payments to) others	652,353	-	-	652,353	-
Net cash provided by operating activities	6,453,118	1,163,843	61,441	7,678,402	7,135
Cash flows from noncapital financing activities					
Cash paid to other funds	-	(273,314)	-	(273,314)	-
Cash received from other funds	321,132	-	-	321,132	140,000
Cash received from operating grants	90,833	-	-	90,833	-
Net cash provided by (used for) noncapital financing activities	411,965	(273,314)	-	138,651	140,000
Cash flows from capital and related financing activities					
Proceeds from capital debt	5,553,639	-	-	5,553,639	-
Acquisition and construction of capital assets	(7,080,326)	(113,227)	(29,427)	(7,222,980)	-
Principal paid on capital debt	(1,264,833)	(241,565)	-	(1,506,398)	-
Interest paid on capital debt	(1,792,267)	(192,953)	-	(1,985,220)	-
Net cash provided by (used for) capital and related financing activities	(4,583,787)	(547,745)	(29,427)	(5,160,959)	-
Cash flows from investing activities					
Interest received	100,892	198,735	249	299,876	-
Net cash provided by investing activities	100,892	198,735	249	299,876	-
Net increase in cash and cash equivalents	2,382,188	541,519	32,263	2,955,970	147,135
Cash and cash equivalents, beginning of year	7,360,528	5,317,919	510,963	13,189,410	24,941
Cash and cash equivalents, end of year	\$ 9,742,716	\$ 5,859,438	\$ 543,226	\$ 16,145,380	\$ 172,076
Cash and investments	\$ 8,584,310	\$ 5,859,438	\$ 543,226	\$ 14,986,974	\$ 172,076
Restricted:					
Cash and investments with fiscal agent	1,158,406	-	-	1,158,406	-
Total cash and cash equivalents	\$ 9,742,716	\$ 5,859,438	\$ 543,226	\$ 16,145,380	\$ 172,076
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 4,701,413	\$ 969,676	\$ 44,318	\$ 5,715,407	\$ (1,728,595)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	1,220,757	268,800	54,372	1,543,929	-
Amortization	22,500	-	-	22,500	-
(Increase) decrease in operating assets:					
Accounts receivable	(563,781)	(168,335)	(667)	(732,783)	-
Inventories	22,783	-	3,494	26,277	-
Deferred outflows of resources	(238,418)	(31,222)	-	(269,640)	-
Increase (decrease) in operating liabilities:					
Accounts payable	318,546	415	(41,076)	277,885	(270)
Accrued liabilities	8,634	3,880	1,000	13,514	-
Deposits payable	(14,106)	-	-	(14,106)	-
Claims and judgements payable	-	-	-	-	1,736,000
Compensated absences	41,478	3,606	-	45,084	-
Net pension liability	749,201	82,460	-	831,661	-
Other post-employment benefits liability	21,276	4,248	-	25,524	-
Deferred inflows of resources	162,835	30,315	-	193,150	-
Total adjustments	1,751,705	194,167	17,123	1,962,995	1,735,730
Net cash provided by operating activities	\$ 6,453,118	\$ 1,163,843	\$ 61,441	\$ 7,678,402	\$ 7,135

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

CITY OF SOUTH PASADENA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	Private Purpose Trust Fund <u>Successor Agency of the Former CRA</u>
Assets	
Pooled cash and investments	\$ 65,973
Interest receivable	512
Restricted assets:	
Cash and investments with fiscal agents	<u>198,080</u>
Total assets	<u>264,565</u>
Liabilities	
Accrued interest	8,250
Long-term liabilities:	
Due within one year	145,000
Due in more than one year	<u>680,000</u>
Total liabilities	<u>833,250</u>
Fiduciary Net Position (Deficit)	
Held in trust for other purposes	<u>\$ (568,685)</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, 2020**

	Private Purpose Trust Fund Successor Agency of the Former CRA
Revenues	
Taxes	\$ 193,700
Use of money and property	4,887
Total revenues	<u>198,587</u>
Expenses	
Interest expense	<u>55,222</u>
Total expenses	<u>55,222</u>
Change in net position	143,365
Net position (deficit) held in trust, beginning	<u>(712,050)</u>
Net position (deficit) held in trust, ending	<u>\$ (568,685)</u>

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

This page intentionally left blank

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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 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 11 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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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.

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

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."

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)***Receivables and Payables (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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)***Functional Classifications (continued)**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.

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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

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

*Functional Classifications (continued)**Capital Assets (continued)*

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

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

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 position 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 position 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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)***Functional Classifications (continued)**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.

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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)***Functional Classifications (continued)**Pensions*

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. 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. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website at www.calpers.ca.gov.

GASB Statement No. 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, 2018
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

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, 2019
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)***Functional Classifications (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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)***Functional Classifications (continued)**Fund 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, 2020**Note 2: Cash and Investments**

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

Statement of net position:	
Cash and investments	\$ 47,381,502
Cash and investments with fiscal agents	1,158,406
Statement of fiduciary net position:	
Cash and investments	65,973
Cash and investments with fiscal agents	<u>198,080</u>
Total cash and cash equivalents	<u>\$ 48,803,961</u>

Cash and investments at June 30, 2020, consists of the following:

Cash and cash equivalents:	
Petty cash	\$ 9,236
Deposits with financial institutions	14,385,085
Investments	<u>34,409,640</u>
Total cash and cash equivalents	<u>\$ 48,803,961</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.

A. Deposits

At June 30, 2020, the carrying amount of the City's deposits was \$14,385,085 and the bank balance was \$14,011,978. The \$373,107 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors.

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, 2020

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:

<u>Authorized Investment Type</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>	<u>Minimum Quality Requirements</u>
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.

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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 2: Cash and Investments (continued)

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, 2020:

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	\$ 16,624,545	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,624,545
Money Market Mutual Funds	109,611	N/A	-	-	-	-	-	-	-	-	109,611
U.S. Treasury Notes	8,731,193	N/A	8,731,193	-	-	-	-	-	-	-	-
Government Agency Securities	3,792,816	A	-	3,792,816	-	-	-	-	-	-	-
Medium-Term Notes	5,151,475	A	-	308,968	320,391	251,765	1,150,895	1,766,588	1,352,868	-	-
Total	<u>\$ 34,409,640</u>		<u>\$ 8,731,193</u>	<u>\$ 4,101,784</u>	<u>\$ 320,391</u>	<u>\$ 251,765</u>	<u>\$ 1,150,895</u>	<u>\$ 1,766,588</u>	<u>\$ 1,352,868</u>		<u>\$ 16,734,156</u>

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, 2020, investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Federal Home Loan Mortgage Corporation	FHLMC	1,241,595
Federal Home Loan Bank	FHLB	671,484

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020, 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	\$ 16,624,545	\$ -	\$ -	\$ -	\$ 16,624,545
Money Market Mutual Funds	109,611	-	-	-	109,611
U.S. Treasury Notes	-	796,405	4,754,637	3,180,151	8,731,193
Government Agency Securities	-	-	671,484	3,121,332	3,792,816
Medium-Term Notes	967,283	508,644	3,406,760	268,788	5,151,475
Total	\$ 17,701,439	\$ 1,305,049	\$ 8,832,881	\$ 6,570,271	\$ 34,409,640

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, 2020.

Investment by Fair Value Level	Fair Value	Level 1	Level 2	Level 3
Debt securities:				
Money Market Mutual Funds	\$ 109,611	\$ 109,611	\$ -	\$ -
U.S. Treasury Notes	8,731,193	8,731,193	-	-
Government Agency Securities	3,792,816	3,792,816	-	-
Medium-Term Notes	5,151,475	5,151,475	-	-
Total investments measured at fair value	17,785,095	\$ 17,785,095	\$ -	\$ -
Investments not subject to fair value measurement LAIF	16,624,545			
Total investments	\$ 34,409,640			

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 3: Capital Assets**

Capital asset activity was as follows for the year ended June 30, 2020:

Governmental activities:	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 2,454,245	\$ -	\$ -	\$ 2,454,245
Construction in progress	777,338	1,838,893	(493,783)	2,122,448
Total capital assets, not being depreciated	<u>3,231,583</u>	<u>1,838,893</u>	<u>(493,783)</u>	<u>4,576,693</u>
Capital assets, being depreciated:				
Buildings	11,654,674	-	-	11,654,674
Improvements other than buildings	6,029,175	-	-	6,029,175
Infrastructure	92,154,773	798,829	-	92,953,602
Machinery, equipment, and vehicles	11,819,615	72,227	-	11,891,842
Total capital assets, being depreciated	<u>121,658,237</u>	<u>871,056</u>	<u>-</u>	<u>122,529,293</u>
Less accumulated depreciation for:				
Buildings	(7,625,084)	(314,704)	-	(7,939,788)
Improvements other than buildings	(1,829,065)	(337,371)	-	(2,166,436)
Infrastructure	(46,105,607)	(1,961,379)	-	(48,066,986)
Machinery, equipment, and vehicles	(8,978,225)	(559,233)	-	(9,537,458)
Total accumulated depreciation	<u>(64,537,981)</u>	<u>(3,172,687)</u>	<u>-</u>	<u>(67,710,668)</u>
Total capital assets, being depreciated, net	<u>57,120,256</u>	<u>(2,301,631)</u>	<u>-</u>	<u>54,818,625</u>
Total governmental activities	<u>\$ 60,351,839</u>	<u>\$ (462,738)</u>	<u>\$ (493,783)</u>	<u>\$ 59,395,318</u>

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

Governmental Activities:	
General government	\$ 278,820
Public safety	327,804
Community services	486,156
Public works	<u>2,079,907</u>
Total depreciation expense – governmental activities	<u>\$ 3,172,687</u>

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 3: Capital Assets (continued)**

Business-type activities:	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 84,685	\$ -	\$ -	\$ 84,685
Construction in progress	6,735,052	6,970,638	(2,793,383)	10,912,307
Total capital assets, not being depreciated	<u>6,819,737</u>	<u>6,970,638</u>	<u>(2,793,383)</u>	<u>10,996,992</u>
Capital assets, being depreciated:				
Buildings	4,172,807	7,895	-	4,180,702
Improvements other than buildings	4,105,620	-	-	4,105,620
Infrastructure	74,231,437	2,893,987	-	77,125,424
Machinery and equipment	1,888,363	143,843	-	2,032,206
Total capital assets, being depreciated	<u>84,398,227</u>	<u>3,045,725</u>	<u>-</u>	<u>87,443,952</u>
Less accumulated depreciation for:				
Buildings	(1,252,299)	(83,338)	-	(1,335,637)
Improvements other than buildings	(3,597,635)	(70,957)	-	(3,668,592)
Infrastructure	(6,480,026)	(1,257,395)	-	(7,737,421)
Machinery and equipment	(833,379)	(132,239)	-	(965,618)
Total accumulated depreciation	<u>(12,163,339)</u>	<u>(1,543,929)</u>	<u>-</u>	<u>(13,707,268)</u>
Total capital assets, being depreciated, net	<u>72,234,888</u>	<u>1,501,796</u>	<u>-</u>	<u>73,736,684</u>
Total business-type activities	<u>\$ 79,054,625</u>	<u>\$ 8,472,434</u>	<u>\$ (2,793,383)</u>	<u>\$ 84,733,676</u>

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

Business-type Activities:	
Water	\$ 1,220,757
Sewer	268,800
Arroyo Seco Golf Course	<u>54,372</u>
Total depreciation expense – business-type activities	<u>\$ 1,543,929</u>

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 4: Interfund Receivable, Payable and Transfers****A. Due To/From Other Funds**

At June 30, 2020, the City had the following internal balances:

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	
	<u>Nonmajor Funds</u>	<u>Total</u>
General Fund	<u>\$ 1,784,613</u>	<u>\$ 1,784,613</u>

The due to General fund of \$1,784,613 for various Nonmajor Governmental Funds was a result of temporary cash deficit balances in those funds.

B. Advances to/from Other Funds

The General Fund advanced \$750,000 to the Sewer Fund on July 11, 2012, in order to fund the construction of the Arroyo Drive, Marengo Ave, Meridian Ave, and Huntington Drive Sewer Improvement Project. The advance bears interest at the City's portfolio rate of return, with payments due within ten years. The balance outstanding at June 30, 2020 is \$300,000.

C. Transfers

	<u>Transfers In</u>			<u>Total Transfers Out</u>
	<u>Internal Service Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Water Enterprise Fund</u>	
Transfers Out:				
General Fund	<u>\$ 140,000</u>	<u>\$ 1,990,597</u>	<u>\$ 321,132</u>	<u>\$ 2,451,729</u>
Total Transfers In:	<u>\$ 140,000</u>	<u>\$ 1,990,597</u>	<u>\$ 321,132</u>	<u>\$ 2,451,729</u>

All transfers were made as budgeted. \$965,000 was transferred from the General Fund to the Street Improvements Fund for various projects including the following: Alpha Ave & Camino Del Sol, Bushnell Ave & Diamond Ave, Monterey Road, etc.; \$825,000 was transferred from the General Fund to the Facilities and Equipment Capital Projects Fund for planned facilities maintenance and equipment replacement, such as improvements to the VOIP system and purchase of safety vehicles; \$200,597 was transferred from the General Fund to the LLMD Fund for Professional Tree Removal and replacement; \$321,132 was transferred from the General Fund to the Water Enterprise fund for water utility billing costs; \$140,000 was transferred from the General Fund to the Internal Service Fund for the cost of insurance.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 5: Long-Term Debt**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Business-Type Activities:					
2012 State Loan Payable - Direct Borrowing	\$ 9,186,997	\$ -	\$ (241,565)	\$ 8,945,432	\$ -
SRF State Loan Payable - Direct Borrowing	679,462	5,553,639	(39,833)	6,193,268	-
2013 Water Revenue Bonds	5,010,000	-	(375,000)	4,635,000	390,000
Issuance Premium	284,053	-	(27,712)	256,341	27,712
2016 Water Revenue Bonds	36,020,000	-	(850,000)	35,170,000	880,000
Issuance Premium	4,212,778	-	(208,038)	4,004,740	208,038
	<u>\$ 55,393,290</u>	<u>\$ 5,553,639</u>	<u>\$ (1,742,148)</u>	<u>\$ 59,204,781</u>	<u>\$ 1,505,750</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. For the period ended June 30, 2020, the amount payable to the California State Water Resources Control Board was \$8,945,432.

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. The loan payable has an interest rate of 1.7%. Current year draw-downs were \$5,553,639, resulting in an outstanding balance as of June 30, 2020 of \$6,193,268.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 5: Long-Term Debt (continued)

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.

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, 2020, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 390,000	\$ 158,988	\$ 548,988
2022	405,000	143,088	548,088
2023	420,000	128,688	548,688
2024	435,000	113,688	548,688
2025	450,000	95,987	545,987
2026-2030	2,535,000	210,737	2,745,737
Total	\$ 4,635,000	\$ 851,176	\$ 5,486,176

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 5: Long-Term Debt (continued)

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.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2020, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 880,000	\$ 1,551,038	\$ 2,431,038
2022	905,000	1,519,738	2,424,738
2023	945,000	1,482,738	2,427,738
2024	985,000	1,439,213	2,424,213
2025	1,035,000	1,388,713	2,423,713
2026-2030	6,050,000	6,087,687	12,137,687
2031-2035	10,745,000	4,098,288	14,843,288
2036-2040	13,625,000	1,272,063	14,897,063
Total	<u>\$ 35,170,000</u>	<u>\$ 18,839,478</u>	<u>\$ 54,009,478</u>

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 6: Compensated Absences**

The City's liability at June 30, 2020 for vested and unpaid compensated absences (accrued vacation and compensatory time) is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Governmental activities	\$ 603,136	\$ 825,666	\$ (493,480)	\$ 935,322	\$ 93,532
Business-type activities	21,274	62,135	(17,051)	66,358	6,636
Total compensated absences payable	<u>\$ 624,410</u>	<u>\$ 887,801</u>	<u>\$ (510,531)</u>	<u>\$ 1,001,680</u>	<u>\$ 100,168</u>

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

Note 7: 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.

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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 7: City Employees Defined Benefit Pension Plan (continued)

A. General Information about the Pension Plans (continued)

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.

Benefits Provided

The Plans' provisions and benefits in effect at June 30, 2020 are summarized as follows:

	Miscellaneous	
	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 - 63	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%	6.50%
Required employer contribution rates	10.868%	7.072%
	Safety	
	Prior to January 1, 2013	On or after 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%	12.75%
Required employer contribution rates	19.231%	13.786%

Employees Covered

At June 30, 2018 (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	144	-	137	-
Inactive employees entitled to but not yet receiving benefits	187	27	32	9
Active employees	62	44	38	14
Total	393	71	207	23

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 7: 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, 2020 were \$4,295,978. The actual employer payments of \$3,460,075 made to CalPERS by the City during the measurement period ended June 30, 2019 differed from the City's proportionate share of the employer's contributions of \$4,543,544 by \$1,083,469, 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, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 7: City Employees Defined Benefit Pension Plan (continued)

B. Net Pension Liability (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
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 up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2018 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.

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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 7: City Employees Defined Benefit Pension Plan (continued)

B. Net Pension Liability (continued)

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

Asset Class ¹	Current Target Allocation	Real Return Years 1 - 10 ²	Real Return Year 11+ ³
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	(0.92%)
Total	<u>100.0%</u>		

¹ In the System's CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Change of Assumptions

There were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. 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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 7: City Employees Defined Benefit Pension Plan (continued)

B. Net Pension Liability (continued)

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. 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.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves.

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: 6/30/2018 (MD)	\$ 50,430,227	\$ 37,923,852	\$ 12,506,375
Balance at: 6/30/2019 (MD)	52,510,233	39,035,481	13,474,752
Net Changes during 2018-19	2,080,006	1,111,629	968,377

Safety	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2018 (MD)	\$ 89,590,960	\$ 65,701,199	\$ 23,889,761
Balance at: 6/30/2019 (MD)	92,573,505	66,721,180	25,852,325
Net Changes during 2018-19	2,982,545	1,019,981	1,962,564

Valuation Date (VD), Measurement Date (MD)

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 7: City Employees Defined Benefit Pension Plan (continued)

C. Proportionate Share of Net Pension Liability (continued)

The City's net pension liability for each of the cost sharing, multiple-employer Plans is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. 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. The City's proportionate share of the net pension liability for each Plan as of the June 30, 2018, and 2019 measurement dates was as follows:

	Miscellaneous	Safety
Proportionate Share of NPL - June 30, 2018	0.33185%	0.40715%
Proportionate Share of NPL - June 30, 2019	0.33649%	0.41413%
Change - Increase	0.00464%	0.00698%

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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan's Net Pension Liability	\$ 20,537,539	\$ 13,474,752	\$ 7,644,921
Safety Plan's Net Pension Liability	\$ 38,538,912	\$ 25,852,325	\$ 15,451,312

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 7: City Employees Defined Benefit Pension Plan (continued)****C. Proportionate Share of Net Pension Liability (continued)**

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).

The EARSL for PERF C for the measurement period ending June 30, 2019 is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of the active employees) by 140,593 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that 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, 2018), the City's net pension liability was \$36,396,136. For the measurement period ending June 30, 2019 (the measurement date), the City incurred a pension expense of \$7,312,100.

As of June 30, 2020, 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	\$ 1,267,618	\$ -
Differences between Expected and Actual Experience	2,551,290	-
Differences between Projected and Actual Investment Earnings	-	591,223
Differences between Employer's Contributions and Proportionate Share of Contributions	-	1,494,721
Change in Employer's Proportion	800,383	196,822
Pension Contributions Made Subsequent to Measurement Date	4,295,978	-
	<u>\$ 8,915,269</u>	<u>\$ 2,282,766</u>

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 7: City Employees Defined Benefit Pension Plan (continued)

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

These amounts above are net of outflows and inflows recognized in the 2018-19 measurement period expense. Contributions subsequent to the measurement date of \$4,295,978 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>
2021	\$ 2,345,684
2022	(414,415)
2023	288,455
2024	116,801
2025	-
Thereafter	-

E. Payable to the Pension Plan

At June 30, 2020, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

F. Pension Plan Summary

Miscellaneous plan net pension liability	\$ 13,474,752
Safety plan net pension liability	<u>25,852,325</u>
Combined net pension liability	<u>\$ 39,327,077</u>
Governmental activities net pension liability	\$ 35,591,004
Business-type activities net pension liability	<u>3,736,073</u>
Total net pension liability	<u>\$ 39,327,077</u>

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 8: 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, 2019 measurement date, the following numbers of participants were covered by the benefit terms under the Plan:

Active employees	129
Inactive employees or beneficiaries currently receiving benefits	97
Inactive employees entitled to, but not yet receiving benefits	<u>22</u>
Total	<u><u>248</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 on a pay-as-you-go basis (no prefunding). For fiscal year 2019-2020, the City paid \$561,272 for other postemployment benefits.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 8: Other Post-Employment Benefits (continued)****D. Total OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2019 and was based on the following actuarial methods and assumptions:

Actuarial Assumptions	June 30, 2019 Measurement Date
Actuarial Valuation Date	June 30, 2019
Contribution Policy	No pre-funding
Discount Rate	3.50% at June 30, 2019 (Bond Buyer 20-Bond Index) 3.87% at June 30, 2018 (Bond Buyer 20-Bond Index)
General Inflation	2.75% annually
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020
Salary increases	Aggregate - 3% annually Mert - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare – 7% for 2022, decreasing to an ultimate rate of 4.0% in 2076 Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Kaiser) – 5% for 2022, decreasing to an ultimate rate of 4% in 2076
Fixed Dollar Cap	None
PEMHCA Minimum Increase	4.25% annually
Healthcare Participation at Retirement	90% of employees receiving City Subsidy (hired before 7/1/2020) 50% of employees receiving PEMHCA minimum

E. Discount Rate

A discount rate of 3.50 percent was used in the valuation for measurement date June 30, 2019.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 8: Other Post-Employment Benefits (continued)

F. Changes in the OPEB Liability

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

	(a) Total OPEB Liability	(b) Plan Fiduciary Net Position	(a) - (b) = (c) Net OPEB Liability
Balance at June 30, 2019 (6/30/18 measurement date)	\$ 16,647,414	\$ -	\$ 16,647,414
Changes recognized for the measurement period:			
Service cost	506,445	-	506,445
Interest	651,066	-	651,066
Changes of benefit terms	270,482	-	270,482
Actual vs. expected experience	(1,405,666)	-	(1,405,666)
Changes in assumptions	829,039	-	829,039
Benefit payments	(660,893)	-	(660,893)
Net changes	190,473	-	190,473
Balance at June 30, 2020 (6/30/19 measurement date)	\$ 16,837,887	\$ -	\$ 16,837,887

G. 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, 2019:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability \$	19,136,576	16,837,887	14,947,278

H. 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, 2019:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability \$	15,716,461	16,837,887	18,124,404

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 8: Other Post-Employment Benefits (continued)****I. OPEB Plan Fiduciary Net Position**

As the City is not prefunding with an OPEB trust, Plan Fiduciary Net Position was \$0 at the June 30, 2019 measurement date.

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.

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$1,021,866. As of fiscal year ended June 30, 2020, 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	\$ -	\$ 1,204,857
Changes in assumptions	710,605	1,401,559
Contributions to OPEB plan subsequent to the measurement date	700,613	-
Total	<u>\$ 1,411,218</u>	<u>\$ 2,606,416</u>

The \$700,613 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021. 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
2021	\$ (411,103)
2022	(411,103)
2023	(411,103)
2024	(411,106)
2025	(169,019)
Thereafter	<u>(82,377)</u>
	<u>\$ (1,895,811)</u>

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 9: 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 10: 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.

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.

Note 11: 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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 11: Successor Agency Trust for Assets of Former Community Redevelopment Agency
(continued)**

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, 2020, Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$	65,973
Cash and investments with fiscal agent		198,080
		<u>\$ 264,053</u>

Long-term debt

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	Balance			Balance	Due Within
	June 30, 2019	Additions	Deletions	June 30, 2020	One Year
2000 Tax Allocation Bond	\$ 965,000	\$ -	\$ (140,000)	\$ 825,000	\$ 145,000
Total	<u>\$ 965,000</u>	<u>\$ -</u>	<u>\$ (140,000)</u>	<u>\$ 825,000</u>	<u>\$ 145,000</u>

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2020, 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, 2020, \$825,000 was outstanding.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 11: Successor Agency Trust for Assets of Former Community Redevelopment Agency
(continued)****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 \$979,500 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 \$193,700 and the interest expense on the bonds was \$55,222.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2020, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 145,000	\$ 49,500	\$ 194,500
2022	155,000	40,800	195,800
2023	165,000	31,500	196,500
2024	175,000	21,600	196,600
2025	185,000	11,100	196,100
Total	<u>\$ 825,000</u>	<u>\$ 154,500</u>	<u>\$ 979,500</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 9.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**Note 12: Deficit Fund Balances**

The following funds have deficits in fund balance at June 30, 2020:

Fund	Amount
Nonmajor Governmental Funds:	
Special Revenue Funds:	
MTA Pedestrian Improvement	\$ (29,951)
CTC Traffic Improvement	(23)
Rogan HR 5294 Grant	(2,497)
Mission Meridian Public Garage	(343,355)
County Park Bond	(145,828)
MSRC Grant	(148,849)
Measure W	(109,301)
Measure H	(65,563)
Prop C Exchange	(148,350)
BTA Grant	(409,118)
Golden Streets Grant	(346,170)
CDBG	(307)
Homeland Security Grant	(21,011)
HSIP Grant	(46,791)

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

Note 13: 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	Total
Capital assets, net of accumulated depreciation	\$ 74,447,085	\$ 9,486,245	\$ 800,346	\$ 84,733,676
2016 Water Revenue Bonds	(35,170,000)			(35,170,000)
Issuance Premium	(4,004,740)			(4,004,740)
2012 State Loan Payable		(8,945,432)		(8,945,432)
SRF State Loan Payable	(6,193,268)			(6,193,268)
Deferred Loss on Refunding	(5,164,988)			(5,164,988)
	<u>\$ 23,914,089</u>	<u>\$ 540,813</u>	<u>\$ 800,346</u>	<u>\$ 25,255,248</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SOUTH PASADENA

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 22,705,466	\$ 22,573,996	\$ 23,093,852	\$ 519,856
Licenses and permits	1,023,900	1,023,900	863,691	(160,209)
Intergovernmental	52,100	51,900	63,072	11,172
Charges for services	3,305,750	3,153,750	3,052,722	(101,028)
Use of money and property	647,750	647,750	989,284	341,534
Fines and forfeitures	382,700	382,700	264,601	(118,099)
Miscellaneous	483,384	483,384	490,744	7,360
Total revenues	<u>28,601,050</u>	<u>28,317,380</u>	<u>28,817,966</u>	<u>500,586</u>
Expenditures				
Current:				
General government	4,628,626	4,628,626	5,017,719	(389,093)
Public safety	14,450,978	14,486,662	14,659,320	(172,658)
Community development	1,748,065	1,971,039	1,876,257	94,782
Community services	3,271,510	3,276,510	2,705,865	570,645
Public works	2,140,578	2,140,578	1,883,385	257,193
Capital outlay	133,600	133,600	87,836	45,764
Total expenditures	<u>26,373,357</u>	<u>26,637,015</u>	<u>26,230,382</u>	<u>406,633</u>
Excess of revenues over expenditures	<u>2,227,693</u>	<u>1,680,365</u>	<u>2,587,584</u>	<u>907,219</u>
Other Financing Sources (Uses)				
Transfers out	<u>(1,910,597)</u>	<u>(1,910,597)</u>	<u>(2,451,729)</u>	<u>(541,132)</u>
Total other financing sources (uses)	<u>(1,815,597)</u>	<u>(1,910,597)</u>	<u>(2,451,729)</u>	<u>(541,132)</u>
Net change in fund balance	412,096	(230,232)	135,855	366,087
Fund balance, beginning of year	<u>18,417,885</u>	<u>18,417,885</u>	<u>18,417,885</u>	<u>-</u>
Fund balance, end of year	<u>\$ 18,829,981</u>	<u>\$ 18,187,653</u>	<u>\$ 18,553,740</u>	<u>\$ 366,087</u>

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 Liability¹</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%

¹ 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.

* Measurement date 6/30/2014 (fiscal year 2014-15) was the first year of implementation. Additional years will be presented as information comes available.

CITY OF SOUTH PASADENA

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

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%

* Measurement period 2013-14 was the first year of implementation. Additional years will be presented as information

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: 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 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. 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

CITY OF SOUTH PASADENA

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

Fiscal Year Measurement Period	2017-18	2018-19	2019-20
	2016-17	2017-18	2018-19
Total OPEB Liability			
Service cost	\$ 664,681	\$ 560,960	\$ 506,445
Interest	519,308	607,364	651,066
Changes in benefit terms	-	-	270,482
Actual vs. expected experience	-	-	(1,405,666)
Changes in assumptions	(1,694,570)	(606,526)	829,039
Benefit payments	(645,346)	(637,788)	(660,893)
Net change in total OPEB liability	(1,155,927)	(75,990)	190,473
Total OPEB liability - beginning	17,879,331	16,723,404	16,647,414
Total OPEB liability - ending (a)	16,723,404	16,647,414	16,837,887
Plan Fiduciary Net Position			
Contributions – employer	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expense	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	-	-	-
Net OPEB liability - ending (a) - (b)	\$ 16,723,404	\$ 16,647,414	\$ 16,837,887
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 11,644,645	\$ 14,031,728	\$ 10,487,587
Net OPEB liability as a percentage of covered employee payroll	143.6%	118.6%	160.6%

Notes to Schedule:

Changes in assumptions: Discount rate decreased from 3.87% at June 30, 2018 to 3.50% at June 30, 2019.

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.

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

CITY OF SOUTH PASADENA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**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 Gold Line Mitigation, Asset Forfeiture, Measure H, Prop C Exchange, Homeland Security Grant, MSRC Grant, BTA Grant, Golden Streets Grant, HSIP Grant, MTA Pedestrian Improvement, CTC Traffic Improvement Grant, Rogan HR 5294 Grant, and Historic Preservation 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 fund level were as follows:

Fund	Appropriations	Expenditures	Excess
General Fund:			
General government	\$ 4,628,626	\$ 5,017,719	\$ (389,093)
Public safety	14,486,662	14,659,320	(172,658)
Non-Major Governmental Funds:			
Clean Air Act	15,000	55,111	(40,111)
Housing Authority	10,000	15,199	(5,199)

SUPPLEMENTARY INFORMATION

CITY OF SOUTH PASADENA

NON-MAJOR GOVERNMENTAL FUNDS

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.

***211-CTC Traffic Improvement Grant Fund** – To account for state and federal funding of street and intersection improvements relieving congestion at our busiest intersections.

***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

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 Requirement 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.

245-Bike and Pedestrian Paths Fund – To account for the revenues and expenditures for bike and pedestrian facilities improvements funded by the State of California Transportation Development Act.

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

217-Public, Education, and Government 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.

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

CITY OF SOUTH PASADENA

NON-MAJOR GOVERNMENTAL FUNDS

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 and Equipment Replacement Fund – To account the replacement costs of City vehicles and equipment.

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-Street Improvements Program Fund – To account for capital expenditures related to street improvements projects.

CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds		
	MTA Pedestrian Improvement	Proposition "A"	Proposition "C"
ASSETS			
Pooled cash and investments	\$ -	\$ 1,244,802	\$ 940,570
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Interest	-	2,677	2,053
Due from other governments	-	-	-
Total assets	\$ -	\$ 1,247,479	\$ 942,623
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 7,717	\$ 30,681
Accrued liabilities	-	2,070	2,992
Deposits payable	-	-	-
Due to other funds	29,951	-	-
Total liabilities	29,951	9,787	33,673
Fund Balances (Deficits):			
Restricted for:			
Community development projects	-	-	-
Public safety - police	-	-	-
Community services	-	1,237,692	-
Public works - streets and roads	-	-	908,950
Capital projects	-	-	-
Public works - street lighting	-	-	-
Committed to:			
Capital projects	-	-	-
Unassigned	(29,951)	-	-
Total fund balances (deficits)	(29,951)	1,237,692	908,950
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 1,247,479	\$ 942,623

(continued)

Special Revenue Funds					
CTC Traffic Improvement Grant	Rogan HR 5294 Grant Fund	Street Lighting	Clean Air Act	Parking and Business Improvement	Gold Line Mitigation
\$ -	\$ -	\$ 561,045	\$ 113,863	\$ 9,951	\$ 62,778
-	-	-	-	-	-
-	-	10,184	-	-	-
-	-	895	258	-	136
-	-	-	8,214	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572,124</u>	<u>\$ 122,335</u>	<u>\$ 9,951</u>	<u>\$ 62,914</u>
\$ -	\$ -	\$ 110,157	\$ -	\$ -	\$ -
-	-	2,668	-	-	-
-	-	7,733	-	-	-
<u>23</u>	<u>2,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>23</u>	<u>2,497</u>	<u>120,558</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	122,335	9,951	62,914
-	-	451,566	-	-	-
-	-	-	-	-	-
<u>(23)</u>	<u>(2,497)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(23)</u>	<u>(2,497)</u>	<u>451,566</u>	<u>122,335</u>	<u>9,951</u>	<u>62,914</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572,124</u>	<u>\$ 122,335</u>	<u>\$ 9,951</u>	<u>\$ 62,914</u>

CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds		
	Mission	State Gas	County Park
	Meridian Public Garage	Tax	Bond
ASSETS			
Pooled cash and investments	\$ -	\$ 967,896	\$ -
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Interest	-	2,184	-
Due from other governments	-	-	-
Total assets	\$ -	\$ 970,080	\$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 804	\$ 16,032	\$ 4,648
Accrued liabilities	-	6,341	-
Deposits payable	-	-	-
Due to other funds	342,551	-	141,180
Total liabilities	343,355	22,373	145,828
Fund Balances (Deficits):			
Restricted for:			
Community development projects	-	-	-
Public safety - police	-	-	-
Community services	-	-	-
Public works - streets and roads	-	947,707	-
Capital projects	-	-	-
Public works - street lighting	-	-	-
Committed to:			
Capital projects	-	-	-
Unassigned	(343,355)	-	(145,828)
Total fund balances (deficits)	(343,355)	947,707	(145,828)
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 970,080	\$ -

(continued)

Special Revenue Funds						
Capital Growth Requirements	C.D.B.G	Asset Forfeiture	Measure W	Bike and Pedestrian Paths	State Police Grant	
\$ 501,321	\$ -	\$ 143,631	\$ -	\$ 10,252	\$ 351,422	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,047	-	149	-	-	745	
-	-	-	-	-	-	
<u>\$ 502,368</u>	<u>\$ -</u>	<u>\$ 143,780</u>	<u>\$ -</u>	<u>\$ 10,252</u>	<u>\$ 352,167</u>	
\$ 13,954	\$ -	\$ -	\$ 26,367	\$ -	\$ -	
-	-	-	692	-	-	
-	-	-	-	-	-	
-	307	-	82,242	-	-	
<u>13,954</u>	<u>307</u>	<u>-</u>	<u>109,301</u>	<u>-</u>	<u>-</u>	
-	-	-	-	10,252	-	
-	-	143,780	-	-	352,167	
-	-	-	-	-	-	
-	-	-	-	-	-	
488,414	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	(307)	-	(109,301)	-	-	
<u>488,414</u>	<u>(307)</u>	<u>143,780</u>	<u>(109,301)</u>	<u>10,252</u>	<u>352,167</u>	
<u>\$ 502,368</u>	<u>\$ -</u>	<u>\$ 143,780</u>	<u>\$ -</u>	<u>\$ 10,252</u>	<u>\$ 352,167</u>	

CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds		
	Homeland Security Grant	Park Impact Fees	Measure R
ASSETS			
Pooled cash and investments	\$ -	\$ 702,105	\$ 1,164,346
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Interest	10	1,469	2,437
Due from other governments	-	-	-
	<u>10</u>	<u>703,574</u>	<u>1,166,783</u>
Total assets	<u>\$ 10</u>	<u>\$ 703,574</u>	<u>\$ 1,166,783</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 86,181
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	21,021	-	-
	<u>21,021</u>	<u>-</u>	<u>86,181</u>
Total liabilities	<u>21,021</u>	<u>-</u>	<u>86,181</u>
Fund Balances (Deficits):			
Restricted for:			
Community development projects	-	-	-
Public safety - police	-	-	-
Community services	-	703,574	-
Public works - streets and roads	-	-	1,080,602
Capital projects	-	-	-
Public works - street lighting	-	-	-
Committed to:			
Capital projects	-	-	-
Unassigned	(21,011)	-	-
Total fund balances (deficits)	<u>(21,011)</u>	<u>703,574</u>	<u>1,080,602</u>
	<u>\$ 10</u>	<u>\$ 703,574</u>	<u>\$ 1,166,783</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10</u>	<u>\$ 703,574</u>	<u>\$ 1,166,783</u>

(continued)

Special Revenue Funds					
Measure M	TDA/Metro Grant Fund	Public Education	Road Maintenance & Rehab	MSRC Grant Fund	Measure H
\$ 958,573	\$ 343,119	\$ 168,947	\$ 1,079,074	\$ -	\$ -
-	-	2,474	-	-	-
-	-	-	-	-	-
1,963	774	363	2,197	-	-
-	-	-	69,414	-	-
<u>\$ 960,536</u>	<u>\$ 343,893</u>	<u>\$ 171,784</u>	<u>\$ 1,150,685</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 50,112	\$ -	\$ 462,292	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	148,849	65,563
-	50,112	-	462,292	148,849	65,563
-	-	171,784	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
960,536	293,781	-	688,393	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(148,849)	(65,563)
<u>960,536</u>	<u>293,781</u>	<u>171,784</u>	<u>688,393</u>	<u>(148,849)</u>	<u>(65,563)</u>
<u>\$ 960,536</u>	<u>\$ 343,893</u>	<u>\$ 171,784</u>	<u>\$ 1,150,685</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds		
	Prop C Exchange	BTA Grant Fund	Housing Authority Fund
ASSETS			
Pooled cash and investments	\$ -	\$ -	\$ 76,674
Receivables:			
Accounts	-	-	1,000
Taxes	-	-	-
Interest	-	-	159
Due from other governments	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,833</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 5,026
Accrued liabilities	-	-	-
Deposits payable	-	-	2,158
Due to other funds	148,350	409,118	-
	<u>148,350</u>	<u>409,118</u>	<u>7,184</u>
Fund Balances (Deficits):			
Restricted for:			
Community development projects	-	-	70,649
Public safety - police	-	-	-
Community services	-	-	-
Public works - streets and roads	-	-	-
Capital projects	-	-	-
Public works - street lighting	-	-	-
Committed to:			
Capital projects	-	-	-
Unassigned	(148,350)	(409,118)	-
Total fund balances (deficits)	<u>(148,350)</u>	<u>(409,118)</u>	<u>70,649</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,833</u>
Total liabilities, deferred inflows of resources, and fund balances			

(continued)

Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
Golden Streets Grant Fund	HSIP Grant Fund	Historic Preservation Grant Fund	Facilities & Equip. Capital Project	2000 Tax Allocation Bonds Fund	Streets Improvement Program Fund	
\$ -	\$ -	\$ 5,067	\$ 2,303,358	\$ 924,815	\$ 2,149,452	\$ 14,783,061
-	-	-	-	-	-	3,474
-	-	-	-	-	-	10,184
-	-	11	3,265	6	-	22,798
-	-	-	-	-	-	77,628
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,078</u>	<u>\$ 2,306,623</u>	<u>\$ 924,821</u>	<u>\$ 2,149,452</u>	<u>\$ 14,897,145</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,137	\$ 846,108
-	-	-	-	-	-	14,763
-	-	-	-	-	-	9,891
346,170	46,791	-	-	-	-	1,784,613
<u>346,170</u>	<u>46,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,137</u>	<u>2,655,375</u>
-	-	5,078	-	924,821	-	1,182,584
-	-	-	-	-	-	495,947
-	-	-	-	-	-	1,941,266
-	-	-	-	-	-	4,879,969
-	-	-	-	-	-	683,614
-	-	-	-	-	-	451,566
-	-	-	2,306,623	-	2,117,315	4,423,938
(346,170)	(46,791)	-	-	-	-	(1,817,114)
<u>(346,170)</u>	<u>(46,791)</u>	<u>5,078</u>	<u>2,306,623</u>	<u>924,821</u>	<u>2,117,315</u>	<u>12,241,770</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,078</u>	<u>\$ 2,306,623</u>	<u>\$ 924,821</u>	<u>\$ 2,149,452</u>	<u>\$ 14,897,145</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, 2020**

	Special Revenue Funds		
	MTA Pedestrian Improvement	Proposition "A"	Proposition "C"
Revenues			
Taxes	\$ -	\$ 505,425	\$ 419,251
Assessments	-	-	-
Licenses and permits	-	-	39,021
Intergovernmental	-	-	-
Charges for services	-	2,787	-
Use of money and property	-	44,988	33,447
Miscellaneous	-	15,196	-
Total revenues	-	568,396	491,719
Expenditures			
Current:			
General government	-	7,527	5,140
Public safety	-	-	-
Community development	-	-	-
Community services	-	335,950	209,979
Public works	-	-	38,641
Capital outlay	-	-	-
Total expenditures	-	343,477	253,760
Excess (deficiency) of revenues over (under) expenditures	-	224,919	237,959
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	224,919	237,959
Fund Balances (Deficit), Beginning	(29,951)	1,012,773	670,991
Fund Balances (Deficit), Ending	\$ (29,951)	\$ 1,237,692	\$ 908,950

(continued)

Special Revenue Funds					
CTC Traffic Improvement Grant	Rogan HR 5294 Grant Fund	Street Lighting	Clean Air Act	Parking and Business Improvement	Gold Line Mitigation
\$ -	\$ -	\$ -	\$ -	\$ 53,771	\$ -
-	-	890,461	-	-	-
-	-	-	-	26,615	-
-	-	-	33,136	-	-
-	-	-	-	-	-
-	-	3,834	4,646	85	966
-	-	11,727	-	-	-
-	-	906,022	37,782	80,471	966
-	-	-	73	109,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	832,858	-	-	-
-	-	50,000	55,038	-	-
-	-	882,858	55,111	109,500	-
-	-	23,164	(17,329)	(29,029)	966
-	-	200,597	-	-	-
-	-	200,597	-	-	-
-	-	223,761	(17,329)	(29,029)	966
(23)	(2,497)	227,805	139,664	38,980	61,948
\$ (23)	\$ (2,497)	\$ 451,566	\$ 122,335	\$ 9,951	\$ 62,914

CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds		
	Mission Meridian Public Garage	State Gas Tax	County Park Bond
Revenues			
Taxes	\$ -	\$ -	\$ -
Assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	600,126	37,567
Charges for services	-	-	-
Use of money and property	3,685	36,121	-
Miscellaneous	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,685</u>	<u>636,247</u>	<u>37,567</u>
Expenditures			
Current:			
General government	8,987	-	-
Public safety	-	-	-
Community development	-	-	-
Community services	-	-	-
Public works	-	571,830	42,632
Capital outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,987</u>	<u>571,830</u>	<u>42,632</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,302)</u>	<u>64,417</u>	<u>(5,065)</u>
Other Financing Sources (Uses)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,302)	64,417	(5,065)
Fund Balances (Deficit), Beginning	<u>(338,053)</u>	<u>883,290</u>	<u>(140,763)</u>
Fund Balances (Deficit), Ending	<u>\$ (343,355)</u>	<u>\$ 947,707</u>	<u>\$ (145,828)</u>

(continued)

Special Revenue Funds					
Capital Growth Requirements	C.D.B.G	Asset Forfeiture	Measure W	Bike and Pedestrian Paths	State Police Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	140,941	-	48,281	155,948
34,205	-	-	-	-	-
18,360	-	2,839	-	-	12,231
-	30,719	-	-	-	-
<u>52,565</u>	<u>30,719</u>	<u>143,780</u>	<u>-</u>	<u>48,281</u>	<u>168,179</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	31,026	-	-	-	-
-	-	-	87,452	-	-
-	-	-	21,335	38,041	24,100
<u>-</u>	<u>31,026</u>	<u>-</u>	<u>108,787</u>	<u>38,041</u>	<u>24,100</u>
<u>52,565</u>	<u>(307)</u>	<u>143,780</u>	<u>(108,787)</u>	<u>10,240</u>	<u>144,079</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>52,565</u>	<u>(307)</u>	<u>143,780</u>	<u>(108,787)</u>	<u>10,240</u>	<u>144,079</u>
<u>435,849</u>	<u>-</u>	<u>-</u>	<u>(514)</u>	<u>12</u>	<u>208,088</u>
<u>\$ 488,414</u>	<u>\$ (307)</u>	<u>\$ 143,780</u>	<u>\$ (109,301)</u>	<u>\$ 10,252</u>	<u>\$ 352,167</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, 2020**

	Special Revenue Funds		
	Homeland Security Grant	Park Impact Fees	Measure R
Revenues			
Taxes	\$ -	\$ -	\$ 313,988
Assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	187,167	-
Use of money and property	67	9,414	43,099
Miscellaneous	-	-	-
Total revenues	<u>67</u>	<u>196,581</u>	<u>357,087</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Community services	-	-	-
Public works	-	-	-
Capital outlay	-	-	270,116
Total expenditures	<u>-</u>	<u>-</u>	<u>270,116</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67</u>	<u>196,581</u>	<u>86,971</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	67	196,581	86,971
Fund Balances (Deficit), Beginning	<u>(21,078)</u>	<u>506,993</u>	<u>993,631</u>
Fund Balances (Deficit), Ending	<u>\$ (21,011)</u>	<u>\$ 703,574</u>	<u>\$ 1,080,602</u>

(continued)

Special Revenue Funds						
Measure M	TDA/Metro Grant Fund	Public Education	Road Maintenance & Rehab	MSRC Grant Fund	Measure H	
\$ 353,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	23,744	454,560	-	-	-
-	-	-	-	-	-	12,394
33,195	14,940	2,398	36,386	-	-	-
-	-	-	-	-	-	-
<u>386,619</u>	<u>14,940</u>	<u>26,142</u>	<u>490,946</u>	<u>-</u>	<u>-</u>	<u>12,394</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	77,957
-	-	-	-	-	-	-
-	-	-	-	-	-	-
86,000	223,956	-	462,291	141,568	-	-
<u>86,000</u>	<u>223,956</u>	<u>-</u>	<u>462,291</u>	<u>141,568</u>	<u>-</u>	<u>77,957</u>
<u>300,619</u>	<u>(209,016)</u>	<u>26,142</u>	<u>28,655</u>	<u>(141,568)</u>	<u>-</u>	<u>(65,563)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
300,619	(209,016)	26,142	28,655	(141,568)	-	(65,563)
659,917	502,797	145,642	659,738	(7,281)	-	-
<u>\$ 960,536</u>	<u>\$ 293,781</u>	<u>\$ 171,784</u>	<u>\$ 688,393</u>	<u>\$ (148,849)</u>	<u>\$ -</u>	<u>\$ (65,563)</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, 2020**

	Special Revenue Funds		
	Prop C Exchange	BTA Grant Fund	Housing Authority Fund
Revenues			
Taxes	\$ -	\$ -	\$ -
Assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Use of money and property	-	-	23,136
Miscellaneous	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>-</u>	<u>23,136</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	15,199
Community services	-	-	-
Public works	-	-	-
Capital outlay	148,350	163,178	-
	<u>148,350</u>	<u>163,178</u>	<u>15,199</u>
Total expenditures	<u>148,350</u>	<u>163,178</u>	<u>15,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(148,350)</u>	<u>(163,178)</u>	<u>7,937</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(148,350)	(163,178)	7,937
Fund Balances (Deficit), Beginning	<u>-</u>	<u>(245,940)</u>	<u>62,712</u>
Fund Balances (Deficit), Ending	<u>\$ (148,350)</u>	<u>\$ (409,118)</u>	<u>\$ 70,649</u>

(continued)

Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
Golden Streets Grant Fund	HSIP Grant Fund	Historic Preservation Grant Fund	Facilities & Equip. Capital Project	2000 Tax Allocation Bonds Fund	Streets Improvement Program Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,645,859
-	-	-	-	-	-	890,461
-	-	-	-	-	-	65,636
-	-	-	-	-	-	1,494,303
-	-	-	-	-	-	236,553
-	-	78	23,208	20,583	-	367,706
-	-	-	-	-	4,000	61,642
-	-	78	23,208	20,583	4,000	4,762,160
-	-	-	-	-	-	131,227
-	-	-	-	-	-	77,957
-	-	-	-	-	-	15,199
-	-	-	-	-	-	576,955
-	270	-	-	-	-	1,573,683
-	-	-	30,301	-	998,213	2,712,487
-	270	-	30,301	-	998,213	5,087,508
-	(270)	78	(7,093)	20,583	(994,213)	(325,348)
-	-	-	825,000	-	965,000	1,990,597
-	-	-	825,000	-	965,000	1,990,597
-	(270)	78	817,907	20,583	(29,213)	1,665,249
(346,170)	(46,521)	5,000	1,488,716	904,238	2,146,528	10,576,521
<u>\$ (346,170)</u>	<u>\$ (46,791)</u>	<u>\$ 5,078</u>	<u>\$ 2,306,623</u>	<u>\$ 924,821</u>	<u>\$ 2,117,315</u>	<u>\$ 12,241,770</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, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 540,408	\$ 540,408	\$ 505,425	\$ (34,983)
Charges for services	5,000	5,000	2,787	(2,213)
Use of money and property	8,000	8,000	44,988	36,988
Miscellaneous	12,500	12,500	15,196	2,696
Total revenues	<u>565,908</u>	<u>565,908</u>	<u>568,396</u>	<u>2,488</u>
Expenditures				
Current:				
General government	14,909	14,909	7,527	7,382
Community services	422,561	422,561	335,950	86,611
Capital outlay	100,000	100,000	-	100,000
Total expenditures	<u>537,470</u>	<u>537,470</u>	<u>343,477</u>	<u>193,993</u>
Net change in fund balance	28,438	28,438	224,919	196,481
Fund balance, beginning	<u>1,012,773</u>	<u>1,012,773</u>	<u>1,012,773</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,041,211</u>	<u>\$ 1,041,211</u>	<u>\$ 1,237,692</u>	<u>\$ 196,481</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, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 448,254	\$ 448,254	\$ 419,251	\$ (29,003)
Licenses and permits	-	-	39,021	39,021
Use of money and property	6,000	6,000	33,447	27,447
Total revenues	<u>454,254</u>	<u>454,254</u>	<u>491,719</u>	<u>37,465</u>
Expenditures				
Current:				
General government	6,388	6,388	5,140	1,248
Community services	275,228	275,228	209,979	65,249
Public works	-	-	38,641	(38,641)
Total expenditures	<u>281,616</u>	<u>281,616</u>	<u>253,760</u>	<u>27,856</u>
Net change in fund balance	172,638	172,638	237,959	65,321
Fund balance, beginning	<u>670,991</u>	<u>670,991</u>	<u>670,991</u>	<u>-</u>
Fund balance, ending	<u>\$ 843,629</u>	<u>\$ 843,629</u>	<u>\$ 908,950</u>	<u>\$ 65,321</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Assessments	\$ 900,000	\$ 900,000	\$ 890,461	\$ (9,539)
Use of money and property	2,000	2,000	3,834	1,834
Miscellaneous	10,000	10,000	11,727	1,727
Total revenues	<u>912,000</u>	<u>912,000</u>	<u>906,022</u>	<u>(5,978)</u>
Expenditures				
Current:				
Public works	992,598	967,598	832,858	134,740
Capital outlay	70,000	70,000	50,000	20,000
Total expenditures	<u>1,062,598</u>	<u>1,037,598</u>	<u>882,858</u>	<u>154,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(150,598)</u>	<u>(125,598)</u>	<u>23,164</u>	<u>148,762</u>
Other Financing Sources (Uses)				
Transfers in	150,597	150,597	200,597	(50,000)
Total other financing sources (uses)	<u>150,597</u>	<u>150,597</u>	<u>200,597</u>	<u>(50,000)</u>
Net change in fund balance	(1)	24,999	223,761	198,762
Fund balance, beginning	<u>227,805</u>	<u>227,805</u>	<u>227,805</u>	<u>-</u>
Fund balance, ending	<u>\$ 227,804</u>	<u>\$ 252,804</u>	<u>\$ 451,566</u>	<u>\$ 198,762</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, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 33,200	\$ 33,200	\$ 33,136	\$ (64)
Use of money and property	1,500	1,500	4,646	3,146
Total revenues	<u>34,700</u>	<u>34,700</u>	<u>37,782</u>	<u>3,082</u>
Expenditures				
Current:				
General government	15,000	15,000	73	14,927
Capital outlay	-	-	55,038	(55,038)
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>55,111</u>	<u>(40,111)</u>
Net change in fund balance	19,700	19,700	(17,329)	(37,029)
Fund balance, beginning	<u>139,664</u>	<u>139,664</u>	<u>139,664</u>	<u>-</u>
Fund balance, ending	<u>\$ 159,364</u>	<u>\$ 159,364</u>	<u>\$ 122,335</u>	<u>\$ (37,029)</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, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 110,600	\$ 110,600	\$ 53,771	\$ (56,829)
Licenses and permits	30,000	30,000	26,615	(3,385)
Use of money and property	500	500	85	(415)
Total revenues	<u>141,100</u>	<u>141,100</u>	<u>80,471</u>	<u>(60,629)</u>
Expenditures				
Current:				
General government	109,500	109,500	109,500	-
Total expenditures	<u>109,500</u>	<u>109,500</u>	<u>109,500</u>	<u>-</u>
Net change in fund balance	31,600	31,600	(29,029)	(60,629)
Fund balance, beginning	<u>38,980</u>	<u>38,980</u>	<u>38,980</u>	<u>-</u>
Fund balance, ending	<u>\$ 70,580</u>	<u>\$ 70,580</u>	<u>\$ 9,951</u>	<u>\$ (60,629)</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, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 25,000	\$ 25,000	\$ 3,685	\$ (21,315)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>3,685</u>	<u>(21,315)</u>
Expenditures				
Current:				
General government	15,000	15,000	8,987	6,013
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>8,987</u>	<u>6,013</u>
Net change in fund balance	10,000	10,000	(5,302)	(15,302)
Fund balance (deficit), beginning	<u>(338,053)</u>	<u>(338,053)</u>	<u>(338,053)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (328,053)</u>	<u>\$ (328,053)</u>	<u>\$ (343,355)</u>	<u>\$ (15,302)</u>

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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 542,619	\$ 542,619	\$ 600,126	\$ 57,507
Use of money and property	10,000	10,000	36,121	26,121
Total revenues	<u>552,619</u>	<u>552,619</u>	<u>636,247</u>	<u>83,628</u>
Expenditures				
Current:				
Public works	806,506	806,506	571,830	234,676
Capital outlay	100,000	100,000	-	100,000
Total expenditures	<u>906,506</u>	<u>906,506</u>	<u>571,830</u>	<u>334,676</u>
Net change in fund balance	(353,887)	(353,887)	64,417	418,304
Fund balance, beginning	<u>883,290</u>	<u>883,290</u>	<u>883,290</u>	-
Fund balance, ending	<u>\$ 529,403</u>	<u>\$ 529,403</u>	<u>\$ 947,707</u>	<u>\$ 418,304</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, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 163,500	\$ 163,500	\$ 37,567	\$ (125,933)
Total revenues	<u>163,500</u>	<u>163,500</u>	<u>37,567</u>	<u>(125,933)</u>
Expenditures				
Current:				
Public works	63,500	63,500	42,632	20,868
Total expenditures	<u>63,500</u>	<u>63,500</u>	<u>42,632</u>	<u>20,868</u>
Net change in fund balance	100,000	100,000	(5,065)	(105,065)
Fund balance (deficit), beginning	<u>(140,763)</u>	<u>(140,763)</u>	<u>(140,763)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (40,763)</u>	<u>\$ (40,763)</u>	<u>\$ (145,828)</u>	<u>\$ (105,065)</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, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 60,000	\$ 60,000	\$ 34,205	\$ (25,795)
Use of money and property	2,000	2,000	18,360	16,360
Total revenues	<u>62,000</u>	<u>62,000</u>	<u>52,565</u>	<u>(9,435)</u>
Net change in fund balance	62,000	62,000	52,565	(9,435)
Fund balance, beginning	<u>435,849</u>	<u>435,849</u>	<u>435,849</u>	<u>-</u>
Fund balance, ending	<u>\$ 497,849</u>	<u>\$ 497,849</u>	<u>\$ 488,414</u>	<u>\$ (9,435)</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 CDBG
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 138,000	\$ 138,000	\$ -	\$ (138,000)
Miscellaneous	25,000	25,000	30,719	5,719
Total revenues	<u>163,000</u>	<u>163,000</u>	<u>30,719</u>	<u>(132,281)</u>
Expenditures				
Current:				
Community services	<u>41,315</u>	<u>41,315</u>	<u>31,026</u>	<u>10,289</u>
Total expenditures	<u>41,315</u>	<u>41,315</u>	<u>31,026</u>	<u>10,289</u>
Net change in fund balance	121,685	121,685	(307)	(121,992)
Fund balance, beginning, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 121,685</u>	<u>\$ 121,685</u>	<u>\$ (307)</u>	<u>\$ (121,992)</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 MEASURE W
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ 260,000	\$ 260,000	\$ -	\$ (260,000)
Total revenues	260,000	260,000	-	(260,000)
Expenditures				
Current:				
Public works	154,230	154,230	87,452	66,778
Capital outlay	100,000	100,000	21,335	78,665
Total expenditures	254,230	254,230	108,787	145,443
Net change in fund balance	5,770	5,770	(108,787)	(114,557)
Fund balance, beginning, as restated	(514)	(514)	(514)	-
Fund balance, ending	\$ 5,256	\$ 5,256	\$ (109,301)	\$ (114,557)

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 BIKE AND PEDESTRIAN PATHS
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 19,396	\$ 19,396	\$ 48,281	\$ 28,885
Total revenues	19,396	19,396	48,281	28,885
Expenditures				
Capital outlay	19,000	67,280	38,041	29,239
Total expenditures	19,000	67,280	38,041	29,239
Net change in fund balance	396	(47,884)	10,240	58,124
Fund balance, beginning	12	12	12	-
Fund balance, ending	\$ 408	\$ (47,872)	\$ 10,252	\$ 58,124

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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 155,948	\$ 55,948
Use of money and property	-	-	12,231	12,231
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>168,179</u>	<u>68,179</u>
Expenditures				
Current:				
Public safety	104,794	104,794	-	104,794
Capital outlay	50,630	50,630	24,100	26,530
Total expenditures	<u>155,424</u>	<u>155,424</u>	<u>24,100</u>	<u>131,324</u>
Net change in fund balance	(55,424)	(55,424)	144,079	199,503
Fund balance, beginning	<u>208,088</u>	<u>208,088</u>	<u>208,088</u>	<u>-</u>
Fund balance, ending	<u>\$ 152,664</u>	<u>\$ 152,664</u>	<u>\$ 352,167</u>	<u>\$ 199,503</u>

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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 75,000	\$ 75,000	\$ 187,167	\$ 112,167
Use of money and property	-	-	9,414	9,414
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>196,581</u>	<u>121,581</u>
Expenditures				
Current:				
Community services	100,000	100,000	-	100,000
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	(25,000)	(25,000)	196,581	221,581
Fund balance, beginning	<u>506,993</u>	<u>506,993</u>	<u>506,993</u>	<u>-</u>
Fund balance, ending	<u>\$ 481,993</u>	<u>\$ 481,993</u>	<u>\$ 703,574</u>	<u>\$ 221,581</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, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 336,191	\$ 336,191	\$ 313,988	\$ (22,203)
Use of money and property	10,000	10,000	43,099	33,099
Total revenues	<u>346,191</u>	<u>346,191</u>	<u>357,087</u>	<u>10,896</u>
Expenditures				
Capital outlay	336,000	336,000	270,116	65,884
Total expenditures	<u>336,000</u>	<u>336,000</u>	<u>270,116</u>	<u>65,884</u>
Net change in fund balance	10,191	10,191	86,971	76,780
Fund balance, beginning	<u>993,631</u>	<u>993,631</u>	<u>993,631</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,003,822</u>	<u>\$ 1,003,822</u>	<u>\$ 1,080,602</u>	<u>\$ 76,780</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, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 381,016	\$ 381,016	\$ 353,424	\$ (27,592)
Use of money and property	-	-	33,195	33,195
Total revenues	<u>381,016</u>	<u>381,016</u>	<u>386,619</u>	<u>5,603</u>
Expenditures				
Capital outlay	381,000	381,000	86,000	295,000
Total expenditures	<u>381,000</u>	<u>381,000</u>	<u>86,000</u>	<u>295,000</u>
Net change in fund balance	16	16	300,619	300,603
Fund balance, beginning	<u>659,917</u>	<u>659,917</u>	<u>659,917</u>	<u>-</u>
Fund balance, ending	<u>\$ 659,933</u>	<u>\$ 659,933</u>	<u>\$ 960,536</u>	<u>\$ 300,603</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 TDA/METRO GRANT FUND
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 4,000	\$ 4,000	\$ 14,940	\$ 10,940
Total revenues	4,000	4,000	14,940	10,940
Expenditures				
Capital outlay	-	364,000	223,956	140,044
Total expenditures	-	364,000	223,956	140,044
Net change in fund balance	4,000	(360,000)	(209,016)	150,984
Fund balance, beginning	502,797	502,797	502,797	-
Fund balance, ending	\$ 506,797	\$ 142,797	\$ 293,781	\$ 150,984

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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 13,000	\$ 13,000	\$ 23,744	\$ 10,744
Use of money and property	500	500	2,398	1,898
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>26,142</u>	<u>12,642</u>
Net change in fund balance	13,500	13,500	26,142	12,642
Fund balance, beginning	<u>145,642</u>	<u>145,642</u>	<u>145,642</u>	<u>-</u>
Fund balance, ending	<u>\$ 159,142</u>	<u>\$ 159,142</u>	<u>\$ 171,784</u>	<u>\$ 12,642</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 886,120	\$ 886,120	\$ 454,560	\$ (431,560)
Use of money and property	-	-	36,386	36,386
Total revenues	<u>886,120</u>	<u>886,120</u>	<u>490,946</u>	<u>(395,174)</u>
Expenditures				
Capital outlay	886,000	886,000	462,291	423,709
Total expenditures	<u>886,000</u>	<u>886,000</u>	<u>462,291</u>	<u>423,709</u>
Net change in fund balance	120	120	28,655	28,535
Fund balance, beginning	<u>659,738</u>	<u>659,738</u>	<u>659,738</u>	<u>-</u>
Fund balance, ending	<u>\$ 659,858</u>	<u>\$ 659,858</u>	<u>\$ 688,393</u>	<u>\$ 28,535</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 HOUSING AUTHORITY
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 20,748	\$ 20,748	\$ 23,136	\$ 2,388
Total revenues	20,748	20,748	23,136	2,388
Expenditures				
Current:				
Community development	10,000	10,000	15,199	(5,199)
Total expenditures	10,000	10,000	15,199	(5,199)
Net change in fund balance	10,748	10,748	7,937	(2,811)
Fund balance, beginning	62,712	62,712	62,712	-
Fund balance, ending	\$ 73,460	\$ 73,460	\$ 70,649	\$ (2,811)

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FACILITIES & EQUIPMENT CAPITAL PROJECT FUND
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 23,208	\$ 23,208
Total revenues	-	-	23,208	23,208
Expenditures				
Capital outlay	700,000	752,305	30,301	722,004
Total expenditures	700,000	752,305	30,301	722,004
Excess (deficiency) of revenues over (under) expenditures	(700,000)	(752,305)	(7,093)	745,212
Other financing sources				
Transfers in	700,000	700,000	825,000	125,000
Total other financing sources	700,000	700,000	825,000	125,000
Net change in fund balance	-	(52,305)	817,907	870,212
Fund balance, beginning, as restated	1,488,716	1,488,716	1,488,716	-
Fund balance, ending	\$ 1,488,716	\$ 1,436,411	\$ 2,306,623	\$ 870,212

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 2000 TAX ALLOCATION BONDS CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 7,000	\$ 7,000	\$ 20,583	\$ 13,583
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>20,583</u>	<u>13,583</u>
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,000	7,000	20,583	13,583
Fund balance, beginning	<u>904,238</u>	<u>904,238</u>	<u>904,238</u>	<u>-</u>
Fund balance, ending	<u>\$ 911,238</u>	<u>\$ 911,238</u>	<u>\$ 924,821</u>	<u>\$ 13,583</u>

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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ -	\$ 4,000	\$ 4,000
Total revenues	-	-	4,000	4,000
Expenditures				
Capital outlay	965,000	1,091,369	998,213	93,156
Total expenditures	965,000	1,091,369	998,213	93,156
Excess (deficiency) of revenues over (under) expenditures	(965,000)	(1,091,369)	(994,213)	97,156
Other financing sources				
Transfers in	965,000	965,000	965,000	-
Total other financing sources	965,000	965,000	965,000	-
Net change in fund balance	-	(126,369)	(29,213)	97,156
Fund balance, beginning, as restated	2,146,528	2,146,528	2,146,528	-
Fund balance, ending	\$ 2,146,528	\$ 2,020,159	\$ 2,117,315	\$ 97,156

This page intentionally left blank

STATISTICAL SECTION

This page intentionally left blank

CITY OF SOUTH PASADADENA

STATISTICAL SECTION

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.

CONTENTS	Page
Financial Trends	110
<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>	
Revenue Capacity	120
<p>These schedules contain information to help the reader assess one of the City's most significant local revenue source, the property tax.</p>	
Debt Capacity	124
<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>	
Demographic and Economic Information	128
<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>	
Operating Information	131
<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.

Financial Trends

This page intentionally left blank

CITY OF SOUTH PASADADENA

**NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)**

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental Activities:					
Net investment in capital assets	\$ 60,741,741	\$ 62,226,846	\$ 61,969,593	\$ 62,764,726	\$ 63,611,268
Restricted	4,438,340	2,722,783	2,328,184	3,184,841	4,179,297
Unrestricted	6,562,890	5,143,951	7,314,507	8,720,752	(14,506,500)
Total governmental activities net position	<u>\$ 71,742,971</u>	<u>\$ 70,093,580</u>	<u>\$ 71,612,284</u>	<u>\$ 74,670,319</u>	<u>\$ 53,284,065</u>
Business-type activities:					
Net investment in capital assets	\$ 4,550,204	\$ 4,808,013	\$ 7,448,158	\$ 10,855,319	\$ 11,727,300
Restricted	32,451,626	29,973,386	-	-	2,982,160
Unrestricted	(26,740,899)	(22,097,380)	334,901	6,943,845	4,690,608
Total business-type activities net position	<u>\$ 10,260,931</u>	<u>\$ 12,684,019</u>	<u>\$ 7,783,059</u>	<u>\$ 17,799,164</u>	<u>\$ 19,400,068</u>
Primary Government:					
Net investment in capital assets	\$ 65,291,945	\$ 67,034,859	\$ 69,417,751	\$ 73,620,045	\$ 75,338,568
Restricted	36,889,966	32,696,169	2,328,184	3,184,841	7,161,457
Unrestricted	(20,178,009)	(16,953,429)	7,649,408	15,664,597	(9,815,892)
Total primary government net position	<u>\$ 82,003,902</u>	<u>\$ 82,777,599</u>	<u>\$ 79,395,343</u>	<u>\$ 92,469,483</u>	<u>\$ 72,684,133</u>

(Continued)

					Fiscal Year				
2016		2017		2018		2019		2020	
\$	57,152,793	\$	59,774,372	\$	62,806,755	\$	60,351,839	\$	59,395,318
	4,894,822		6,328,022		6,336,084		8,115,962		9,634,946
	(12,620,721)		(15,130,068)		(24,210,258)		(22,350,734)		(26,491,377)
\$	<u>49,426,894</u>	\$	<u>50,972,326</u>	\$	<u>44,932,581</u>	\$	<u>46,117,067</u>	\$	<u>42,538,887</u>
\$	19,878,644	\$	22,302,873	\$	25,526,014	\$	23,661,335	\$	25,255,248
	2,880,237		2,998,161		1,154,374		1,156,612		1,158,406
	4,159,721		4,178,403		6,037,490		10,548,528		13,371,764
\$	<u>26,918,602</u>	\$	<u>29,479,437</u>	\$	<u>32,717,878</u>	\$	<u>35,366,475</u>	\$	<u>39,785,418</u>
\$	77,031,437	\$	82,077,245	\$	88,332,769	\$	84,013,174	\$	84,650,566
	7,775,059		9,326,183		7,490,458		9,272,574		10,793,352
	(8,461,000)		(10,951,665)		(18,172,768)		(11,802,206)		(13,119,613)
\$	<u>76,345,496</u>	\$	<u>80,451,763</u>	\$	<u>77,650,459</u>	\$	<u>81,483,542</u>	\$	<u>82,324,305</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses:					
Governmental Activities:					
General government	\$ 5,935,671	\$ 7,449,632	\$ 4,152,804	\$ 5,039,084	\$ 4,354,683
Public safety	10,939,183	11,596,854	11,217,279	11,012,625	12,363,366
Community development	911,718	948,777	902,945	918,665	1,116,084
Community services	3,175,891	3,052,840	3,101,910	3,132,433	3,336,626
Public works	4,863,335	5,306,742	4,758,677	4,990,390	5,578,457
Interest on long-term debt	125,032	47,185	8,288	4,465	4,335
Total Governmental Activities Expenses	<u>25,950,830</u>	<u>28,402,030</u>	<u>24,141,903</u>	<u>25,097,662</u>	<u>26,753,551</u>
Business-type activities:					
Water Utility	5,105,517	4,598,754	6,135,803	5,804,509	4,772,647
Sewer Utility	715,395	1,104,098	838,800	998,603	968,996
Arroyo Seco Golf Course	-	985,611.00	888,930.00	930,255.00	923,660
Total Business-type Activities Expenses	<u>5,820,912</u>	<u>6,688,463</u>	<u>7,863,533</u>	<u>7,733,367</u>	<u>6,665,303</u>
Total Primary Government Expenses	<u>31,771,742</u>	<u>35,090,493</u>	<u>32,005,436</u>	<u>32,831,029</u>	<u>33,418,854</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General government	1,472,338	1,489,846	1,005,393	1,173,376	1,372,549
Public safety	860,609	899,536	868,577	983,181	1,189,968
Community development	530,395	548,532	576,063	761,632	963,987
Community services	805,608	772,898	805,635	864,271	1,064,439
Public works	1,121,657	1,102,936	1,103,664	1,159,519	1,226,729
Total Charges for Services	<u>4,790,607</u>	<u>4,813,748</u>	<u>4,359,332</u>	<u>4,941,979</u>	<u>5,817,672</u>
Operating Contribution and Grants:					
General government	51,115	43,838	32,872	53,999	21,413
Public safety	437,544	779,399	775,610	328,654	185,067
Community development	505,547	618,435	610,355	504,312	476,886
Community services	46,012	30,937	31,854	24,876	38,348
Public works	2,600,475	184,948	255,526	348,797	212,472
Total Operating Contributions and Grants	<u>3,640,693</u>	<u>1,657,557</u>	<u>1,706,217</u>	<u>1,260,638</u>	<u>934,186</u>
Capital Contributions and Grants:					
Community development	-	-	-	-	-
Community services	-	-	-	-	-
Public works	1,305,657	1,415,306	93,947	1,300,814	1,220,504
Total Capital Contributions and Grants	<u>1,305,657</u>	<u>1,415,306</u>	<u>93,947</u>	<u>1,300,814</u>	<u>1,220,504</u>
Total Governmental Activities Program Revenue	<u>9,736,957</u>	<u>7,886,611</u>	<u>6,159,496</u>	<u>7,503,431</u>	<u>7,972,362</u>
Business-type Activities:					
Charges for services:					
Water Utility	4,943,874	6,903,816	8,022,705	9,210,982	8,694,880
Sewer Utility	759,680	955,204	1,127,843	1,256,682	1,353,233
Arroyo Seco Golf Course	-	1,195,978	1,082,826	1,197,047	1,133,562
Operating Contribution and Grants:					
Water Utility	-	-	-	-	-
Total Business-type Activities Program Revenue	<u>5,703,554</u>	<u>9,054,998</u>	<u>10,233,374</u>	<u>11,664,711</u>	<u>11,181,675</u>
Total primary government program revenues	<u>15,440,511</u>	<u>16,941,609</u>	<u>16,392,870</u>	<u>19,168,142</u>	<u>19,154,037</u>
Net (expenses) revenues:					
Governmental activities	(16,213,873)	(20,515,419)	(17,982,407)	(17,594,231)	(18,781,189)
Business-type activities	(117,358)	2,366,535	2,369,841	3,931,344	4,516,372
Total primary government net (expenses)/revenues	<u>\$ (16,331,231)</u>	<u>\$ (18,148,884)</u>	<u>\$ (15,612,566)</u>	<u>\$ (13,662,887)</u>	<u>\$ (14,264,817)</u>

(Continued)

		Fiscal Year							
		2016	2017	2018	2019	2020			
\$	3,847,476	\$	4,324,484	\$	5,560,722	\$	6,014,464	\$	10,256,658
	13,218,063		15,596,078		14,624,313		14,261,686		16,650,223
	953,471		1,289,447		1,037,091		1,361,590		1,891,456
	3,153,329		3,566,285		3,819,654		3,984,070		3,768,976
	5,578,850		5,529,025		5,197,516		6,045,511		5,536,975
	-		-		-		-		-
	<u>26,751,189</u>		<u>30,305,319</u>		<u>30,239,296</u>		<u>31,667,321</u>		<u>38,104,288</u>
	5,886,309		7,028,827		7,060,363		8,116,822		8,817,002
	962,623		1,012,338		686,672		1,280,398		1,189,754
	954,898		1,032,358		1,096,327		1,158,137		1,030,565
	<u>7,803,830</u>		<u>9,073,523</u>		<u>8,843,362</u>		<u>10,555,357</u>		<u>11,037,321</u>
	<u>34,555,019</u>		<u>39,378,842</u>		<u>39,082,658</u>		<u>42,222,678</u>		<u>49,141,609</u>
	1,126,241		1,026,398		922,603		806,758		2,138,708
	1,154,628		1,166,125		1,554,948		1,584,152		1,479,307
	804,309		871,571		3,160		7,647		15,812
	853,949		926,897		841,445		761,334		480,130
	1,172,172		1,189,342		1,449,325		1,313,942		1,385,391
	<u>5,111,299</u>		<u>5,180,333</u>		<u>4,771,481</u>		<u>4,473,833</u>		<u>5,499,348</u>
	164,625		312,062		48,304		755,965		414,862
	116,029		175,919		173,401		136,627		197,747
	627,488		810,749		22,189		34,967		2,876
	20,527		84,519		25,248		965,060		1,010,094
	399,656		87,864		702,884		2,338,935		1,802,848
	<u>1,328,325</u>		<u>1,471,113</u>		<u>972,026</u>		<u>4,231,554</u>		<u>3,428,427</u>
	-		901,436		-		-		-
	-		-		143,601		115,076		-
	<u>734,935</u>		<u>1,516,800</u>		<u>1,182,367</u>		<u>957,234</u>		<u>976,308</u>
	<u>734,935</u>		<u>2,418,236</u>		<u>1,325,968</u>		<u>1,072,310</u>		<u>976,308</u>
	<u>7,174,559</u>		<u>9,069,682</u>		<u>7,069,475</u>		<u>9,777,697</u>		<u>9,904,083</u>
	8,094,350		8,804,890		9,830,246		10,152,661		11,089,616
	1,543,925		1,583,362		1,614,351		1,472,122		1,962,443
	1,129,927		1,101,970		1,166,516		1,255,815		1,074,883
	-		-		200,167		-		90,833
	<u>10,768,202</u>		<u>11,490,222</u>		<u>12,811,280</u>		<u>12,880,598</u>		<u>14,217,775</u>
	<u>17,942,761</u>		<u>20,559,904</u>		<u>19,880,755</u>		<u>22,658,295</u>		<u>24,121,858</u>
	(19,576,630)		(21,235,637)		(23,169,821)		(21,889,624)		(28,200,205)
	<u>2,964,372</u>		<u>2,416,699</u>		<u>3,967,918</u>		<u>2,325,241</u>		<u>3,180,454</u>
\$	<u>(16,612,258)</u>	\$	<u>(18,818,938)</u>	\$	<u>(19,201,903)</u>	\$	<u>(19,564,383)</u>	\$	<u>(25,019,751)</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year				
	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 10,667,838	\$ 10,557,651	\$ 11,074,604	\$ 11,462,585	\$ 11,779,438
Sales taxes	2,714,102	2,956,964	2,481,560	3,447,593	3,535,113
Franchise taxes	803,969	814,766	810,642	804,995	878,332
Business License taxes	347,665	347,096	363,437	373,935	385,691
Other taxes	4,143,183	4,133,582	4,092,063	4,004,746	3,965,217
Motor Vehicle in Lieu - Unrestricted	150,390	13,267	10,980	-	16,845
Use of money and property	415,280	381,165	446,167	498,208	542,196
Other	165,462	104,245	221,658	32,823	70,188
Transfers	-	-	-	-	87,000
Extraordinary gain/loss on dissolution of RDA	-	(442,708)	-	-	-
Total governmental activities	19,407,889	18,866,028	19,501,111	20,624,885	21,260,020
Business-type activities:					
Use of money and property	77,378	45,652	38,006	28,372	32,205
Other	13,103	10,901	5,972	10,143	184,786
Transfers	-	-	-	-	(87,000)
Total business-type activities	90,481	56,553	43,978	38,515	129,991
Total primary government	19,498,370	18,922,581	19,545,089	20,663,400	21,390,011
Change in Net Position:					
Governmental activities	3,194,016	(1,649,391)	1,518,704	3,030,654	2,478,831
Business-type activities	(26,877)	2,423,088	2,413,819	3,969,859	4,646,363
Total primary government	\$ 3,167,139	\$ 773,697	\$ 3,932,523	\$ 7,000,513	\$ 7,125,194

(Continued)

Fiscal Year				
2016	2017	2018	2019	2020
\$ 12,632,984	\$ 13,236,932	\$ 14,135,844	\$ 15,368,198	\$ 15,491,557
3,786,423	3,627,051	3,965,016	2,563,117	2,864,474
875,304	818,724	784,736	1,002,408	794,838
397,762	412,594	389,726	399,653	375,399
3,940,883	4,057,552	3,775,843	3,228,320	3,841,462
10,561	11,660	13,682	392,595	20,772
739,761	553,165	650,749	1,308,952	1,356,990
745,315	38,877	130,310	11,815	197,666
13,919	24,514	-	80,000	(321,132)
-	-	-	-	-
<u>23,142,912</u>	<u>22,781,069</u>	<u>23,845,906</u>	<u>24,355,058</u>	<u>24,622,026</u>
137,524	(2,802)	92,551	392,230	265,004
230,156	171,452	216,693	94,367	652,353
(13,919)	(24,514)	-	(80,000)	321,132
<u>353,761</u>	<u>144,136</u>	<u>309,244</u>	<u>406,597</u>	<u>1,238,489</u>
<u>23,496,673</u>	<u>22,925,205</u>	<u>24,155,150</u>	<u>24,761,655</u>	<u>25,860,515</u>
3,566,282	1,545,432	676,085	2,465,434	(3,578,179)
<u>3,318,133</u>	<u>2,560,835</u>	<u>4,277,162</u>	<u>2,731,838</u>	<u>4,418,943</u>
<u>\$ 6,884,415</u>	<u>\$ 4,106,267</u>	<u>\$ 4,953,247</u>	<u>\$ 5,197,272</u>	<u>\$ 840,764</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund:					
Nonspendable	\$ 426,430	\$ 433,637	\$ 1,199,091	\$ 1,207,961	\$ 1,022,841
Committed	2,564,280	2,563,481	2,141,481	2,650,000	3,500,000
Unassigned	10,541,790	11,757,341	11,727,832	12,788,280	13,124,419
Total General Fund	<u>13,532,500</u>	<u>14,754,459</u>	<u>15,068,404</u>	<u>16,646,241</u>	<u>17,647,260</u>
All Other Governmental Funds:					
Nonspendable	-	-	-	-	-
Restricted	4,438,340	2,722,783	2,328,184	3,184,841	4,179,297
Committed	-	-	579,447	611,447	461,472
Unassigned	(2,355,949)	(4,015,530)	(1,049,935)	(791,469)	(572,623)
Total all other governmental funds	<u>2,082,391</u>	<u>(1,292,747)</u>	<u>1,857,696</u>	<u>3,004,819</u>	<u>4,068,146</u>
Total governmental funds	<u>\$ 15,614,891</u>	<u>\$ 13,461,712</u>	<u>\$ 16,926,100</u>	<u>\$ 19,651,060</u>	<u>\$ 21,715,406</u>

(Continued)

		Fiscal Year							
		2016	2017	2018	2019	2020			
\$	1,035,224	\$	1,044,519	\$	904,445	\$	455,083	\$	305,396
	5,635,000		5,899,130		5,803,778		5,945,656		5,547,682
	<u>12,724,205</u>		<u>9,681,531</u>		<u>11,182,760</u>		<u>12,017,146</u>		<u>12,700,662</u>
	<u>19,394,429</u>		<u>16,625,180</u>		<u>17,890,983</u>		<u>18,417,885</u>		<u>18,553,740</u>
	-		-		-		4,106		-
	4,894,822		6,328,022		6,336,084		8,115,962		9,634,946
	696,953		2,482,803		796,721		3,635,244		4,423,938
	<u>(771,286)</u>		<u>(791,741)</u>		<u>(874,184)</u>		<u>(1,178,791)</u>		<u>(1,817,114)</u>
	<u>4,820,489</u>		<u>8,019,084</u>		<u>6,258,621</u>		<u>10,576,521</u>		<u>12,241,770</u>
\$	<u>24,214,918</u>	\$	<u>24,644,264</u>	\$	<u>24,149,604</u>	\$	<u>28,994,406</u>	\$	<u>30,795,510</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Revenues:					
Taxes	\$ 18,317,689	\$ 18,393,272	\$ 19,166,312	\$ 19,697,011	\$ 20,205,691
Assessment	885,387	888,619	905,459	896,465	895,798
Licenses and permits	1,000,988	944,680	1,012,753	985,186	1,047,540
Intergovernmental	2,572,819	2,909,377	4,290,262	2,303,094	1,989,281
Charges for services	2,144,589	2,222,151	2,270,737	2,682,074	3,880,357
Use of money and property	415,280	381,165	446,167	498,208	542,194
Fines and forfeitures	552,093	533,035	523,629	412,748	347,585
Contributions	15,637	11,285	17,970	12,455	12,365
Miscellaneous	733,700	701,995	313,612	594,210	480,206
Total Revenues	26,638,182	26,985,579	28,946,901	28,081,451	29,401,017
Expenditures:					
Current:					
General government	4,099,345	4,207,231	5,651,008	4,297,373	3,988,989
Public safety	10,608,012	11,217,259	10,968,211	10,636,711	11,651,620
Community development	913,862	955,648	898,709	911,871	1,121,098
Community services	3,024,889	2,915,639	2,953,811	2,970,037	3,209,105
Public works	2,806,005	3,024,746	2,921,136	2,970,322	3,107,053
Capital outlay	5,978,832	2,467,712	2,028,330	3,536,250	3,739,660
Debt service:					
Principal retirement	131,037	48,289	50,650	53,130	55,725
Interest and fiscal charges	127,929	67,064	10,658	8,178	5,583
Total expenditures	27,689,911	24,903,588	25,482,513	25,383,872	26,878,833
Excess/(deficiency) of Revenues Over Expenditures	(1,051,729)	2,081,991	3,464,388	2,697,579	2,522,184
Other financing sources (uses):					
Transfers in	146,179	46,729	1,176,376	421,511	408,497
Transfers out	(146,179)	(46,729)	(1,176,376)	(421,511)	(625,137)
Total other financing sources (uses)	-	-	-	-	(216,640)
Net Change in Fund Balances	\$ (1,051,729)	\$ 2,081,991	\$ 3,464,388	\$ 2,697,579	\$ 2,305,544
Debt service as a percentage of noncapital expenditures	1.2%	0.5%	0.3%	0.3%	0.3%

(Continued)

		Fiscal Year							
		2016	2017	2018	2019	2020			
\$	21,235,594	\$	21,740,257	\$	22,827,899	\$	24,330,245	\$	24,739,711
	876,972		892,361		890,227		893,205		890,461
	1,069,023		1,093,865		1,001,349		968,082		929,327
	1,104,398		3,193,603		1,374,597		2,222,496		1,557,375
	3,439,167		3,529,076		3,711,816		3,567,809		3,289,275
	739,761		553,165		650,749		1,308,948		1,356,990
	444,556		397,738		388,061		339,636		264,601
	9,691		4,310		16,135		-		-
	1,028,401		576,915		54,548		422,334		552,386
	<u>29,947,563</u>		<u>31,981,290</u>		<u>30,915,381</u>		<u>34,052,755</u>		<u>33,580,126</u>
	3,930,354		4,208,084		4,643,875		5,195,028		5,148,946
	12,099,774		13,454,529		13,223,377		13,253,827		14,737,277
	1,003,041		1,157,431		1,037,091		1,127,178		1,891,456
	317,502		3,394,984		3,570,903		3,523,793		3,282,820
	3,638,844		3,602,684		3,294,839		3,657,890		3,457,068
	3,507,229		5,687,034		5,639,956		2,260,280		2,800,323
	58,450		-		-		-		-
	2,858		-		-		-		-
	<u>27,415,573</u>		<u>31,504,746</u>		<u>31,410,041</u>		<u>29,017,996</u>		<u>31,317,890</u>
	<u>2,531,990</u>		<u>476,544</u>		<u>(494,660)</u>		<u>5,034,759</u>		<u>2,262,236</u>
	648,622		5,424,382		-		1,671,000		1,990,597
	(681,100)		(5,481,580)		-		(1,860,956)		(2,451,729)
	<u>(32,478)</u>		<u>(57,198)</u>		<u>-</u>		<u>(189,956)</u>		<u>(461,132)</u>
\$	<u>2,499,512</u>	\$	<u>419,346</u>	\$	<u>(494,660)</u>	\$	<u>4,844,803</u>	\$	<u>1,801,104</u>
	0.3%		0.0%		0.0%		0.0%		0.0%

This page intentionally left blank

Revenue Capacity

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 ^a	Taxable Assessed Value as a Percentage of Actual Taxable Value
2011	\$ 2,972,102	\$ 228,851	\$ 125,651	\$ (32,678)	\$ 3,293,926	0.251%	N/A	N/A
2012	3,049,558	236,648	143,771	(32,852)	3,397,125	0.252%	N/A	N/A
2013	3,175,548	246,971	137,830	(33,508)	3,526,841	0.252%	N/A	N/A
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

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

Note: ^a 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
2011	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2012	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2013	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
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

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		
2011	0.1712	0.0005	0.1105	0.00370	-	0.0199	1.1342
2012	0.1712	0.0005	0.1058	0.00370	-	0.0196	1.1292
2013	0.1712	0.0005	0.1011	0.00350	-	0.0206	1.1253
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

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

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

CITY OF SOUTH PASADENA

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

Taxpayer	2019			2009/2010		
	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	\$ 21,547,826	1	0.42%			
WF Property Holdings LP	16,539,729	2	0.32%			
GELT Storage 919 Mission LLC	16,500,000	3	0.32%			
NNC Apartment Ventures LLC	13,959,651	4	0.27%			
DC El Centro Holdings LLC	13,500,000	5	0.26%			
Jerry B and Roberta L Furrey Trust	12,882,672	6	0.25%			
Jagatara Properties LP	12,653,470	7	0.25%			
LDW Pico Properties LLC	12,343,970	8	0.24%			
Casa De General LLC	12,204,104	9	0.24%			
99 Pasadena Avenue LLC	12,055,877	10	0.24%			
H and O Fair Oaks Partners				\$ 16,258,271	1	0.49%
MT Olive Sepulveda LP				10,534,349	2	0.32%
99 Pasadena Avenue LLC				9,786,106	3	0.30%
Time Warner Entertainment Advance Newh				9,417,501	4	0.29%
Golden Oaks Investment LLC				9,129,578	5	0.28%
NNC Terraces At South Pasadena				9,007,941	6	0.27%
California Empire LP				8,768,869	7	0.27%
Richard Wagner Trust				8,115,561	8	0.25%
H P III Limited				7,628,332	9	0.23%
Jerry B and Roberta L Furrey Trust				7,556,480	10	0.23%
Total	<u>\$ 144,187,299</u>		2.81%	<u>\$ 96,202,988</u>		2.93%

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
2011	\$ 7,422,229	\$ 7,375,394	99.4%	\$ (6,476)	\$ 7,368,918	99.3%
2012	7,669,207	7,570,264	98.7%	(17,918)	7,552,346	98.5%
2013	8,244,644	8,211,281	99.6%	(12,718)	8,198,563	99.4%
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%

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

Debt Capacity

This page intentionally left blank

CITY OF SOUTH PASADENA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities (1)			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita ^a
	Tax Allocation Bonds	Capital Leases	Loans	Water Revenue Bonds	State Loan			
2011	\$ 1,835,000	\$ 266,243	\$ -	\$ 50,915,000	\$ -	\$ 53,016,243	4.60%	2,048
2012	1,745,000	217,955	-	50,670,000	-	52,632,955	4.17%	1,978
2013	1,650,000	167,305	-	49,887,458	-	51,704,763	3.92%	1,936
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	-	-	44,066,081	15,138,700	60,029,781	4.05%	2,358

Note:

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

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

CITY OF SOUTH PASADENA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020**

Fiscal Year 2019-20 Assessed Valuation : \$4,581,691,622 after deducting \$545,084,019 incremental value

	Debt Outstanding	% Applicable (1)	City's Share of Debt 6/30/2020
Direct Debt			
2012 State Loan Payable	\$ 8,945,432	100.0000%	\$ 8,945,432
2013 Water Revenue Bonds	4,891,341	100.0000%	4,891,341
2016 Water Revenue Bonds	39,174,740	100.0000%	39,174,740
SRF State Loan Payable	6,193,268	100.0000%	6,193,268
Total Direct Debt			59,204,781
Overlapping Debt			
Metropolitan Water District	18,151,752	0.356%	64,554
Pasadena Area Community College District 2014 Ref Series A	12,405,000	5.461%	677,441
Pasadena Area Community College District 2016 Ref Series A	54,045,000	5.461%	2,951,415
South Pasadena Unified 96 Series A	425,000	100.0000%	425,000
South Pasadena Unified DS 2019	49,995,000	100.0000%	49,995,000
South Pasadena Unified SD DS 95 S-C	664,689	100.0000%	664,689
South Pasadena Unified SD DS 95 Series D	3,054,310	100.0000%	3,054,310
South Pasadena USD DS 2002 Series B	1,406,917	100.0000%	1,406,917
South Pasadena USD DS 2010 Ref Bond	1,077,583	100.0000%	1,077,583
South Pasadena USD DS 2016 Series A	14,945,000	100.0000%	14,945,000
South Pasadena USD DS 2018 REF 2002 Series B	20,530,000	100.0000%	20,530,000
South Pasadena USD DS 2016 Series B	9,480,617	100.0000%	9,480,617
Total Overlapping Tax and Assessment Debt			105,272,526
Combined Total Debt			\$ 164,477,307

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	2.30%
Total Debt	2.30%

CITY OF SOUTH PASADENA

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

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Limit	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2011	\$ 494,089	\$ -	\$ 494,089	0.00%
2012	509,569	-	509,569	0.00%
2013	471,822	-	471,822	0.00%
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%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 5,116,799
Debt limit (15% of assessed value)	767,520
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	<u><u>\$ 767,520</u></u>

CITY OF SOUTH PASADENA

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

Fiscal Year	Water Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	\$ 4,956	\$ 2,581	\$ 2,375	\$ 235	\$ 2,439	1.85
2012	6,911	4,086	2,825	245	2,423	2.59
2013	8,029	5,563	2,466	255	2,046	3.49
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	1,225	1,775	3.91

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.

Source: City of South Pasadena Finance Department

***Demographic and Economic
Information***

CITY OF SOUTH PASADENA

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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (In Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	25,881	\$ 1,152,274	\$ 44,522	6.3%
2011	25,725	1,220,780	47,455	6.1%
2012	25,857	1,277,956	49,424	4.6%
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%

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

CITY OF SOUTH PASADENA

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

Employer	2019-2020			2009-2010*		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
SOUTH PASADENA CARE CENTER, LLC	140	1	5.81%	-		0.00%
TRADER JOE NO. 18	101	2	4.19%	-		0.00%
THE VONS COMPANIES INC. PAVILLIONS #2228	95	3	3.94%	-		0.00%
RALPH'S GROCERY CO. #21	92	4	3.82%	-		0.00%
V.C.A. T.L.C. PASADENA VETERINARY SPECIALTY	91	5	3.77%	-		0.00%
W N C INSURANCE SERVICES, INC.	60	6	2.49%	-		0.00%
CITY OF HOPE SOUTH PASADENA	57	7	2.36%	-		0.00%
THE VONS COMPANIES INC. #3075	54	8	2.24%	-		0.00%
COLLINS, COLLINS, MUIR & STEWART, LLP	54	9	2.24%	-		0.00%
WESTLAKE ACE HARDWARE #143	45	10	1.87%	-		0.00%
Total	<u>789</u>		<u>32.73%</u>	<u>-</u>		<u>0.00%</u>
Total City Employment (3)	<u>2,411</u>					

* Information not available

Source: South Pasadena Finance Department/Business License

CITY OF SOUTH PASADENA

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

Function/Program:	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government										
Legislative	8	8	8	8	5	5	5	5	5	5
City Manager	10	10	10	10	12	12	11	12	12	11
Finance	8	8	8	9	9	9	9	9	5	6
Public safety	81	81	81	79	81	80	80	77	75	80
Community Development	7	6	6	6	6	6	6	7	7	8
Public Works	27	28	28	20	21	21	20	21	22	23
Community Services	18	19	20	21	19	20	20	26	28	26
Water Utility	<u>12</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>11</u>
Total	<u>171</u>	<u>171</u>	<u>172</u>	<u>163</u>	<u>163</u>	<u>163</u>	<u>161</u>	<u>167</u>	<u>164</u>	<u>170</u>

Source: South Pasadena Finance Department/Adopted budget book

Operating Information

This page intentionally left blank

CITY OF SOUTH PASADENA

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government:										
Number of building permits issued	380	342	476	354	349	433	424	876	1,510	1,396
Number of building inspections conducted	2,158	2,376	2,380	2,568	2,087	1,860	2,041	3,240	3,775	2,287
Refuse collection										
Refuse collected (tons per day)	90	90	85	83	69	74	77	83	80	86
Recyclables collected (tons per day)	38	38	29	28	25	29	32	30	32	31
Other public works										
Street resurfacing (miles)	3	2	1	1	2	2	0	5	1	1
Potholes repaired *	580	1,600	1,450	1,500	1,450	1,400	259	300	356	217
Water										
New connections	10	9	6	11	7	8	5	2	6	288
Water main breaks	9	5	9	10	9	6	5	4	7	5
Average daily consumption (million gallons)	4	4	4	5	3	3	3	3	3	3
Peak daily consumption (million gallons)	6	6	6	6	5	4	4	4	5	4
Fire Department										
Number of emergency calls responded to	1,760	1,664	1,594	1,695	1,775	1,880	1,483	2,584	2,276	2,445
Number of fire inspections	229	544	296	563	521	520	540	1,163	1,800	1,163
Police Department										
Arrest statistics	1,096	1,159	1,080	1,003	855	699	830	829	779	706
Traffic citations	4,734	3,468	3,753	3,717	2,847	2,288	4,313	4,038	3,815	2,970
Parking citations	9,314	9,629	10,936	11,388	8,843	10,811	9,136	7,803	7,071	4,517
Community Services										
Facility rentals	60	60	69	89	86	95	142	80	363	411
Recreation classes	419	419	441	432	399	416	465	277	631	593

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Other public works										
Street (miles)	55	55	55	55	55	55	55	55	55	69
Traffic signals	31	31	31	31	31	31	31	31	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	68	68	68	70
Fire hydrants	165	165	165	165	165	165	165	165	308	452
Storage capacity (million gallons)	13	13	13	13	13	13	13	13	13	14
Sewage System										
Sanitary sewers (miles)	55	55	55	55	55	55	55	55	55	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.

**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**

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July xx, 2021.

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) to determine the 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings and Responses*, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We identified deficiencies in internal control over financial reporting, described in the accompanying *Schedule of Findings and Responses* as items 2020-001, 2020-002, 2020-003, and 2020-004 that we consider to be material weaknesses.

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. We identified deficiencies in internal control over financial reporting, described in the accompanying *Schedule of Findings and Responses* as items 2020-005 and 2020-006 that we consider to be significant deficiencies.

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 determination of financial statement amounts. 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. We identified noncompliance and other matters that are required to be reported under *Government Auditing Standards*, described in the accompanying *Schedule of Findings and Responses* as items 2020-007, 2020-008 and 2020-009.

City of South Pasadena's Response to Findings

The City's response to the findings identified in our audit are 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California

July xx, 2021

Schedule of Findings and Responses

Finding 2020-001 Material Weakness – Bank Reconciliations (previously reported as Finding 2019-001)

Criteria

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

Condition and Context

During our audit, we noted that bank statements for various accounts were not reconciled to the general ledger in a timely manner.

Cause

The City did not have controls in place to ensure 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. 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".

Finding 2020-002 Material Weakness – Accounting and Management of Capital Assets (previously reported as Finding 2019-002)

Criteria

Capital asset listings should be complete and depreciation expense should be calculated on each asset individually, utilizing accounting software.

Condition and Context

During our audit, we noted that certain capital assets were missing from the detailed listing of capital assets, journal entries to record depreciation expense were recorded to incorrect accounts and the calculation of depreciation expense was done incorrectly and manually. We also noted that several projects were open for multiple years, and those projects were continued to be carried as construction in progress when they have been completed. Some projects were carried in the construction in progress account when the project has been abandoned and there is no plan to complete the construction.

Cause

The City did not have controls in place to ensure capital assets and related depreciation expense was properly recorded.

Effect

The lack of procedures and controls over capital assets and related depreciation expense has led to inaccurate reporting of capital asset costs.

Schedule of Findings and Responses

Recommendation

We recommend that the City utilize the accounting software to assist in tracking capital asset purchases and disposals and assist in calculating depreciation expense and recoding the related entries. 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".

Finding 2020-003 Material Weakness – Year-End Closing Process (previously reported as Finding 2019-003)

Criteria

An important element of internal controls over financial reporting is for the entity to have procedures in place to ensure that all relevant accounts are reconciled at year-end.

Condition and Context

Over the past three years, the City has experienced a high turnover at the management level in the Finance Department. As a result, many accounts were not properly reviewed and/or reconciled at year-end in preparation for the audit. These accounts include (but are not limited to) capital assets amongst all funds, water fund inventory, interest income, fund balance and cash.

Cause

The City did not maintain the appropriate staffing levels to allow for the proper year-end closing process.

Effect

The City could be under/overstating amounts reported in the financial statements.

Recommendation

We recommend the City maintain proper staffing levels within the Finance Department to allow for the proper review and reconciliation at year-end. 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".

Finding 2020-004 Significant Deficiency – Accounting Procedures and Policies Manual (previously reported as Finding 2019-006)

Criteria

In order to ensure accuracy and consistency, the Finance Department should have an updated accounting procedures and policies manual readily available for reference.

Condition and Context

During the audit, we noted that the City's various accounting policies and procedures were either outdated or nonexistent and not readily available for all employees to review.

Schedule of Findings and Responses

Cause

The Finance Department has not updated their accounting procedures and policies manual to conform to current practices and procedures.

Effect

The lack of an updated manual contributed to inconsistent procedures being performed within the Finance Department.

Recommendation

We recommend the City update its accounting procedures and policies manual and communicate with all City departments to ensure consistency and appropriate control procedures. 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".

Finding 2020-005 Significant Deficiency – Grants Management (previously reported as Finding 2019-007)

Criteria

Grant reimbursement requests are to be tracked and submitted in a timely and routine fashion to the respective granting agency. Reimbursement requests will occasionally cross fiscal years, in which case, a grant receivable and offsetting revenue should be recorded, if the expenditures have already been incurred, thus increasing fund balance.

Condition and Context

During the audit, we noted multiple grant-related funds have deficit fund balance as of year-end.

Cause

The lack of proper grant management delays the reimbursement request process, and thus the recording of related revenue, which in turn causes a deficit fund balance.

Effect

Grant awards can expire if not spent and/or used within a certain timeframe.

Recommendation

We recommend the Finance Department implement policies and procedures to ensure grants and reimbursement requests are tracked and submitted in a timely manner. 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".

Schedule of Findings and Responses

**Finding 2020-006 – Noncompliance with Debt Reporting
(previously reported as Finding 2019-008)**

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 2016 Water Revenue Refunding Bonds 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, 2019 financial statements, the City fell out of compliance with the requirements noted above.

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".

**Finding 2020-007 – Noncompliance with Budget Policy
(previously reported as Finding 2019-009)**

Criteria

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.

Condition and Context

During the audit, we noted budget amendments that were not approved by the City Manager.

Cause

The lack of formal policies and procedures within the Finance Department caused budget amendments to be processed without proper approval.

Effect

Budgets can be altered without proper authorization.

Schedule of Findings and Responses

Recommendation

We recommend the Finance Department implement policies and procedures to ensure all budget amendments receive proper authorizations. 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

1414 MISSION STREET, SOUTH PASADENA, CA 91030

TEL: (626) 403-7210 • FAX: (626) 403-7211

WWW.SOUTHPASADENACA.GOV

Corrective Action Plan

Finding 2020-001 Material Weakness – Bank Reconciliations

Corrective Action: Management is in agreement with the recommendation and has been working diligently to improve the reconciliation process. There is a dedicated staff member responsible for the reconciliation process. Staff has cleared most of the backlog and is almost caught up.

Proposed Completion Date: Management anticipates to have the bank reconciliations completed through June 2021 up to date by September 2021.

Finding 2020-002 Material Weakness – Accounting and Management of Capital Assets

Corrective Action: Management agrees with the recommendation and will be exploring the capability of the current accounting software to manage the capital assets and assist in tracking purchases, disposals and assist in calculating depreciation expense.

Proposed Completion Date: Management will continue utilizing the current up-to-date Capital Assets worksheet to track purchases, disposals and depreciation expense until such time that resources would be available to be delegated to the transition of the information from the current worksheet to the accounting software.

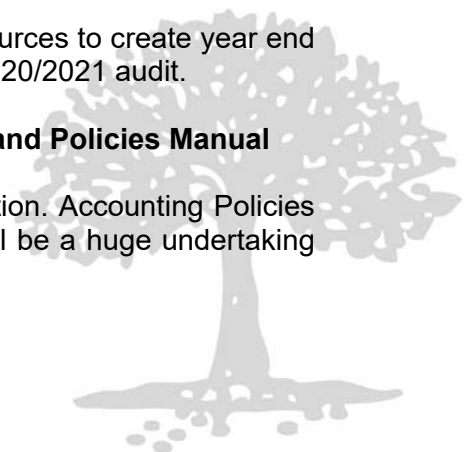
Finding 2020-003 Material Weakness – Year-End Closing Process

Corrective Action: Management agrees with the recommendation and will be looking to implement procedures for the year end process to ensure all relevant accounts are reconciled at year end. Management will also review the current staffing levels to determine appropriate staffing levels are maintained.

Proposed Completion Date: Management will be sure to designate resources to create year end procedures to ensure all relevant accounts are reconciled prior to the 2020/2021 audit.

Finding 2020-004 Significant Deficiency – Accounting Procedures and Policies Manual

Corrective Action: Management strongly agrees with this recommendation. Accounting Policies and Procedures manual is critical to any organization. This process will be a huge undertaking that will require resources to be dedicated to this process.



Proposed Completion Date: While a critical task, it is one that will require resources to be dedicated to this progression. Given the current level of staffing within the department, we anticipate this process will take some time.

Finding 2020-005 Significant Deficiency – Grants Management

Corrective Action: Management agrees with the recommendation and will be working closely with our Grants Analyst to ensure grant reimbursement requests are tracked and submitted in a timely manner. In addition, Finance will ensure to record a receivable and offsetting revenue for when grants reimbursements are received in the following fiscal year.

Proposed Completion Date: Management will work through this process with an anticipated completion date of end of the fiscal year 2021.

Finding 2020-006 – Noncompliance with Debt Reporting

Corrective Action: Due to the delay of financial reporting and issuance of the June 30, 2020 financial statements, the City fell out of compliance with the debt reporting requirements. Management is working through the backlog to ensure the CAFR is completed timely in all future years and financial statements are available to be submitted to comply with the debt reporting requirements.

Proposed Completion Date: Management anticipates completing the 2020/2021 CAFR in a timely manner thereby placing the City in a position to comply with the debt reporting requirements by providing audited financials to the authoritative agency.

Finding 2020-007 – Noncompliance with Budget Policy

Corrective Action: Management is in agreement with the recommendation and will work with all City departments to provide training and ensure compliance. Finance will enforce submission of budget amendments with appropriate authorization prior to proceeding with disbursement process. Also, Finance Management will review staff reports for proper request for authorization for budget amendments as part of the Agenda review process.

Proposed Completion Date: Management will start review and enforcement of appropriate authorization of budget amendments immediately.

Armine Trashian
Accounting Manager

