



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

**1424 Mission Street, South Pasadena, CA, 91030
Commissioners to participate via ZOOM**

October 15, 2020, at 6:30 pm.

CALL TO ORDER:	Commission Chair Findley
ROLL CALL:	Chair Findley, Vice Chair Tao, Commissioners Choi, Elsner and Wood, and City Treasurer Pia
COUNCIL LIAISON:	Mayor, Robert Joe
STAFF PRESENT:	Interim Assistant City Manager, Elaine Aguilar

NOTICE OF PUBLIC PARTICIPATION AND ACCESSIBILITY

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the Special Meeting of the Finance Commission for October 15, 2020 will be conducted remotely and held by video conference, beginning at 6:30 p.m. The Meeting will be broadcast live on the City's local cable channel and the City's website at: (www.southpasadenaca.gov/financecommission).

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 in writing for Commission consideration, by emailing them to: fcpubliccomment@southpasadenaca.gov.

Public Comments must be received by 12 p.m., October 15, 2020 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.

PUBLIC COMMENT

Public Comments received by 12 p.m. October 15, 2020 will be read during this time, limited to 150 words. Public comments received will be posted to the website and entered into the record of the meeting.

ACTION/DISCUSSION

1. Presentation of the Comprehensive Annual Financial Report (CAFR) Fiscal Year 2018-19
2. Discussion Regarding Temporary Finance Department Staffing Needs

ADJOURNMENT

FUTURE FINANCE COMMISSION MEETINGS

October 22, 2020

Virtual Meeting

PUBLIC ACCESS TO AGENDA DOCUMENTS

Prior to meetings, 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.

10/14/2020

Date



Finance Commission Agenda Report

DATE: October 15, 2020

FROM: Elaine Agular, Interim Assistant City Manager

SUBJECT: **Presentation of Draft Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019**

Recommendation

It is recommended that the Finance Commission review, and receive and file the Draft Annual Financial Report (CAFR) for fiscal year ending June 30, 2019.

Discussion/Analysis

The draft CAFR will be presented to Council on October 21, 2020.

Background

The attached staff report and draft CAFR for fiscal year ending June 30, 2019, are included in the agenda packet for your reference. A representative of Rogers, Anderson, Malody, & Scott, LLP, will be present to present the audit and report.

Fiscal Impact

There is no fiscal impact.

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. Staff Report to Finance Commission – Presentation of Draft CAFR for Fiscal Year Ending June 30, 2019
2. Draft CAFR June 30, 2019

CITY OF SOUTH PASADENA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY: FINANCE DEPARTMENT

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CITY OF SOUTH PASADENA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2019

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY OF SOUTH PASADENA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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September xx, 2020

Honorable Mayor and Members of the City Council,

We proudly present to you the City of South Pasadena's Comprehensive Annual Financial Report (CAFR). This report consists of management's representations concerning the finances of the City of South Pasadena. It was prepared by the Finance Department 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, 2019, 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, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the City of South Pasadena

South Pasadena is located approximately six miles northeast of downtown Los Angeles, on the west side of the San Gabriel Valley between the cities of Pasadena, San Marino, Los Angeles and Alhambra and has a population of 25,992. 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 officials are the City Treasurer and City Clerk, each of whom serves a four-year term of office.

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

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

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

Factors Affecting Financial Condition

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

Local Economy

For FY 2018/19, the City of South Pasadena, the greater Los Angeles region and the State of California, have shown increasing revenues over the last several years as the region has recovered from the 2008 recession.

The five largest sources of revenue to the City's General Fund are property taxes, utility taxes, sales taxes, current services, and licenses and permits. Property taxes make up 54% of all General Fund revenues. Utility users' taxes (UUT) make up 12% of total General Fund revenues. Sales taxes make up 6% of total General Fund revenues. Current services make up 9% of the total General Fund revenues. License and permits make up 3% of the total General Fund Revenues.

The top five revenue sources represent approximately 84% of the General Fund revenues. Historical data indicates that the City's General Fund is becoming more reliant on these five revenue sources.

Property taxes are the City's largest tax source and make up approximately half of the General Fund revenues. The City of South Pasadena experienced a net taxable value increase of 6.7% for the 2018/19 tax roll, which was slightly more than the increase experienced countywide at 6.5%. The assessed value increase between 2017/18 and 2018/19 was \$306 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$86.2 million, which accounted for 28% of all growth experienced in the city. The housing market has fully recovered from the recent recession in many urban and coastal areas of the State while housing recovery has tended to lag in more rural and inland areas. Current median home prices, in many regions are at or above the pre-recession peak values. Affordability and inventory constraints are the main contributor to increases in home prices over the last year. The numbers of sales year over year have declined and the lack of significant new home construction in California is one of the main factors affecting supply. 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.

New subdivision and mixed-use development by 820 Mission Development, along with sales of finished units triggered reassessments that added \$35 million in value among all of the new properties.

The Utility Users Tax (UUT) is the second largest revenue source for the General Fund, at \$3.4 million. At the November 2018 local elections, the South Pasadena community voted to extend the UUT for four years, while retaining the amount at the current 7.5%. The Utility Users' Tax collects approximately \$3.4 million annually for the City of South Pasadena and is set to sunset on June 30, 2020, unless extended by voters.

The City underwent a comprehensive fee study in the spring of 2018, which is expected to increase overall revenue to the City by approximately \$350,000, and included a resolution to adjust fees according to Consumer Price Index (CPI) moving forward.

Overall, South Pasadena continues to remain in satisfactory financial condition thanks to a relatively diverse and stable revenue base. Our core services have remained consistent despite certain revenue losses to the State as a result of the dissolution of redevelopment agencies. However, with the shifting of the former property tax increment back to affected taxing agencies, the City has been recovering some of this lost revenue.

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. Most recently, the City updated its retiree health contribution to the PEMHCA minimum. Additional information regarding the City's pension arrangements and post-employment benefits can be found in the notes to the financial statements.

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 the lowest possible pension formula (2% at 55) which has kept the City's liability low compared to Cities who pay 2.5%, 2.7% or even 3.0% at 55. Nonetheless, the City must bear the cost of increased payments to PERS over the next five years at least. Further, it remains unclear how PERS management decisions will impact the City in the future. Investment funds continue to perform far below projected returns and actuarial reports from PERS are several years behind. Many cities are hiring independent actuarial consultants to better analyze future impacts and plan appropriate strategies.

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 \$139/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.

Long-Term Financial Planning for Infrastructure. In 2009, the City established a long-range vision for its sewer and water enterprises by issuing bonds and adjusting charges for service to finance many critically needed improvements. Since then, the water and sewer rates needed for the restoration and rehabilitation of the aging water and sewer infrastructure have increased by over 100%. Since 2009, the City has spent approximately \$37.0 million upgrading the water system, and \$7.08 million upgrading the sewer system. The City expects to spend an additional \$10 million over the next two years on these projects.

In 2018, the City created its first Five Year Capital Improvement Plan (CIP) which outlined over \$100 million in Capital repairs that were largely unfunded. For the last five fiscal years, the City Council has also voted to commit at least \$2 million annually towards the rehabilitation of city streets and \$146,000 annually to the Capital and Equipment Fund.

Most recently, the City has been working with its local and regional partners to restart the “Rogan Funds” project, which was originally identified to fund a hookramp onto SR-110. Further, following the elimination of the SR-710 project, the county has identified nearly \$100 million in available transportation funds for the City. All of these projects will require matching dollars or initial studies to implement, which should be considered in the overall long-term funding for the City.

Cash Management Policies and Practices

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

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Pasadena for its CAFR for the fiscal year ended June 30, 2018. 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 CAFR, 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 2018). We believe our current report continues to conform to the Certificate of Achievement program requirements, and will again submit it to GFOA for award consideration.

The preparation and publication of this report is made possible through the dedication of the entire Finance Department staff, and especially from Albert Trinh, Finance Manager. This report would also not have been possible without the leadership of the City Manager, Stephanie DeWolfe, and continued commitment from the City Council in conducting the financial operations and corresponding financial disclosures of the City in an open, public and transparent manner. Finally, thanks are extended to the firm of Rogers, Anderson, Malody & Scott, LLP, for their contributions towards improving our financial reporting and year end processes.

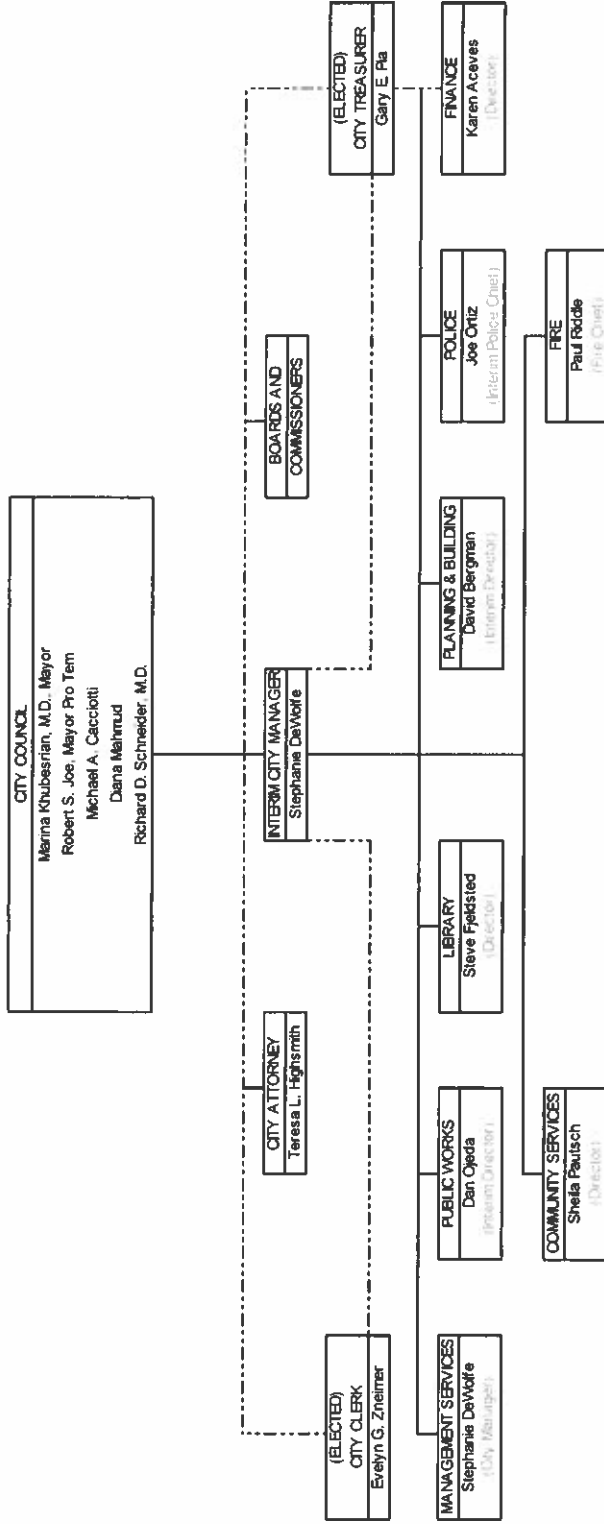
Respectfully submitted,

Karen Aceves

Karen Aceves

**CITY OF SOUTH PASADENA
ORGANIZATIONAL CHART**

2018 - 2019



CITY OF SOUTH PASADENA, CALIFORNIA

OFFICIALS OF THE CITY OF SOUTH PASADENA

CITY COUNCIL

Marina Khubesrian, M.D.
Mayor

Robert S. Joe
Mayor Pro Tempore

Michael A. Cacciotti
Mayor

Diana Mahmud
Councilmember

Richard D. Schneider, M.D.
Mayor Pro Tempore

ADMINISTRATION AND DEPARTMENT HEADS

City Manager	Stephanie DeWolfe
City Clerk	Evelyn G. Zneimer
City Treasurer	Gary E. Pia
City Attorney	Teresa L. Highsmith
Director of Finance	Karen Aceves
Director of Library, Arts, and Culture	Steve Fjeldsted
Police Chief	Joe Ortiz
Director of Community Services	Sheila Pautsch
Fire Chief	Paul Riddle
Interim Director of Public Works	Dan Ojeda
Interim Director of Planning and Building	David Bergman



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, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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

Independent Auditor's Report

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, 2019, 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, 2019, 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.

Emphasis of a Matter

As discussed in Note 1 of the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

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 September xx, 2020 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
September xx, 2020

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CITY OF SOUTH PASADENA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

(A) Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$81,483,541. Unrestricted net position in an amount of (\$11,802,207) is primarily due to the City recording the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, and information about the fiduciary net position of the City's CalPERS plans per GASB Statements No. 68 and 71 and 75.
- The City's total net position increased by \$5,197,271, after the prior period adjustment.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$28,994,406 an increase of \$4,844,802. Of this amount, \$10,838,355 or approximately 37% 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 \$12,017,146, or 49% of the total General Fund Expenditures.
- The City's net investment capital assets decreased \$4,319,595 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, 2019**

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, 2019**

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 \$81,483,541 at the close of the most recent fiscal year. This represents an increase of \$5,197,271 or 7% from the prior year, primarily due to a decrease in investments in capital assets. Capital Assets are by far the largest portion of the City's net position; \$84,013,174 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, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 31,826,966	\$ 27,717,339	\$ 13,693,935	\$ 14,274,295	\$ 45,520,901	\$ 41,991,634
Capital assets, net	60,351,839	62,806,755	79,054,625	74,217,620	139,406,464	137,024,375
Total assets	92,178,805	90,524,094	92,748,560	88,491,915	184,927,365	179,016,009
Deferred outflow of resources	8,385,499	9,923,516	6,189,651	6,640,100	14,575,150	16,563,616
Long-term liabilities	48,451,206	48,591,497	59,086,852	58,327,986	107,538,058	106,919,483
Other liabilities	2,870,360	3,273,859	4,111,910	3,668,754	6,982,270	6,942,613
Total liabilities	51,321,566	51,865,356	63,198,762	61,996,740	114,520,328	113,862,096
Deferred inflow of resources	3,125,672	3,649,673	372,974	417,397	3,498,646	4,067,070
Net investment in capital assets	60,351,839	62,806,755	23,661,335	25,525,737	84,013,174	88,332,492
Restricted	8,115,962	6,336,084	1,156,612	1,154,374	9,272,574	7,490,458
Unrestricted	(22,350,735)	(24,210,258)	10,548,528	6,037,767	(11,802,207)	(18,172,491)
Total net position	\$ 46,117,066	\$ 44,932,581	\$ 35,366,475	\$ 32,717,878	\$ 81,483,541	\$ 77,650,459

The second portion of the City net position of \$9,272,574 represents special revenue resources that are subject to external restrictions on how they may be used. Unrestricted net position shows a negative balance of (\$11,802,207).

CITY OF SOUTH PASADENA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

The City's governmental current assets increased by \$4,109,627 and capital assets decreased by \$2,454,916. 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 decreased by \$580,360, due to debt service payments for capital spending water and sewer projects. The City reported a net increase of \$4,837,005 in capital assets due to an increase in construction-in-progress relating to the Garfield Reservoir Capital Project, Graves Well Rehabilitation Project, and Wellhead Treatment Project, and Sewer Project. Upon completion, the City will transfer the construction-in-progress costs to infrastructure.

City of South Pasadena Change in Net Position
For the Years Ended June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for services	\$ 4,473,833	\$ 4,771,481	\$ 12,880,598	\$ 12,611,113	\$ 17,354,431	\$ 17,382,594
Operating contributions and grants	4,231,554	972,026	-	200,167	4,231,554	1,172,193
Capital contributions and grants	1,072,310	1,325,968	-	-	1,072,310	1,325,968
General revenues:						
Property taxes	15,368,198	14,135,844	-	-	15,368,198	14,135,844
Other taxes	7,586,093	8,929,003	-	-	7,586,093	8,929,003
Intergovernmental	-	-	-	-	-	-
Use of money and property	1,308,952	650,749	392,230	92,551	1,701,182	743,300
Other	11,815	130,310	94,367	216,693	106,182	347,003
Total revenues	34,052,755	30,915,381	13,367,195	13,120,524	47,419,950	44,035,905
Expenses:						
General government	6,014,464	5,560,722	-	-	6,014,464	5,560,722
Public safety	14,257,292	14,624,313	-	-	14,257,292	14,624,313
Community development	1,361,590	1,037,091	-	-	1,361,590	1,037,091
Community services	3,988,465	3,819,654	-	-	3,988,465	3,819,654
Public works	6,045,511	5,197,516	-	-	6,045,511	5,197,516
Water	-	-	8,116,822	7,060,363	8,116,822	7,060,363
Sewer	-	-	1,280,398	686,672	1,280,398	686,672
Golf course	-	-	1,158,137	1,096,327	1,158,137	1,096,327
Total expenses	31,667,322	30,239,296	10,555,357	8,843,362	42,222,679	39,082,658
Income before transfers	2,385,433	676,085	2,811,838	4,277,162	5,197,271	4,953,247
Transfers	80,000	-	(80,000)	-	-	-
Increase in net position	2,465,433	676,085	2,731,838	4,277,162	5,197,271	4,953,247
Net position, beginning, as restated	43,651,633	44,256,496	32,634,637	28,440,716	76,286,270	72,697,212
Net position, ending	\$ 46,117,066	\$ 44,932,581	\$ 35,366,475	\$ 32,717,878	\$ 81,483,541	\$ 77,650,459

Governmental Activities

Governmental activities net position increased by \$2,465,434, after the prior period adjustment, due to an increase in general revenues which is offset with a small increase in the expenses across multiple departments.

CITY OF SOUTH PASADENA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

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 \$10,548,528. Total net position for these funds was \$35,366,475, an increase of \$2,731,838 (8%) over the prior year, due to increases in the capital construction expenses for the Garfield Reservoir Construction Project, 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 \$28,994,406 an increase of \$4,844,802 from the prior fiscal year. Approximately 37% 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 (28%), committed by City Council action for specific purposes (33%), or represents net position that are non-spendable resources (2%).

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 \$12,017,146, while the total fund balance reached \$18,417,885. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 49% of General Fund expenditures, while the total fund balance represents 75% of that same amount.

The fund balance of the City's General Fund increased by \$2,835,923 in the current fiscal year. This represents an increase of 18% in fund balance from FY 2018. Key factors in this increase are as follows:

- An overall increase in revenue by \$2,811,369 due to increase in taxes, intergovernmental funding, use of money, and miscellaneous.
- Capital outlay decreased \$1,157,523.

There was an increase in transfers out of \$1,860,956 for insurance funds, facilities and maintenance, street projects, and LLMD.

CITY OF SOUTH PASADENA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

The General Fund reflected a net total favorable budget variance of \$2,659,160 when comparing actual amounts to the final budget for the current fiscal year. This budget variance reflects a favorable variance in revenues of \$2,318,300 and a favorable variance in total expenditures of \$956,816, and an unfavorable variance in transfers out of (\$615,956).

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, 2019, amounts to \$60,351,839 and \$23,661,335 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings, park improvements, roadways, vehicles, computer equipment, furniture, other equipment, and construction in progress.

Additional information on the City's capital assets can be found in Note 3 in the Notes to Financial Statements section of this report.

Long-term debt. At the end of the current fiscal year, the City of South Pasadena had total debt outstanding related to governmental activities of \$48,511,520.

City of South Pasadena Long-term Debt

	Governmental Activities	
	2019	2018
Employee compensated absences	\$ 603,136	\$ 801,087
Total OPEB liability	14,416,661	14,482,468
Net pension liability	33,491,723	33,307,942
Total long-term debt	<u>\$ 48,511,520</u>	<u>\$ 48,591,497</u>

CITY OF SOUTH PASADENA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

The City's long-term debt decreased during the current fiscal year primarily due to a decrease in employee compensated absences.

Proprietary Fund Long-term Debt

	Business-Type Activities	
	<u>2019</u>	<u>2018</u>
2012 State Loan Payable - Direct Borrowing	\$ 9,186,997	\$ 7,415,790
SRF State Loan Payable - Direct Borrowing	679,462	-
2013 Water Revenue Bonds Issuance Premium	5,010,000	5,370,000
	284,053	311,765
2016 Water Revenue Bonds Issuance Premium	36,020,000	36,855,000
	4,212,778	4,420,816
Total long-term debt	<u>\$ 55,393,290</u>	<u>\$ 54,373,371</u>

Proprietary fund long-term debt increased \$1,019,919 during the current fiscal year due to drawdown on the 2012 State Loan and the initialization of the SRF State Loan. The further 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.

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
- 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 has emerged from recession and receipts have moved back to pre-recession levels.

During the 2019 fiscal year, unassigned fund balance in the General Fund remained substantial at \$12,017,146. The fiscal year 2020 Budget includes funding for much-needed capital improvements to the City's streets, sewer and water systems, the latter being funded with proceeds from the drawdown from the 2012 State Loan and the SRF State Loan. 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.

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CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities (Governmental Funds)	Business-Type Activities (Enterprise Funds)	Total
Assets			
Cash and investments	\$ 29,381,023	\$ 12,032,798	\$ 41,413,821
Receivables:			
Accounts	520,869	737,051	1,257,920
Taxes	704,165	-	704,165
Accrued interest	160,927	57,765	218,692
Internal balances	573,313	(573,313)	-
Due from other governments	477,480	-	477,480
Inventories	5,083	283,022	288,105
Prepaid items	4,106	-	4,106
Restricted assets:			
Cash and investments with fiscal agent	-	1,156,612	1,156,612
Capital assets, not being depreciated	3,231,583	6,819,737	10,051,320
Capital assets, net of accumulated depreciation	57,120,256	72,234,888	129,355,144
Total assets	92,178,805	92,748,560	184,927,365
Deferred outflows of resources			
Deferred loss on debt refunding	-	5,423,238	5,423,238
Pension related	7,808,857	677,186	8,486,043
Other post-employment benefits related	576,642	89,227	665,869
Total deferred outflows of resources	8,385,499	6,189,651	14,575,150
Liabilities			
Accounts payable	1,605,031	1,672,788	3,277,819
Accrued liabilities	400,148	27,864	428,012
Accrued interest	-	616,743	616,743
Deposits payable	804,867	331,638	1,136,505
Noncurrent liabilities:			
Due within one year	60,314	1,462,877	1,523,191
Due in more than one year	-	53,932,540	53,932,540
Compensated absences	542,822	19,147	561,969
Net pension liability	33,491,723	2,904,412	36,396,135
Total other post-employment benefits liability	14,416,661	2,230,753	16,647,414
Total liabilities	51,321,566	63,198,762	114,520,328
Deferred inflows of resources			
Pension related	1,627,244	141,115	1,768,359
Other post-employment benefits related	1,498,428	231,859	1,730,287
Total deferred inflows of resources	3,125,672	372,974	3,498,646
Net position			
Net investment in capital assets	60,351,839	23,661,335	84,013,174
Restricted for:			
Community development projects	1,117,604	-	1,117,604
Public safety	208,088	-	208,088
Community services	1,519,766	-	1,519,766
Public works	4,594,063	-	4,594,063
Capital projects	676,441	-	676,441
Debt service	-	1,156,612	1,156,612
Unrestricted	(22,350,735)	10,548,528	(11,802,207)
Total net position	\$ 46,117,066	\$ 35,366,475	\$ 81,483,541

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

CITY OF SOUTH PASADENA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 6,014,464	\$ 806,758	\$ 755,965	\$ -
Public safety	14,257,292	1,584,152	136,627	-
Community development	1,361,590	7,647	34,967	-
Community services	3,988,465	761,334	965,060	115,076
Public works	6,045,511	1,313,942	2,338,935	957,234
Total governmental activities	31,667,322	4,473,833	4,231,554	1,072,310
Business-type activities:				
Water	8,116,822	10,152,661	-	-
Sewer	1,280,398	1,472,122	-	-
Arroyo Seco Golf Course	1,158,137	1,255,815	-	-
Total business-type activities	10,555,357	12,880,598	-	-
Total Primary Government	\$ 42,222,679	\$ 17,354,431	\$ 4,231,554	\$ 1,072,310

General revenues:

Taxes:

Property taxes

Sales taxes

Franchise taxes

Business license taxes

Utility users tax

Other taxes

Use of money and property

Other

Transfers

Total general revenues

Change in Net Position

Net Position - Beginning, as Restated (Note 14)

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>
\$ (4,451,741)	\$ -	\$ (4,451,741)
(12,536,513)	-	(12,536,513)
(1,318,976)	-	(1,318,976)
(2,146,995)	-	(2,146,995)
<u>(1,435,400)</u>	<u>-</u>	<u>(1,435,400)</u>
<u>(21,889,625)</u>	<u>-</u>	<u>(21,889,625)</u>
-	2,035,839	2,035,839
-	191,724	191,724
-	97,678	97,678
<u>-</u>	<u>2,325,241</u>	<u>2,325,241</u>
<u>(21,889,625)</u>	<u>2,325,241</u>	<u>(19,564,384)</u>
15,368,198	-	15,368,198
2,563,117	-	2,563,117
1,002,408	-	1,002,408
399,653	-	399,653
3,228,320	-	3,228,320
392,595	-	392,595
1,308,952	392,230	1,701,182
11,815	94,367	106,182
80,000	(80,000)	-
<u>24,355,058</u>	<u>406,597</u>	<u>24,761,655</u>
2,465,433	2,731,838	5,197,271
43,651,633	32,634,637	76,286,270
<u>\$ 46,117,066</u>	<u>\$ 35,366,475</u>	<u>\$ 81,483,541</u>

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

CITY OF SOUTH PASADENA

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Pooled cash and investments	\$ 17,202,357	\$ 12,153,725	\$ 29,356,082
Receivables:			
Accounts	383,996	136,873	520,869
Taxes	691,657	12,508	704,165
Accrued interest	127,768	33,159	160,927
Due from other governments	383,474	94,006	477,480
Due from other funds	1,166,928	-	1,166,928
Advances to other funds	450,000	-	450,000
Inventories	5,083	-	5,083
Prepaid items	-	4,106	4,106
Total assets	\$ 20,411,263	\$ 12,434,377	\$ 32,845,640
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 810,628	\$ 791,976	\$ 1,602,604
Accrued liabilities	387,845	12,303	400,148
Deposits payable	794,905	9,962	804,867
Due to other funds	-	1,043,615	1,043,615
Total liabilities	1,993,378	1,857,856	3,851,234
Fund Balances:			
Nonspendable:			
Advances to other funds	450,000	-	450,000
Inventories	5,083	-	5,083
Prepaid items	-	4,106	4,106
Restricted for:			
Community development projects	-	1,117,604	1,117,604
Public safety - police	-	208,088	208,088
Community services	-	1,519,766	1,519,766
Public works - streets and roads	-	4,366,258	4,366,258
Capital projects	-	676,441	676,441
Public works - street lighting	-	227,805	227,805
Committed to:			
Capital projects	-	3,635,244	3,635,244
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
Tree Replacement	50,000	-	50,000
Stormwater Reserve	600,000	-	600,000
Library Park Drainage Reserve	147,000	-	147,000
Financial Sustainability Reserve	900,000	-	900,000
Slater Reimbursement Reserve	568,850	-	568,850
Assigned to:			
Stables CIP Reserve	20,739	-	20,739
Unassigned	12,017,146	(1,178,791)	10,838,355
Total fund balances	18,417,885	10,576,521	28,994,406
Total liabilities and fund balances	\$ 20,411,263	\$ 12,434,377	\$ 32,845,640

*x General plan
Remove*

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, 2019**

Fund balances of governmental funds		\$ 28,994,406
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. This amount excludes capital assets reported in the internal service funds.		60,351,839
Deferred outflows and inflows of resources related to pensions have not been reported in the governmental funds. These amounts exclude pension related deferred outflow and inflows reported in the internal service funds.		
Pension related deferred outflows of resources	\$ 7,808,857	
Pension related deferred inflows of resources	(1,627,244)	
Total other post-employment benefits related deferred inflows of resources	(1,498,428)	
Total other post-employment benefits related deferred outflows of resources	<u>576,642</u>	
		5,259,827
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Compensated absences	(603,136)	
Net pension liability	(33,491,723)	
Total other post-employment benefits liability	<u>(14,416,661)</u>	
		(48,511,520)
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>22,514</u>
Net position of governmental activities		<u>\$ 46,117,066</u>

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

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CITY OF SOUTH PASADENA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 22,623,486	\$ 1,706,759	\$ 24,330,245
Assessments	-	893,205	893,205
Licenses and permits	892,560	75,522	968,082
Intergovernmental	710,323	1,512,173	2,222,496
Charges for services	3,342,254	225,555	3,567,809
Use of money and property	1,057,074	251,874	1,308,948
Fines and forfeitures	339,636	-	339,636
Miscellaneous	402,585	19,749	422,334
Total revenues	29,367,918	4,684,837	34,052,755
Expenditures			
Current:			
General government	4,989,002	206,026	5,195,028
Public safety	13,245,634	8,193	13,253,827
Community development	1,116,412	10,766	1,127,178
Community services	2,909,338	618,850	3,528,188
Public works	1,791,628	1,866,262	3,657,890
Capital outlay	619,025	1,636,861	2,255,886
Total expenditures	24,671,039	4,346,958	29,017,997
Excess (deficiency) of revenues over (under) expenditures	4,696,879	337,879	5,034,758
Other Financing Sources (Uses)			
Transfers in	-	1,671,000	1,671,000
Transfers out	(1,860,956)	-	(1,860,956)
Total other financing sources (uses)	(1,860,956)	1,671,000	(189,956)
Net change in fund balance	2,835,923	2,008,879	4,844,802
Fund Balances, Beginning, as Restated (Note 14)	15,581,962	8,567,642	24,149,604
Fund Balances, Ending	\$ 18,417,885	\$ 10,576,521	\$ 28,994,406

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, 2019**

Net changes in fund balances - total governmental funds \$ 4,844,802

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	\$ 1,913,465	
Depreciation expense, net of deletions of capital assets	<u>(3,087,433)</u>	(1,173,968)

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		(234,412)
--	--	-----------

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	197,951	
Changes in total other post-employment benefits related items	(156,307)	
Changes in pension related items	<u>(975,683)</u>	(934,039)

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>(36,950)</u>
--	--	-----------------

Changes in net position of governmental activities

	\$	<u>2,465,433</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF SOUTH PASADENA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Arroyo Seco Golf Course	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 6,203,916	\$ 5,317,919	\$ 510,963	\$ 12,032,798	\$ 24,941
Receivables:					
Accounts	717,169	19,852	30	737,051	-
Accrued interest	34,544	23,186	35	57,765	-
Inventories	268,357	-	14,665	283,022	-
Restricted:					
Cash and investments with fiscal agent	1,156,612	-	-	1,156,612	-
Total current assets	<u>8,380,598</u>	<u>5,360,957</u>	<u>525,693</u>	<u>14,267,248</u>	<u>24,941</u>
Noncurrent assets:					
Capital assets, not depreciated	6,819,737	-	-	6,819,737	-
Capital assets, net of depreciation	61,767,779	9,641,818	825,291	72,234,888	-
Total noncurrent assets	<u>68,587,516</u>	<u>9,641,818</u>	<u>825,291</u>	<u>79,054,625</u>	<u>-</u>
Total assets	<u>76,968,114</u>	<u>15,002,775</u>	<u>1,350,984</u>	<u>93,321,873</u>	<u>24,941</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on debt refunding	5,423,238	-	-	5,423,238	-
Pension related	529,529	147,657	-	677,186	-
Other post-employment benefits related	74,378	14,849	-	89,227	-
Total deferred outflows of resources	<u>6,027,145</u>	<u>162,506</u>	<u>-</u>	<u>6,189,651</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	1,592,672	18,179	61,937	1,672,788	2,427
Accrued liabilities	16,935	4,929	6,000	27,864	-
Accrued interest	448,577	168,166	-	616,743	-
Deposits payable	331,638	-	-	331,638	-
Due to other funds	-	123,313	-	123,313	-
Compensated absences	1,709	419	-	2,127	-
Bonds payable	1,460,750	-	-	1,460,750	-
Total current liabilities	<u>3,852,281</u>	<u>315,006</u>	<u>67,937</u>	<u>4,235,223</u>	<u>2,427</u>
Noncurrent liabilities:					
Advances from other funds	-	450,000	-	450,000	-
Compensated absences	15,380	3,767	-	19,147	-
Total other post-employment benefits liability	1,859,516	371,237	-	2,230,753	-
Net pension liability	2,271,119	633,293	-	2,904,412	-
Loans payable	679,462	9,186,997	-	9,866,459	-
Bonds payable	44,066,081	-	-	44,066,081	-
Total noncurrent liabilities	<u>48,891,558</u>	<u>10,645,294</u>	<u>-</u>	<u>59,536,852</u>	<u>-</u>
Total liabilities	<u>52,743,839</u>	<u>10,960,299</u>	<u>67,937</u>	<u>63,772,075</u>	<u>2,427</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	110,346	30,769	-	141,115	-
Other post-employment benefits related	193,273	38,586	-	231,859	-
Total deferred inflows of resources	<u>303,619</u>	<u>69,355</u>	<u>-</u>	<u>372,974</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	22,381,223	454,821	825,291	23,661,335	-
Restricted	1,156,612	-	-	1,156,612	-
Unrestricted	6,409,966	3,680,806	457,756	10,548,528	22,514
Total net position	<u>\$ 29,947,801</u>	<u>\$ 4,135,627</u>	<u>\$ 1,283,047</u>	<u>\$ 35,366,475</u>	<u>\$ 22,514</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, 2019**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Arroyo Seco Golf Course	Total	
OPERATING REVENUES					
Sales and service charges	\$ 10,152,661	\$ 1,472,122	\$ 1,255,815	\$ 12,880,598	\$ -
Miscellaneous	94,367	-	-	94,367	-
Total operating revenues	10,247,028	1,472,122	1,255,815	12,974,965	-
OPERATING EXPENSES					
Administration and general	835,530	394,830	1,104,771	2,335,131	-
Pumping	1,115,702	-	-	1,115,702	-
Transmission/collection	3,133,490	-	-	3,133,490	-
Treatment	-	166,913	-	166,913	-
Insurance costs and claims	-	-	-	-	306,906
Depreciation expense	1,219,634	173,544	53,366	1,446,544	-
Amortization expense	22,500	-	-	22,500	-
Total operating expenses	6,326,856	735,287	1,158,137	8,220,280	306,906
Operating income (loss)	3,920,172	736,835	97,678	4,754,685	(306,906)
NON-OPERATING REVENUES (EXPENSES)					
Interest revenue	230,347	161,581	302	392,230	-
Interest expense	(1,784,996)	(545,111)	-	(2,330,107)	-
Miscellaneous expenses	(4,970)	-	-	(4,970)	-
Total non-operating revenues (expenses)	(1,559,619)	(383,530)	302	(1,942,847)	-
Income (loss) before transfers	2,360,553	353,305	97,980	2,811,838	(306,906)
TRANSFERS					
Transfers in	-	-	-	-	269,956
Transfers out	(60,000)	(20,000)	-	(80,000)	-
Total transfers	(60,000)	(20,000)	-	(80,000)	269,956
Change in net position	2,300,553	333,305	97,980	2,731,838	(36,950)
NET POSITION					
Net position, beginning, as restated (Note 14)	27,647,248	3,802,322	1,185,067	32,634,637	59,464
Net position, ending	\$ 29,947,801	\$ 4,135,627	\$ 1,283,047	\$ 35,366,475	\$ 22,514

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, 2019

	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	\$ 10,218,579	\$ 1,511,143	\$ 1,255,785	\$ 12,985,507	\$ -
Cash paid to suppliers for goods and services	(4,912,925)	(343,599)	(1,067,744)	(6,324,268)	(307,067)
Cash paid to employees for services	(114,300)	30,720	-	(83,580)	-
Cash received from (payments to) others	94,367	-	-	94,367	-
Net cash provided by (used for) operating activities	5,285,721	1,198,264	188,041	6,672,026	(307,067)
Cash flows from noncapital financing activities					
Cash paid to other funds	(60,000)	(170,000)	-	(230,000)	-
Cash received from other funds	-	123,313	-	123,313	269,956
Net cash provided by (used for) noncapital financing activities	(60,000)	(46,687)	-	(106,687)	269,956
Cash flows from capital and related financing activities					
Proceeds from capital debt	679,462	1,958,844	-	2,638,306	-
Acquisition and construction of capital assets	(6,570,765)	-	-	(6,570,765)	-
Principal paid on capital debt	(1,195,000)	(187,637)	-	(1,382,637)	-
Interest paid on capital debt	(1,792,045)	(376,945)	-	(2,168,990)	-
Net cash provided by (used for) capital and related financing activities	(8,878,348)	1,394,262	-	(7,484,086)	-
Cash flows from investing activities					
Interest received	239,758	145,782	308	385,848	-
Net cash provided by investing activities	239,758	145,782	308	385,848	-
Net increase (decrease) in cash and cash equivalents	(3,412,869)	2,691,621	188,349	(532,899)	(37,111)
Cash and cash equivalents, beginning of year	10,773,397	2,626,298	322,614	13,722,309	62,052
Cash and cash equivalents, end of year	\$ 7,360,528	\$ 5,317,919	\$ 510,963	\$ 13,189,410	\$ 24,941
Cash and investments	\$ 6,203,916	\$ 5,317,919	\$ 510,963	\$ 12,032,798	\$ 24,941
Restricted:					
Cash and investments with fiscal agent	1,156,612	-	-	1,156,612	-
Total cash and cash equivalents	\$ 7,360,528	\$ 5,317,919	\$ 510,963	\$ 13,189,410	\$ 24,941
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 3,920,172	\$ 736,835	\$ 97,678	\$ 4,754,685	\$ (306,906)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Abandoned construction in progress	-	203,975	-	203,975	-
Depreciation	1,219,634	173,544	53,366	1,446,544	-
Amortization	22,500	-	-	22,500	-
(Increase) decrease in operating assets:					
Accounts receivable	7,339	39,021	(30)	46,330	-
Inventories	36,068	-	(1,868)	34,200	-
Deferred outflows of resources	166,293	25,906	-	192,199	-
Increase (decrease) in operating liabilities:					
Accounts payable	135,729	14,169	32,895	182,793	(161)
Accrued liabilities	(2,637)	208	6,000	3,571	-
Deposits payable	58,579	-	-	58,579	-
Compensated absences	(20,480)	(537)	-	(21,017)	-
Net pension liability	(212,049)	14,322	-	(197,727)	-
Net other post-employment benefits liability	(8,488)	(1,695)	-	(10,183)	-
Deferred inflows of resources	(36,939)	(7,484)	-	(44,423)	-
Total adjustments	1,365,549	461,429	90,363	1,917,341	(161)
Net cash provided by (used for) operating activities	\$ 5,285,721	\$ 1,198,264	\$ 188,041	\$ 6,672,026	\$ (307,067)

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

CITY OF SOUTH PASADENA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2019

	Private Purpose Trust Fund Successor Agency of the Former CRA
Assets	
Pooled cash and investments	\$ 65,548
Interest receivable	1,073
Restricted assets:	
Cash and investments with fiscal agents	<u>199,270</u>
Total assets	<u>265,891</u>
Liabilities	
Accounts payable	2,013
Accrued interest	10,928
Long-term liabilities:	
Due within one year	140,000
Due in more than one year	<u>825,000</u>
Total liabilities	<u>977,941</u>
Fiduciary Net Position (Deficit)	
Held in trust for other purposes	<u>\$ (712,050)</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, 2019**

	Private Purpose Trust Fund Successor Agency of the Former CRA
Revenues	
Taxes	\$ 191,735
Use of money and property	7,474
Total revenues	<u>199,209</u>
Expenses	
Contractual services	3,917
Interest expense	65,570
Total expenses	<u>69,487</u>
Change in net position	129,722
Net position (deficit) held in trust, beginning	<u>(841,772)</u>
Net position (deficit) held in trust, ending	<u>\$ (712,050)</u>

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

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CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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 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, 2019

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. All other 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, 2019

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 10 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, 2019

Note 1: Summary of Significant Accounting Policies (continued)

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

Proprietary funds and 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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

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)	January 1, 2018
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019

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 and assigned 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, 2019

Note 1: Summary of Significant Accounting Policies (continued)

F. Implementation of New Accounting Principle

Effective July 1, 2018, the City adopted the provisions of GASB Statement No. 88 Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The objective of GASB Statement No. 88 is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for the purposes of disclosure in notes to financial statements and requires that additional essential information related to debt be disclosed in notes to the financial statements and requires that additional essential information related to debt be disclosed in the notes to the financial statements.

Note 2: Cash and Investments

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

Statement of net position:	
Cash and investments	\$ 41,413,821
Cash and investments with fiscal agents	1,156,612
Statement of fiduciary net position:	
Cash and investments	65,548
Cash and investments with fiscal agents	<u>199,270</u>
Total cash and cash equivalents	<u>\$ 42,835,251</u>

Cash and investments at June 30, 2019, consists of the following:

Cash and cash equivalents:	
Petty cash	\$ 7,434
Deposits with financial institutions	3,680,744
Investments	<u>39,147,073</u>
Total cash and cash equivalents	<u>\$ 42,835,251</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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 2: Cash and Investments (continued)

A. Deposits

At June 30, 2019, the carrying amount of the City's deposits was \$3,680,744 and the bank balance was \$3,898,534. The \$217,790 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, 2019

Note 2: Cash and Investments (continued)

B. Investments

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

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

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

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, 2019

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, 2019:

Investment Type	Amount	Minimum Legal Rating	Exempt from Disclosure	AAA	AA+	AA	AA-	A+	A	A-	Not Rated
Local Agency Investment Fund	\$ 22,183,133	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$22,183,133
Money Market Mutual Funds	186,408	N/A	-	-	-	-	-	-	-	-	186,408
U.S. Treasury Notes	7,138,283	N/A	7,138,283	-	-	-	-	-	-	-	-
Government Agency Securities	4,820,512	A	-	-	4,820,512	-	-	-	-	-	-
Medium-Term Notes	4,818,137	A	-	82,829	325,209	240,172	614,683	1,107,110	1,458,355	992,379	-
Total	\$ 39,147,073		\$ 7,138,283	\$ 82,829	\$ 5,145,721	\$ 240,172	\$ 614,683	\$ 1,107,110	\$ 1,458,355	\$ 992,379	\$22,369,541

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, 2019, 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:

Investment Type	Issuer	Reported Amount	Interest Rate	6 months to 1 year	1 to 3 years	3 to 5 years
Federal National Mortgage Association	FNMA	\$ 2,205,640	1.625% - 1.875%	\$ 566,529	\$ 400,936	\$ 1,238,175
Federal Home Loan Mortgage Corporation	FHLMC	1,958,158	1.250% - 2.375%	1,461,013	497,145	-

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, 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	\$ 22,183,133	\$ -	\$ -	\$ -	\$ 22,183,133
Money Market Mutual Funds	186,408	-	-	-	186,408
U.S. Treasury Notes	983,654	404,002	3,233,637	2,516,990	7,138,283
Government Agency Securities	1,461,013	1,063,674	2,295,825	-	4,820,512
Medium-Term Notes	404,561	380,112	4,034,064	-	4,818,737
Total	\$ 25,218,769	\$ 1,847,788	\$ 9,563,526	\$ 2,516,990	\$ 39,147,073

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, 2019.

Investment by Fair Value Level	Fair Value	Level 1	Level 2	Level 3
Debt securities:				
Money Market Mutual Funds	\$ 186,408	\$ 186,408	\$ -	\$ -
U.S. Treasury Notes	7,138,283	7,138,283	-	-
Government Agency Securities	4,820,512	4,820,512	-	-
Medium-Term Notes	4,818,737	4,818,737	-	-
Total investments measured at fair value	16,963,940	\$ 16,963,940	\$ -	\$ -
Investments not subject to fair value measurement LAIF	22,183,133			
Total investments	\$ 39,147,073			

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 3: Capital Assets

Capital asset activity was as follows for the year ended June 30, 2019:

Governmental activities:	Balance			Balance
	* June 30, 2018	Additions	Deletions	June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 2,456,995	\$ -	\$ (2,750)	\$ 2,454,245
Construction in progress	1,843,542	1,372,319	(2,438,523)	777,338
Total capital assets, not being depreciated	4,300,537	1,372,319	(2,441,273)	3,231,583
Capital assets, being depreciated:				
Buildings	11,740,396	-	(85,722)	11,654,674
Improvements other than buildings	5,651,150	435,969	(57,944)	6,029,175
Infrastructure	90,025,583	2,129,190	-	92,154,773
Machinery, equipment, and vehicles	11,350,751	488,215	(19,351)	11,819,615
Total capital assets, being depreciated	118,767,880	3,053,374	(163,017)	121,658,237
Less accumulated depreciation for:				
Buildings	(7,336,881)	(316,198)	27,995	(7,625,084)
Improvements other than buildings	(1,552,505)	(322,659)	46,099	(1,829,065)
Infrastructure	(44,196,857)	(1,908,750)	-	(46,105,607)
Machinery, equipment, and vehicles	(8,456,367)	(539,826)	17,968	(8,978,225)
Total accumulated depreciation	(61,542,610)	(3,087,433)	92,062	(64,537,981)
Total capital assets, being depreciated, net	57,225,270	(34,059)	(70,955)	57,120,256
Total governmental activities	\$ 61,525,807	\$ 1,338,260	\$ (2,512,228)	\$ 60,351,839

* Beginning balances included prior period adjustment of \$(1,280,948). See Note 14 for details.

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

Governmental Activities:	
General government	\$ 269,005
Public safety	317,345
Community services	460,277
Public works	2,040,806
Total depreciation expense – governmental activities	\$ 3,087,433

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 3: Capital Assets (continued)

Business-type activities:	Balance			Balance
	* June 30, 2018	Additions	Deletions	June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 84,685	\$ -	\$ -	\$ 84,685
Construction in progress	480,328	6,590,546	(335,822)	6,735,052
Total capital assets, not being depreciated	565,013	6,590,546	(335,822)	6,819,737
Capital assets, being depreciated:				
Buildings	4,181,553	-	(8,745)	4,172,808
Improvements other than buildings	4,105,621	-	-	4,105,621
Infrastructure	74,099,591	335,822	(203,975)	74,231,438
Machinery and equipment	1,906,683	-	(18,318)	1,888,365
Total capital assets, being depreciated	84,293,448	335,822	(231,038)	84,398,232
Less accumulated depreciation for:				
Buildings	(1,171,883)	(83,631)	3,213	(1,252,301)
Improvements other than buildings	(3,525,586)	(72,049)	-	(3,597,635)
Infrastructure	(5,307,050)	(1,172,976)	-	(6,480,026)
Machinery and equipment	(719,560)	(117,888)	4,066	(833,382)
Total accumulated depreciation	(10,724,079)	(1,446,544)	7,279	(12,163,344)
Total capital assets, being depreciated, net	73,569,369	(1,110,722)	(223,759)	72,234,888
Total business-type activities	\$ 74,134,382	\$ 5,479,824	\$ (559,581)	\$ 79,054,625

* Beginning balances included prior period adjustment of \$(83,241). See Note 14 for details.

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

Business-type Activities:	
Water	\$ 1,219,634
Sewer	173,544
Arroyo Seco Golf Course	53,366
Total depreciation expense – business-type activities	\$ 1,446,544

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 4: Interfund Receivable, Payable and Transfers

A. Due To/From Other Funds

At June 30, 2019, the City had the following internal balances:

Due From Other Funds	Due To Other Funds			Total
	Nonmajor Funds	Sewer Fund	Internal Service Fund	
General Fund	\$ 1,043,615	\$ 123,313	\$ -	\$ 1,166,928

The due to General fund of \$1,166,928 for various Nonmajor Governmental Funds, and the Sewer Fund 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, 2019 is \$450,000.

C. Transfers

	Transfers In		
	Internal Service Fund	Non-Major Governmental Funds	Total Transfers Out
Transfers Out:			
General Fund	\$ 189,956	\$ 1,671,000	\$ 1,860,956
Water Enterprise Fund	60,000	-	60,000
Sewer Enterprise Fund	20,000	-	20,000
Total Transfers In:	\$ 269,956	\$ 1,671,000	\$ 1,940,956

All transfers were made as budgeted. \$1,100,000 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, El Centro, Etc. \$546,000 was transferred from the General Fund to the Facilities and Equipment Capital Projects Fund for planned facilities maintenance such as improvements to the War Memorial Building and \$25,000 was transferred from the General Fund to the LLMD Fund for Professional Tree Removal and replacement. A total of \$269,956 was transferred to the internal service fund from the General Fund, Water Fund, and Sewer Fund as listed above for the Cost Allocation Plan.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 5: Long-Term Debt

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Business-Type Activities:					
2012 State Loan Payable - Direct Borrowing	\$ 7,415,790	\$ 1,958,844	\$ (187,637)	\$ 9,186,997	\$ -
SRF State Loan Payable - Direct Borrowing	-	679,462	-	679,462	-
2013 Water Revenue Bonds	5,370,000	-	(360,000)	5,010,000	375,000
Issuance Premium	311,765	-	(27,712)	284,053	27,712
2016 Water Revenue Bonds	36,855,000	-	(835,000)	36,020,000	850,000
Issuance Premium	4,420,816	-	(208,038)	4,212,778	208,038
Total Business-Type Activities	\$ 54,373,371	\$ 2,638,306	\$ (1,618,387)	\$ 55,393,290	\$ 1,460,750

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, 2019, the amount payable to the California State Water Resources Control Board was \$9,186,997.

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 balance outstanding as of June 30, 2019 is \$679,462.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 375,000	\$ 174,288	\$ 549,288
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
2025-2029	2,440,000	298,209	2,738,209
2030	545,000	8,516	553,516
Total	<u>\$ 5,010,000</u>	<u>\$ 1,025,465</u>	<u>\$ 6,035,465</u>

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 850,000	\$ 1,576,988	\$ 2,426,988
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
2025-2029	5,755,000	6,382,813	12,137,813
2030-2034	9,710,000	4,590,113	14,300,113
2035-2039	13,050,000	1,824,212	14,874,212
2040	2,940,000	49,613	2,989,613
Total	<u>\$ 36,020,000</u>	<u>\$ 20,416,466</u>	<u>\$ 56,436,466</u>

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6: Compensated Absences

The City's liability at June 30, 2019 for vested and unpaid compensated absences (accrued vacation and compensatory time) is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Governmental activities	\$ 801,087	\$ 603,304	\$ (801,255)	\$ 603,136	\$ 60,314
Business-type activities	42,291	14,545	(35,562)	21,274	2,127
Total compensated absences payable	\$ 843,378	\$ 617,849	\$ (836,817)	\$ 624,410	\$ 62,441

Compensated absences are paid, if matured, out of the General Fund and other various special revenue 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, 2019

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, 2019, 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	10.152%	7.266%

	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	18.319%	12.965%

Employees Covered

At June 30, 2017 (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	-	138	-
Inactive employees entitled to but not yet receiving benefits	184	20	31	7
Active employees	69	37	39	11
Total	397	57	208	18

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019 were \$3,460,075. The actual employer payments of \$3,082,379 made to CalPERS by the City during the measurement period ended June 30, 2018 differed from the City's proportionate share of the employer's contributions of \$4,216,267 by \$1,133,888, 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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases (1)	3.3% - 14.2%
Mortality Rate Table (2)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection

(1) Annual increases vary by category, entry age, and duration of service

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

B. Net Pension Liability (continued)

All other actuarial assumptions used in the June 30, 2017, 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.

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

<u>Asset Class¹</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10²</u>	<u>Real Return Year 11+³</u>
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%	0.00%	(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

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

B. Net Pension Liability (continued)

Change of 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.

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.

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 Comprehensive Annual Financial Report closing and final reconciled reserves.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

C. Proportionate Share of Net Pension Liability

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

Miscellaneous Plan

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2017 (MD)	\$ 49,340,576	\$ 36,480,686	\$ 12,859,890
Balance at: 6/30/2018 (MD)	50,430,227	37,923,852	12,506,375
Net Changes during 2017-18	1,089,651	1,443,166	(353,515)

Safety

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2017 (MD)	\$ 86,843,812	\$ 63,293,621	\$ 23,550,191
Balance at: 6/30/2018 (MD)	89,590,960	65,701,200	23,889,760
Net Changes during 2017-18	2,747,148	2,407,579	339,569

Valuation Date (VD), Measurement Date (MD)

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, 2018, 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, 2017, rolled forward to June 30, 2018, 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 June 30, 2017, and 2018, was as follows:

	Miscellaneous	Safety
Proportionate Share of NPL - June 30, 2017	0.32622%	0.39413%
Proportionate Share of NPL - June 30, 2018	0.33185%	0.40715%
Change - Increase	0.00563%	0.01302%

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

C. Proportionate Share of Net Pension Liability (continued)

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

The following presents the City's proportionate share of the net pension liability of each Plan as of the measurement date, calculated using the discount rate of 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	\$ 19,328,131	\$ 12,506,375	\$ 6,875,127
Safety Plan's Net Pension Liability	\$ 36,240,448	\$ 23,889,760	\$ 13,770,583

Subsequent Events

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

Recognition of Gains and Losses

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

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

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

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

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

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

C. Proportionate Share of Net Pension Liability (continued)

The EARSL for PERF C for the measurement period ending June 30, 2018 is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (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, 2017), the City's net pension liability was \$36,410,081. For the measurement period ending June 30, 2018 (the measurement date), the City incurred a pension expense of \$4,351,440.

As of June 30, 2019, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 1,076,337	\$ -	\$ 2,027,754	\$ -
Differences between Expected and Actual Experience	316,558	-	511,363	-
Differences between Projected and Actual Investment Earnings	61,828	-	161,745	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	(299,359)	-	(1,059,679)
Change in Employer's Proportion Pension Contributions Made Subsequent to Measurement Date	115,834	(75,104)	754,549	(334,217)
	1,352,663	-	2,107,412	-
	<u>\$ 2,923,220</u>	<u>\$ (374,463)</u>	<u>\$ 5,562,823</u>	<u>\$ (1,393,896)</u>

These amounts above are net of outflows and inflows recognized in the 2017-18 measurement period expense. Contributions subsequent to the measurement date of \$3,460,075 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:

Fiscal Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources, Net	
	Miscellaneous	Safety
2020	\$ 1,126,319	\$ 1,863,039
2021	618,829	1,010,268
2022	(436,566)	(646,321)
2023	(112,488)	(165,471)
2024	-	-
Thereafter	-	-

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

E. Payable to the Pension Plan

At June 30, 2019, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

F. Pension Plan Summary

Miscellaneous plan NPL	\$ 12,506,375
Safety plan NPL	<u>23,889,760</u>
Combined NPL	<u><u>\$ 36,396,135</u></u>
Governmental NPL	\$ 33,491,723
Business-type NPL	<u>2,904,412</u>
Total NPL	<u><u>\$ 36,396,135</u></u>

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, 2018 measurement date, the following numbers of participants were covered by the benefit terms under the Plan:

Active employees	152
Inactive employees or beneficiaries currently receiving benefits	96
Inactive employees entitled to, but not yet receiving benefits	<u>23</u>
Total	<u><u>271</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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 8: Other Post-Employment Benefits (continued)

C. Funding Policy (continued)

The City pays for postemployment health insurance on a pay-as-you-go basis (no prefunding). For fiscal year 2018-2019, the City paid \$644,554 for other postemployment benefits.

D. Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation using the Alternative Measurement Method dated January 1, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions	June 30, 2018 Measurement Date
Actuarial Valuation Date	January 1, 2017
Contribution Policy	No pre-funding
Discount Rate	3.87% at June 30, 2018 (Bond Buyer 20-Bond Index) 3.58% at June 30, 2017 (Bond Buyer 20-Bond Index)
General Inflation	2.75% annually
Mortality, Retirement, Disability, Termination	CalPERS 1997-2011 Experience Study
Salary increases	Aggregate - 3% annually
Medical Trend	Non-Medicare – 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare – 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later
Healthcare Participation	90% of employees hired prior to July 1, 2012 50% of employees receiving PEMHCA minimum

E. Discount Rate

A discount rate of 3.87 percent was used in the valuation for measurement date June 30, 2018.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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)	(b) Plan	(a) - (b) = (c)
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018 (6/30/17 measurement date)	\$ 16,723,404	\$ -	\$ 16,723,404
Changes recognized for the measurement period:			
Service cost	560,960	-	560,960
Interest	607,364	-	607,364
Changes in assumptions	(606,526)	-	(606,526)
Benefit payments	(637,788)	-	(637,788)
Net changes	(75,990)	-	(75,990)
Balance at June 30, 2019 (6/30/18 measurement date)	\$ 16,647,414	\$ -	\$ 16,647,414

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, 2018:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	\$ 18,934,735	\$ 16,647,414	\$ 14,767,986

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, 2018:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 15,492,061	\$ 16,647,414	\$ 18,037,267

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, 2018 measurement date.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 8: Other Post-Employment Benefits (continued)

I. OPEB Plan Fiduciary Net Position (continued)

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, 2019, the City recognized OPEB expense of \$846,362. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ (1,730,287)
Contributions to OPEB plan subsequent to the measurement date	665,869	-
Total	<u>\$ 665,869</u>	<u>\$ (1,730,287)</u>

The \$665,869 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. 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
2019	\$ (328,728)
2020	(328,728)
2021	(328,728)
2022	(328,728)
2023	(328,731)
Thereafter	<u>(86,644)</u>
	<u>\$ (1,730,287)</u>

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

**Note 11: Successor Agency Trust for Assets of Former Community Redevelopment Agency
(continued)**

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

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

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

Cash and investments

At June 30, 2019, Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$	65,548
Cash and investments with fiscal agent		199,270
	\$	<u>264,818</u>

Long-term debt

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
2000 Tax Allocation Bond	\$ 1,095,000	\$ -	\$ (130,000)	\$ 965,000	\$ 140,000
Total	<u>\$ 1,095,000</u>	<u>\$ -</u>	<u>\$ (130,000)</u>	<u>\$ 965,000</u>	<u>\$ 140,000</u>

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2019, follows:

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

**Note 11: Successor Agency Trust for Assets of Former Community Redevelopment Agency
(continued)**

2000 Tax Allocation Bonds

In July 2000, the Agency issued \$2,600,000 in tax allocation bonds for the Downtown Revitalization Project No. 1, which mature annually from May 1, 2001 to May 1, 2025, in increasing amounts from \$55,000 to \$195,000, plus interest at 4.4% to 6.0%, payable semiannually on May 1 and November 1, commencing on November 1, 2000. Bonds are subject to redemption at the option of the Agency beginning May 1, 2010, at a price ranging from 102% to 100% of principal value. Debt service on the bonds is provided by incremental property tax revenues generated within the Downtown Redevelopment Project Area. At June 30, 2019, \$965,000 was outstanding.

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the community redevelopment agency, property taxes allocated to community redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved community redevelopment agency. Total principal and interest remaining on the debt is \$1,177,400 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 \$191,735 and the debt service obligation on the bonds was \$65,570.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2019, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 140,000	\$ 57,900	\$ 197,900
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>\$ 965,000</u>	<u>\$ 212,400</u>	<u>\$ 1,177,400</u>

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

**Note 11: Successor Agency Trust for Assets of Former Community Redevelopment Agency
(continued)**

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.

Note 12: Deficit Fund Balances

The following funds have deficits in fund balance at June 30, 2019:

<u>Fund</u>	<u>Amount</u>
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	(338,053)
County Park Bond	(140,763)
Measure W	(514)
Homeland Security Grant	(21,078)
MSRC Grant Fund	(7,281)
BTA Grants	(245,940)
Golden Streets Grant	(346,170)
HSIP Grant	(46,521)

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

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 13: Supplementary Budget Information

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

Fund	Appropriations	Expenditures	Excess
Non-Major Governmental Funds:			
Clean Air Act	15,000	22,856	(7,856)
Parking and Business Improvement	139,500	161,500	(22,000)
CDBG	140,834	143,480	(2,646)
Bike and Pedestrian Paths	-	22,735	(22,735)
Park Impact Fees	-	83,374	(83,374)
TDA/Metro Grant	-	8,675	(8,675)
Housing Authority	10,000	10,766	(766)
Facilities & Equipment Capital Project	425,000	565,103	(140,103)

Note 14: Restatement of Beginning Fund Balance and Net Position

Fund Statements

Beginning fund balance on the governmental funds balance sheet for the year ended June 30, 2019 has been restated as follows:

General Fund

General Fund

Fund balance - beginning, as previously reported	\$ 17,890,983
Prior period restatement	<u>(2,309,021)</u>
Fund balance - beginning, as restated	<u>\$ 15,581,962</u>

Prior year transfers, adjustments, and corrections from various funds were made to correct fund balances for the various special revenue funds.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 14: Restatement of Beginning Fund Balance and Net Position (continued)

Fund Statements, (continued)

Special Revenue Fund:

C.D.B.G.

Fund balance - beginning, as previously reported	\$ (2,437)
Prior period restatement	<u>2,437</u>
Fund balance - beginning, as restated	<u><u>\$ -</u></u>

CDBG is a reimbursable grant. The revenue from the grant should offset any expenditures up to the limit provided by the grant. An adjustment was made to correct the fund balance to zero to reflect one-to-one match on expenditure and grant revenue.

Capital Projects Funds:

Facilities & Equipment Replacement Fund

Fund balance - beginning, as previously reported	\$ 495,412
Prior period restatement	<u>1,006,584</u>
Fund balance - beginning, as restated	<u><u>\$ 1,501,996</u></u>

Streets Improvement Program Fund

Fund balance - beginning, as previously reported	\$ 301,309
Prior period restatement	<u>1,300,000</u>
Fund balance - beginning, as restated	<u><u>\$ 1,601,309</u></u>

Prior year budgeted transfers were not made. Adjustments were made to reflect the missed transfers.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 14: Restatement of Beginning Fund Balance and Net Position (continued)

Fund Statements. (continued)

Beginning net position proprietary funds statement of net position for the year ended June 30, 2019 has been restated as follows:

Proprietary Funds:

Water

Net position - beginning, as previously reported	\$ 27,649,718
Prior period restatement	<u>(2,470)</u>
Net position - beginning, as restated	<u>\$ 27,647,248</u>

Sewer

Net position - beginning, as previously reported	\$ 3,840,240
Prior period restatement	<u>(37,918)</u>
Net position - beginning, as restated	<u>\$ 3,802,322</u>

Arroyo Seco Golf Course

Net position - beginning, as previously reported	\$ 1,227,920
Prior period restatement	<u>(42,853)</u>
Net position - beginning, as restated	<u>\$ 1,185,067</u>

Adjustments were made to reflect correct beginning net position balances from truing up capital assets and accumulated depreciations from prior years.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 14: Restatement of Beginning Fund Balance and Net Position (continued)

Government-Wide Statements

Beginning net position on the Statement of Activities for the year ended June 30, 2019 has been restated as follows:

Governmental Activities:

Net position - beginning, as previously reported	\$ 44,932,581
Prior period restatement	<u>(1,280,948)</u>
Net position - beginning, as restated	<u>\$ 43,651,633</u>

Business-Type Activities:

Net position - beginning, as previously reported	\$ 32,717,878
Prior period restatement	<u>(83,241)</u>
Net position - beginning, as restated	<u>\$ 32,634,637</u>

The beginning net position of for governmental activities also includes the following prior period adjustment: during fiscal year 2018-19, prior period adjustments were needed to correct the depreciable capital assets.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SOUTH PASADENA

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 21,558,000	\$ 21,558,000	\$ 22,623,486	\$ 1,065,486
Licenses and permits	1,046,400	1,046,400	892,560	(153,840)
Intergovernmental	45,000	45,000	710,323	665,323
Charges for services	2,870,700	2,870,700	3,342,254	471,554
Use of money and property	666,136	666,136	1,057,074	390,938
Fines and forfeitures	380,000	380,000	339,636	(40,364)
Miscellaneous	483,382	483,382	402,585	(80,797)
Total revenues	<u>27,049,618</u>	<u>27,049,618</u>	<u>29,367,918</u>	<u>2,318,300</u>
Expenditures				
Current:				
General government	4,544,458	4,544,458	4,989,002	(444,544)
Public safety	13,784,174	14,066,986	13,245,634	821,352
Community development	1,230,203	1,230,203	1,116,412	113,791
Community services	3,132,316	3,142,316	2,909,338	232,978
Public works	2,149,141	2,149,141	1,791,628	357,513
Capital outlay	152,960	494,751	619,025	(124,274)
Total expenditures	<u>24,993,252</u>	<u>25,627,855</u>	<u>24,671,039</u>	<u>956,816</u>
Excess of revenues over expenditures	<u>2,056,366</u>	<u>1,421,763</u>	<u>4,696,879</u>	<u>3,275,116</u>
Other Financing Sources (Uses)				
Transfers out	(1,245,000)	(1,245,000)	(1,860,956)	(615,956)
Total other financing sources (uses)	<u>(1,245,000)</u>	<u>(1,245,000)</u>	<u>(1,860,956)</u>	<u>(615,956)</u>
Net change in fund balance	811,366	176,763	2,835,923	2,659,160
Fund balance, beginning of year, as restated	15,581,962	15,581,962	15,581,962	-
Fund balance, end of year	<u>\$ 16,393,328</u>	<u>\$ 15,758,725</u>	<u>\$ 18,417,885</u>	<u>\$ 2,659,160</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%

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***

Fiscal Year	Measurement Date	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	6/30/2014	\$ 1,926,460	\$ (1,926,460)	\$ -	\$ 10,601,417	18.17%
6/30/2016	6/30/2015	2,445,893	(2,445,893)	-	10,683,089	22.89%
6/30/2017	6/30/2016	3,258,700	(3,258,700)	-	11,218,719	29.05%
6/30/2018	6/30/2017	3,082,379	(3,082,379)	-	11,190,390	27.54%
6/30/2019	6/30/2018	3,460,075	(3,460,075)	-	10,760,952	32.15%

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

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 based on the 7.5 percent discount rate.

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	<u>2017-18</u> <u>2016-17</u>	<u>2018-19</u> <u>2017-18</u>
Total OPEB Liability		
Service cost	\$ 664,681	\$ 560,960
Interest	519,308	607,364
Changes in assumptions	(1,694,570)	(606,526)
Benefit payments	<u>(645,346)</u>	<u>(637,788)</u>
Net change in total OPEB liability	(1,155,927)	(75,990)
Total OPEB liability - beginning	17,879,331	16,723,404
Total OPEB liability - ending (a)	<u>16,723,404</u>	<u>16,647,414</u>
Plan Fiduciary Net Position		
Contributions – employer	-	-
Net investment income	-	-
Benefit payments	-	-
Administrative expense	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>
 Net OPEB liability - ending (a) - (b)	 <u>\$ 16,723,404</u>	 <u>\$ 16,647,414</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.0%	 0.0%
 Covered-employee payroll	 \$ 11,644,645	 \$ 14,031,728
 Net OPEB liability as a percentage of covered payroll	 143.6%	 118.6%

Notes to Schedule:

Changes in assumptions: Discount rate increased from 3.58% at June 30, 2017 to 3.87% at June 30, 2018.

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, 2019**

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 W, 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.

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.

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.

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.

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.

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.

CITY OF SOUTH PASADENA

NON-MAJOR GOVERNMENTAL FUNDS

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.

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

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.

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.

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.

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.

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.

CITY OF SOUTH PASADENA

NON-MAJOR GOVERNMENTAL FUNDS

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.

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.

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.

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.

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.

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

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.

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds		
	MTA Pedestrian Improvement	Proposition "A"	Proposition "C"
ASSETS			
Pooled cash and investments	\$ -	\$ 1,017,135	\$ 672,568
Receivables:			
Accounts	-	32	-
Taxes	-	-	-
Interest	-	4,386	3,090
Due from other governments	-	-	-
Prepaid items	-	-	4,106
Total assets	\$ -	\$ 1,021,553	\$ 679,764
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 6,385	\$ 6,119
Accrued liabilities	-	2,395	2,654
Deposits payable	-	-	-
Due to other funds	29,951	-	-
Total liabilities	29,951	8,780	8,773
Fund Balances (Deficits):			
Nonspendable:			
Prepaid items	-	-	4,106
Restricted for:			
Community development projects	-	-	-
Public safety - police	-	-	-
Community services	-	1,012,773	-
Public works - streets and roads	-	-	666,885
Capital projects	-	-	-
Public works - street lighting	-	-	-
Committed to:			
Capital projects	-	-	-
Unassigned	(29,951)	-	-
Total fund balances (deficits)	(29,951)	1,012,773	670,991
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 1,021,553	\$ 679,764

(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
\$ -	\$ -	\$ 387,338	\$ 140,598	\$ 38,566	\$ 61,672
-	-	-	-	199	-
-	-	12,508	-	-	-
-	-	1,673	601	215	276
-	-	-	8,759	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 401,519</u>	<u>\$ 149,958</u>	<u>\$ 38,980</u>	<u>\$ 61,948</u>
\$ -	\$ -	\$ 164,399	\$ 10,294	\$ -	\$ -
-	-	1,582	-	-	-
-	-	7,733	-	-	-
23	2,497	-	-	-	-
<u>23</u>	<u>2,497</u>	<u>173,714</u>	<u>10,294</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	139,664	38,980	61,948
-	-	227,805	-	-	-
-	-	-	-	-	-
(23)	(2,497)	-	-	-	-
<u>(23)</u>	<u>(2,497)</u>	<u>227,805</u>	<u>139,664</u>	<u>38,980</u>	<u>61,948</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 401,519</u>	<u>\$ 149,958</u>	<u>\$ 38,980</u>	<u>\$ 61,948</u>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds		
	Mission Meridian Public Garage	State Gas Tax	County Park Bond
ASSETS			
Pooled cash and investments	\$ -	\$ 907,120	\$ -
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Interest	-	3,940	922
Due from other governments	-	-	-
Due from other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 911,060</u>	<u>\$ 922</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 804	\$ 22,612	\$ 1,847
Accrued liabilities	-	5,158	-
Deposits payable	-	-	-
Due to other funds	337,249	-	139,838
	<u>337,249</u>	<u>-</u>	<u>139,838</u>
Total liabilities	<u>338,053</u>	<u>27,770</u>	<u>141,685</u>
Fund Balances (Deficits):			
Nonspendable:			
Prepaid items	-	-	-
Restricted for:			
Community development projects	-	-	-
Public safety - police	-	-	-
Community services	-	-	-
Public works - streets and roads	-	883,290	-
Capital projects	-	-	-
Public works - street lighting	-	-	-
Committed to:			
Capital projects	-	-	-
Unassigned	(338,053)	-	(140,763)
Total fund balances (deficits)	<u>(338,053)</u>	<u>883,290</u>	<u>(140,763)</u>
	<u>\$ -</u>	<u>\$ 911,060</u>	<u>\$ 922</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 911,060</u>	<u>\$ 922</u>

(continued)

Special Revenue Funds						
Capital Growth Requirements	C.D.B.G	Asset Forfeiture	Measure W	Bike and Pedestrian Paths	State Police Grant	
\$ 433,967	\$ -	\$ -	\$ -	\$ 12	\$ 207,160	
-	123,665	-	-	-	-	
-	-	-	-	-	-	
1,882	-	-	-	-	928	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 435,849</u>	<u>\$ 123,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 208,088</u>	
\$ -	\$ 121,133	\$ -	\$ -	\$ -	\$ -	
-	-	-	514	-	-	
-	-	-	-	-	-	
-	2,532	-	-	-	-	
-	123,665	-	514	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
435,849	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	(514)	-	-	
<u>435,849</u>	<u>-</u>	<u>-</u>	<u>(514)</u>	<u>12</u>	<u>208,088</u>	
<u>\$ 435,849</u>	<u>\$ 123,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 208,088</u>	

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds		
	Homeland Security Grant	Park Impact Fees	Measure R
ASSETS			
Pooled cash and investments	\$ -	\$ 507,909	\$ 989,389
Receivables:			
Accounts	4,319	-	-
Taxes	-	-	-
Interest	-	2,198	4,242
Due from other governments	-	-	-
Due from other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 4,319</u>	<u>\$ 510,107</u>	<u>\$ 993,631</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 3,114	\$ -
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	25,397	-	-
	<u>25,397</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>25,397</u>	<u>3,114</u>	<u>-</u>
Fund Balances (Deficits):			
Nonspendable:			
Prepaid items	-	-	-
Restricted for:			
Community development projects	-	-	-
Public safety - police	-	-	-
Community services	-	506,993	-
Public works - streets and roads	-	-	993,631
Capital projects	-	-	-
Public works - street lighting	-	-	-
Committed to:			
Capital projects	-	-	-
Unassigned	(21,078)	-	-
Total fund balances (deficits)	<u>(21,078)</u>	<u>506,993</u>	<u>993,631</u>
	<u>(21,078)</u>	<u>506,993</u>	<u>993,631</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,319</u>	<u>\$ 510,107</u>	<u>\$ 993,631</u>

(continued)

Special Revenue Funds				
Measure M	TDA/Metro Grant Fund	Public Education	Road Maintenance & Rehab	MSRC Grant Fund
\$ 657,153	\$ 502,702	\$ 142,132	\$ 572,006	\$ -
-	-	2,879	-	-
-	-	-	-	-
2,764	2,217	631	2,485	-
-	-	-	85,247	-
-	-	-	-	-
<u>\$ 659,917</u>	<u>\$ 504,919</u>	<u>\$ 145,642</u>	<u>\$ 659,738</u>	<u>\$ -</u>
\$ -	\$ 2,122	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	7,281
-	2,122	-	-	7,281
-	-	-	-	-
-	-	145,642	-	-
-	-	-	-	-
-	-	-	-	-
659,917	502,797	-	659,738	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(7,281)
<u>659,917</u>	<u>502,797</u>	<u>145,642</u>	<u>659,738</u>	<u>(7,281)</u>
<u>\$ 659,917</u>	<u>\$ 504,919</u>	<u>\$ 145,642</u>	<u>\$ 659,738</u>	<u>\$ -</u>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds		
	BTA Grant Fund	Housing Authority Fund	Golden Streets Grant Fund
ASSETS			
Pooled cash and investments	\$ -	\$ 66,013	\$ -
Receivables:			
Accounts	-	779	-
Taxes	-	-	-
Interest	-	287	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Total assets	\$ -	\$ 67,079	\$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 2,138	\$ 139,784
Accrued liabilities	-	-	-
Deposits payable	-	2,229	-
Due to other funds	245,940	-	206,386
Total liabilities	245,940	4,367	346,170
Fund Balances (Deficits):			
Nonspendable:			
Prepaid items	-	-	-
Restricted for:			
Community development projects	-	62,712	-
Public safety - police	-	-	-
Community services	-	-	-
Public works - streets and roads	-	-	-
Capital projects	-	-	-
Public works - street lighting	-	-	-
Committed to:			
Capital projects	-	-	-
Unassigned	(245,940)	-	(346,170)
Total fund balances (deficits)	(245,940)	62,712	(346,170)
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 67,079	\$ -

(continued)

Special Revenue Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
HSIP Grant Fund	Historic Preservation Grant Fund	Facilities & Equip. Capital Project	2000 Tax Allocation Bonds Fund	Streets Improvement Program Fund	
\$ -	\$ -	\$ 1,589,018	\$ 904,226	\$ 2,357,041	\$ 12,153,725
-	5,000	-	-	-	136,873
-	-	-	-	-	12,508
-	-	410	12	-	33,159
-	-	-	-	-	94,006
-	-	-	-	-	4,106
<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 1,589,428</u>	<u>\$ 904,238</u>	<u>\$ 2,357,041</u>	<u>\$ 12,434,377</u>
\$ -	\$ -	\$ 100,712	\$ -	\$ 210,513	\$ 791,976
-	-	-	-	-	12,303
-	-	-	-	-	9,962
46,521	-	-	-	-	1,043,615
<u>46,521</u>	<u>-</u>	<u>100,712</u>	<u>-</u>	<u>210,513</u>	<u>1,857,856</u>
-	-	-	-	-	4,106
-	5,000	-	904,238	-	1,117,604
-	-	-	-	-	208,088
-	-	-	-	-	1,519,766
-	-	-	-	-	4,366,258
-	-	-	-	-	676,441
-	-	-	-	-	227,805
-	-	1,488,716	-	2,146,528	3,635,244
(46,521)	-	-	-	-	(1,178,791)
<u>(46,521)</u>	<u>5,000</u>	<u>1,488,716</u>	<u>904,238</u>	<u>2,146,528</u>	<u>10,576,521</u>
<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 1,589,428</u>	<u>\$ 904,238</u>	<u>\$ 2,357,041</u>	<u>\$ 12,434,377</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, 2019**

	Special Revenue Funds		
	MTA Pedestrian Improvement	Proposition "A"	Proposition "C"
Revenues			
Taxes	\$ -	\$ 521,818	\$ 432,833
Assessments	-	-	-
Licenses and permits	-	-	45,775
Intergovernmental	-	-	-
Charges for services	-	5,079	-
Use of money and property	-	34,004	22,778
Miscellaneous	-	4,864	-
Total revenues	-	565,765	501,386
Expenditures			
Current:			
General government	-	6,011	5,001
Public safety	-	-	-
Community development	-	-	-
Community services	-	303,605	286,841
Public works	-	-	-
Capital outlay	-	-	-
Total expenditures	-	309,616	291,842
Excess (deficiency) of revenues over (under) expenditures	-	256,149	209,544
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	256,149	209,544
Fund Balances (Deficit), Beginning, as Restated (Note 14)	(29,951)	756,624	461,447
Fund Balances (Deficit), Ending	\$ (29,951)	\$ 1,012,773	\$ 670,991

(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
\$ -	\$ -	\$ -	\$ -	\$ 61,654	\$ -
-	-	893,205	-	-	-
-	-	-	-	29,747	-
108	-	-	33,784	-	-
-	-	-	-	-	-
-	-	5,017	4,776	1,380	1,240
-	-	4,476	-	-	-
108	-	902,698	38,560	92,781	1,240
-	-	-	20,461	161,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	930,064	-	-	-
-	2,497	46,576	2,395	-	-
-	2,497	976,640	22,856	161,500	-
108	(2,497)	(73,942)	15,704	(68,719)	1,240
-	-	25,000	-	-	-
-	-	25,000	-	-	-
108	(2,497)	(48,942)	15,704	(68,719)	1,240
(131)	-	276,747	123,960	107,699	60,708
<u>\$ (23)</u>	<u>\$ (2,497)</u>	<u>\$ 227,805</u>	<u>\$ 139,664</u>	<u>\$ 38,980</u>	<u>\$ 61,948</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, 2019**

	Special Revenue Funds		
	Mission Meridian Public Garage	State Gas Tax	County Park Bond
Revenues			
Taxes	\$ -	\$ -	\$ -
Assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	535,049	41,294
Charges for services	-	-	-
Use of money and property	(3,440)	32,793	2,108
Miscellaneous	-	-	-
Total revenues	(3,440)	567,842	43,402
Expenditures			
Current:			
General government	13,053	-	-
Public safety	-	-	-
Community development	-	-	-
Community services	-	-	-
Public works	-	586,900	43,455
Capital outlay	-	-	-
Total expenditures	13,053	586,900	43,455
Excess (deficiency) of revenues over (under) expenditures	(16,493)	(19,058)	(53)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(16,493)	(19,058)	(53)
Fund Balances (Deficit), Beginning, as Restated (Note 14)	(321,560)	902,348	(140,710)
Fund Balances (Deficit), Ending	\$ (338,053)	\$ 883,290	\$ (140,763)

(continued)

Special Revenue Funds					
Capital Growth Requirements	C.D.B.G	Asset Forfeiture	Measure W	Bike and Pedestrian Paths	State Police Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	133,071	4,469	-	22,735	100,000
56,405	-	-	-	-	-
15,046	-	136	-	-	7,172
-	10,409	-	-	-	-
<u>71,451</u>	<u>143,480</u>	<u>4,605</u>	<u>-</u>	<u>22,735</u>	<u>107,172</u>
-	-	-	-	-	-
-	-	8,193	-	-	-
-	-	-	-	-	-
-	28,404	-	-	-	-
-	-	-	514	-	-
-	115,076	-	-	22,735	63,126
<u>-</u>	<u>143,480</u>	<u>8,193</u>	<u>514</u>	<u>22,735</u>	<u>63,126</u>
<u>71,451</u>	<u>-</u>	<u>(3,588)</u>	<u>(514)</u>	<u>-</u>	<u>44,046</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>71,451</u>	<u>-</u>	<u>(3,588)</u>	<u>(514)</u>	<u>-</u>	<u>44,046</u>
<u>364,398</u>	<u>-</u>	<u>3,588</u>	<u>-</u>	<u>12</u>	<u>164,042</u>
<u>\$ 435,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (514)</u>	<u>\$ 12</u>	<u>\$ 208,088</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, 2019**

	Special Revenue Funds		
	Homeland Security Grant	Park Impact Fees	Measure R
Revenues			
Taxes	\$ -	\$ -	\$ 324,718
Assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental	4,319	-	-
Charges for services	-	164,071	-
Use of money and property	-	9,367	33,537
Miscellaneous	-	-	-
Total revenues	4,319	173,438	358,255
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Community services	-	-	-
Public works	-	-	-
Capital outlay	-	83,374	50,856
Total expenditures	-	83,374	50,856
Excess (deficiency) of revenues over (under) expenditures	4,319	90,064	307,399
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	4,319	90,064	307,399
Fund Balances (Deficit), Beginning, as Restated (Note 14)	(25,397)	416,929	686,232
Fund Balances (Deficit), Ending	\$ (21,078)	\$ 506,993	\$ 993,631

(continued)

Special Revenue Funds				
Measure M	TDA/Metro Grant Fund	Public Education	Road Maintenance & Rehab	MSRC Grant Fund
\$ 365,736	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	7,104	490,158	134,182
-	-	-	-	-
19,959	18,381	2,810	17,066	-
-	-	-	-	-
<u>385,695</u>	<u>18,381</u>	<u>9,914</u>	<u>507,224</u>	<u>134,182</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	8,675	-	-	7,281
-	8,675	-	-	7,281
<u>385,695</u>	<u>9,706</u>	<u>9,914</u>	<u>507,224</u>	<u>126,901</u>
-	-	-	-	-
-	-	-	-	-
<u>385,695</u>	<u>9,706</u>	<u>9,914</u>	<u>507,224</u>	<u>126,901</u>
<u>274,222</u>	<u>493,091</u>	<u>135,728</u>	<u>152,514</u>	<u>(134,182)</u>
<u>\$ 659,917</u>	<u>\$ 502,797</u>	<u>\$ 145,642</u>	<u>\$ 659,738</u>	<u>\$ (7,281)</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, 2019**

	Special Revenue Funds		
	BTA Grant Fund	Housing Authority Fund	Golden Streets Grant Fund
Revenues			
Taxes	\$ -	\$ -	\$ -
Assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Use of money and property	-	21,821	-
Miscellaneous	-	-	-
Total revenues	-	21,821	-
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	10,766	-
Community services	-	-	-
Public works	-	-	299,801
Capital outlay	111,666	-	-
Total expenditures	111,666	10,766	299,801
Excess (deficiency) of revenues over (under) expenditures	(111,666)	11,055	(299,801)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(111,666)	11,055	(299,801)
Fund Balances (Deficit), Beginning, as Restated (Note 14)	(134,274)	51,657	(46,369)
Fund Balances (Deficit), Ending	\$ (245,940)	\$ 62,712	\$ (346,170)

(continued)

Revenue Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
HSIP Grant Fund	Historic Preservation Grant Fund	Facilities & Equip. Capital Project	2000 Tax Allocation Bonds Fund	Streets Improvement Program Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,706,759
-	-	-	-	-	893,205
-	-	-	-	-	75,522
900	5,000	-	-	-	1,512,173
-	-	-	-	-	225,555
-	-	5,823	100	-	251,874
-	-	-	-	-	19,749
<u>900</u>	<u>5,000</u>	<u>5,823</u>	<u>100</u>	<u>-</u>	<u>4,684,837</u>
-	-	-	-	-	206,026
-	-	-	-	-	8,193
-	-	-	-	-	10,766
-	-	-	-	-	618,850
5,528	-	-	-	-	1,866,262
<u>2,720</u>	<u>-</u>	<u>565,103</u>	<u>-</u>	<u>554,781</u>	<u>1,636,861</u>
<u>8,248</u>	<u>-</u>	<u>565,103</u>	<u>-</u>	<u>554,781</u>	<u>4,346,958</u>
<u>(7,348)</u>	<u>5,000</u>	<u>(559,280)</u>	<u>100</u>	<u>(554,781)</u>	<u>337,879</u>
-	-	546,000	-	1,100,000	1,671,000
-	-	546,000	-	1,100,000	1,671,000
(7,348)	5,000	(13,280)	100	545,219	2,008,879
<u>(39,173)</u>	<u>-</u>	<u>1,501,996</u>	<u>904,138</u>	<u>1,601,309</u>	<u>8,567,642</u>
<u>\$ (46,521)</u>	<u>\$ 5,000</u>	<u>\$ 1,488,716</u>	<u>\$ 904,238</u>	<u>\$ 2,146,528</u>	<u>\$ 10,576,521</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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 508,735	\$ 508,735	\$ 521,818	\$ 13,083
Charges for services	5,000	5,000	5,079	79
Use of money and property	7,800	7,800	34,004	26,204
Miscellaneous	1,200	1,200	4,864	3,664
Total revenues	<u>522,735</u>	<u>522,735</u>	<u>565,765</u>	<u>43,030</u>
Expenditures				
Current:				
General government	13,680	13,680	6,011	7,669
Community services	396,602	396,602	303,605	92,997
Capital outlay	177,000	177,000	-	177,000
Total expenditures	<u>587,282</u>	<u>587,282</u>	<u>309,616</u>	<u>277,666</u>
Net change in fund balance	(64,547)	(64,547)	256,149	320,696
Fund balance, beginning	<u>756,624</u>	<u>756,624</u>	<u>756,624</u>	<u>-</u>
Fund balance, ending	<u>\$ 692,077</u>	<u>\$ 692,077</u>	<u>\$ 1,012,773</u>	<u>\$ 320,696</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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 421,982	\$ 421,982	\$ 432,833	\$ 10,851
Licenses and permits	40,000	40,000	45,775	5,775
Use of money and property	4,500	4,500	22,778	18,278
Total revenues	<u>466,482</u>	<u>466,482</u>	<u>501,386</u>	<u>34,904</u>
Expenditures				
Current:				
General government	5,860	5,860	5,001	859
Community services	<u>297,426</u>	<u>297,426</u>	<u>286,841</u>	<u>10,585</u>
Total expenditures	<u>303,286</u>	<u>303,286</u>	<u>291,842</u>	<u>11,444</u>
Net change in fund balance	<u>163,196</u>	<u>163,196</u>	209,544	<u>46,348</u>
Fund balance, beginning	<u>461,447</u>	<u>461,447</u>	<u>461,447</u>	-
Fund balance, ending	<u>\$ 624,643</u>	<u>\$ 624,643</u>	<u>\$ 670,991</u>	<u>\$ 46,348</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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Assessments	\$ 900,000	\$ 900,000	\$ 893,205	\$ (6,795)
Use of money and property	-	-	5,017	5,017
Miscellaneous	10,000	10,000	4,476	(5,524)
Total revenues	<u>910,000</u>	<u>910,000</u>	<u>902,698</u>	<u>(7,302)</u>
Expenditures				
Current:				
Public works	952,283	952,283	930,064	22,219
Capital outlay	95,000	95,000	46,576	48,424
Total expenditures	<u>1,047,283</u>	<u>1,047,283</u>	<u>976,640</u>	<u>70,643</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(137,283)</u>	<u>(137,283)</u>	<u>(73,942)</u>	<u>63,341</u>
Other Financing Sources (Uses)				
Transfers in	25,000	25,000	25,000	-
Total other financing sources (uses)	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	(112,283)	(112,283)	(48,942)	63,341
Fund balance, beginning	276,747	276,747	276,747	-
Fund balance, ending	<u>\$ 164,464</u>	<u>\$ 164,464</u>	<u>\$ 227,805</u>	<u>\$ 63,341</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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 32,000	\$ 32,000	\$ 33,784	\$ 1,784
Use of money and property	1,500	1,500	4,776	3,276
Total revenues	<u>33,500</u>	<u>33,500</u>	<u>38,560</u>	<u>5,060</u>
Expenditures				
Current:				
General government	15,000	15,000	20,461	(5,461)
Capital outlay	-	-	2,395	(2,395)
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>22,856</u>	<u>(7,856)</u>
Net change in fund balance	18,500	18,500	15,704	(2,796)
Fund balance, beginning	<u>123,960</u>	<u>123,960</u>	<u>123,960</u>	<u>-</u>
Fund balance, ending	<u>\$ 142,460</u>	<u>\$ 142,460</u>	<u>\$ 139,664</u>	<u>\$ (2,796)</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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 130,000	\$ 130,000	\$ 61,654	\$ (68,346)
Licenses and permits	30,000	30,000	29,747	(253)
Use of money and property	-	-	1,380	1,380
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>92,781</u>	<u>(67,219)</u>
Expenditures				
Current:				
General government	<u>139,500</u>	<u>139,500</u>	<u>161,500</u>	<u>(22,000)</u>
Total expenditures	<u>139,500</u>	<u>139,500</u>	<u>161,500</u>	<u>(22,000)</u>
Net change in fund balance	20,500	20,500	(68,719)	(89,219)
Fund balance, beginning	<u>107,699</u>	<u>107,699</u>	<u>107,699</u>	<u>-</u>
Fund balance, ending	<u>\$ 128,199</u>	<u>\$ 128,199</u>	<u>\$ 38,980</u>	<u>\$ (89,219)</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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 2,000	\$ 2,000	\$ (3,440)	\$ (5,440)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>(3,440)</u>	<u>(5,440)</u>
Expenditures				
Current:				
General government	93,000	93,000	13,053	79,947
Total expenditures	<u>93,000</u>	<u>93,000</u>	<u>13,053</u>	<u>79,947</u>
Net change in fund balance	(91,000)	(91,000)	(16,493)	74,507
Fund balance (deficit), beginning	<u>(321,560)</u>	<u>(321,560)</u>	<u>(321,560)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (412,560)</u>	<u>\$ (412,560)</u>	<u>\$ (338,053)</u>	<u>\$ 74,507</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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 661,659	\$ 661,659	\$ 535,049	\$ (126,610)
Use of money and property	8,946	8,946	32,793	23,847
Total revenues	<u>670,605</u>	<u>670,605</u>	<u>567,842</u>	<u>(102,763)</u>
Expenditures				
Current:				
Public works	617,252	617,252	586,900	30,352
Total expenditures	<u>617,252</u>	<u>617,252</u>	<u>586,900</u>	<u>30,352</u>
Net change in fund balance	53,353	53,353	(19,058)	(72,411)
Fund balance, beginning	<u>902,348</u>	<u>902,348</u>	<u>902,348</u>	<u>-</u>
Fund balance, ending	<u>\$ 955,701</u>	<u>\$ 955,701</u>	<u>\$ 883,290</u>	<u>\$ (72,411)</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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 41,294	\$ (358,706)
Use of money and property	-	-	2,108	2,108
Total revenues	400,000	400,000	43,402	(356,598)
Expenditures				
Current:				
Public works	63,500	63,500	43,455	20,045
Total expenditures	63,500	63,500	43,455	20,045
Net change in fund balance	336,500	336,500	(53)	(336,553)
Fund balance (deficit), beginning	(140,710)	(140,710)	(140,710)	-
Fund balance (deficit), ending	\$ 195,790	\$ 195,790	\$ (140,763)	\$ (336,553)

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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 65,000	\$ 65,000	\$ 56,405	\$ (8,595)
Use of money and property	1,000	1,000	15,046	14,046
Total revenues	<u>66,000</u>	<u>66,000</u>	<u>71,451</u>	<u>5,451</u>
Net change in fund balance	66,000	66,000	71,451	5,451
Fund balance, beginning	<u>364,398</u>	<u>364,398</u>	<u>364,398</u>	<u>-</u>
Fund balance, ending	<u>\$ 430,398</u>	<u>\$ 430,398</u>	<u>\$ 435,849</u>	<u>\$ 5,451</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CDBG
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 118,995	\$ 118,995	\$ 133,071	\$ 14,076
Miscellaneous	25,000	25,000	10,409	(14,591)
Total revenues	<u>143,995</u>	<u>143,995</u>	<u>143,480</u>	<u>(515)</u>
Expenditures				
Current:				
Community services	39,000	39,000	28,404	10,596
Capital outlay	101,834	101,834	115,076	(13,242)
Total expenditures	<u>140,834</u>	<u>140,834</u>	<u>143,480</u>	<u>(2,646)</u>
Net change in fund balance	3,161	3,161	-	(3,161)
Fund balance, beginning, as restated	-	-	-	-
Fund balance, ending	<u>\$ 3,161</u>	<u>\$ 3,161</u>	<u>\$ -</u>	<u>\$ (3,161)</u>

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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 17,630	\$ 17,630	\$ 22,735	\$ 5,105
Total revenues	17,630	17,630	22,735	5,105
Expenditures				
Capital outlay	-	-	22,735	(22,735)
Total expenditures	-	-	22,735	(22,735)
Net change in fund balance	17,630	17,630	-	(17,630)
Fund balance, beginning	12	12	12	-
Fund balance, ending	\$ 17,642	\$ 17,642	\$ 12	\$ (17,630)

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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 100,000	\$ (15,000)
Use of money and property	-	-	7,172	7,172
Total revenues	<u>115,000</u>	<u>115,000</u>	<u>107,172</u>	<u>(7,828)</u>
Expenditures				
Capital outlay	<u>75,000</u>	<u>75,000</u>	<u>63,126</u>	<u>11,874</u>
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>63,126</u>	<u>11,874</u>
Net change in fund balance	40,000	40,000	44,046	4,046
Fund balance, beginning	<u>164,042</u>	<u>164,042</u>	<u>164,042</u>	<u>-</u>
Fund balance, ending	<u>\$ 204,042</u>	<u>\$ 204,042</u>	<u>\$ 208,088</u>	<u>\$ 4,046</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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 65,000	\$ 65,000	\$ 164,071	\$ 99,071
Use of money and property	-	-	9,367	9,367
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>173,438</u>	<u>108,438</u>
Expenditures				
Capital outlay	-	-	83,374	(83,374)
Total expenditures	<u>-</u>	<u>-</u>	<u>83,374</u>	<u>(83,374)</u>
Net change in fund balance	65,000	65,000	90,064	25,064
Fund balance, beginning	<u>416,929</u>	<u>416,929</u>	<u>416,929</u>	<u>-</u>
Fund balance, ending	<u>\$ 481,929</u>	<u>\$ 481,929</u>	<u>\$ 506,993</u>	<u>\$ 25,064</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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 316,493	\$ 316,493	\$ 324,718	\$ 8,225
Use of money and property	-	-	33,537	33,537
Total revenues	<u>316,493</u>	<u>316,493</u>	<u>358,255</u>	<u>41,762</u>
Expenditures				
Capital outlay	<u>300,000</u>	<u>300,000</u>	<u>50,856</u>	<u>249,144</u>
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>50,856</u>	<u>249,144</u>
Net change in fund balance	16,493	16,493	307,399	290,906
Fund balance, beginning	<u>686,232</u>	<u>686,232</u>	<u>686,232</u>	<u>-</u>
Fund balance, ending	<u>\$ 702,725</u>	<u>\$ 702,725</u>	<u>\$ 993,631</u>	<u>\$ 290,906</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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 358,685	\$ 358,685	\$ 365,736	\$ 7,051
Use of money and property	-	-	19,959	19,959
Total revenues	<u>358,685</u>	<u>358,685</u>	<u>385,695</u>	<u>27,010</u>
Expenditures				
Capital outlay	<u>350,000</u>	<u>350,000</u>	-	350,000
Total expenditures	<u>350,000</u>	<u>350,000</u>	-	350,000
Net change in fund balance	8,685	8,685	385,695	377,010
Fund balance, beginning	<u>274,222</u>	<u>274,222</u>	<u>274,222</u>	-
Fund balance, ending	<u>\$ 282,907</u>	<u>\$ 282,907</u>	<u>\$ 659,917</u>	<u>\$ 377,010</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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 3,000	\$ 3,000	\$ 18,381	\$ 15,381
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>18,381</u>	<u>15,381</u>
Expenditures				
Capital outlay	-	-	8,675	(8,675)
Total expenditures	<u>-</u>	<u>-</u>	<u>8,675</u>	<u>(8,675)</u>
Net change in fund balance	3,000	3,000	9,706	6,706
Fund balance, beginning	<u>493,091</u>	<u>493,091</u>	<u>493,091</u>	<u>-</u>
Fund balance, ending	<u>\$ 496,091</u>	<u>\$ 496,091</u>	<u>\$ 502,797</u>	<u>\$ 6,706</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
PUBLIC EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 13,000	\$ 13,000	\$ 7,104	\$ (5,896)
Use of money and property	-	-	2,810	2,810
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>9,914</u>	<u>(3,086)</u>
Net change in fund balance	13,000	13,000	9,914	(3,086)
Fund balance, beginning	<u>135,728</u>	<u>135,728</u>	<u>135,728</u>	<u>-</u>
Fund balance, ending	<u>\$ 148,728</u>	<u>\$ 148,728</u>	<u>\$ 145,642</u>	<u>\$ (3,086)</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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 431,624	\$ 431,624	\$ 490,158	\$ 58,534
Use of money and property	-	-	17,066	17,066
Total revenues	<u>431,624</u>	<u>431,624</u>	<u>507,224</u>	<u>75,600</u>
Expenditures				
Capital outlay	350,000	350,000	-	350,000
Total expenditures	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Net change in fund balance	81,624	81,624	507,224	425,600
Fund balance, beginning	<u>152,514</u>	<u>152,514</u>	<u>152,514</u>	<u>-</u>
Fund balance, ending	<u>\$ 234,138</u>	<u>\$ 234,138</u>	<u>\$ 659,738</u>	<u>\$ 425,600</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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 21,098	\$ 21,098	\$ 21,821	\$ 723
Total revenues	21,098	21,098	21,821	723
Expenditures				
Current:				
Community development	10,000	10,000	10,766	(766)
Total expenditures	10,000	10,000	10,766	(766)
Net change in fund balance	11,098	11,098	11,055	(43)
Fund balance, beginning	51,657	51,657	51,657	-
Fund balance, ending	\$ 62,755	\$ 62,755	\$ 62,712	\$ (43)

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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 5,823	\$ 5,823
Total revenues	-	-	5,823	5,823
Expenditures				
Capital outlay	225,000	425,000	565,103	(140,103)
Total expenditures	225,000	425,000	565,103	(140,103)
Excess (deficiency) of revenues over (under) expenditures	(225,000)	(425,000)	(559,280)	(134,280)
Other financing sources				
Transfers in	-	-	546,000	546,000
Total other financing sources	-	-	546,000	546,000
Net change in fund balance	(225,000)	(425,000)	(13,280)	411,720
Fund balance, beginning, as restated	1,501,996	1,501,996	1,501,996	-
Fund balance, ending	\$ 1,276,996	\$ 1,076,996	\$ 1,488,716	\$ 411,720

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, 2019**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 7,000	\$ 7,000	\$ 100	\$ (6,900)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>100</u>	<u>(6,900)</u>
Expenditures				
Capital outlay	800,000	800,000	-	800,000
Total expenditures	<u>800,000</u>	<u>800,000</u>	<u>-</u>	<u>800,000</u>
Net change in fund balance	(793,000)	(793,000)	100	793,100
Fund balance, beginning	<u>904,138</u>	<u>904,138</u>	<u>904,138</u>	<u>-</u>
Fund balance, ending	<u>\$ 111,138</u>	<u>\$ 111,138</u>	<u>\$ 904,238</u>	<u>\$ 793,100</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, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Capital outlay	1,100,000	1,100,000	554,781	545,219
Total expenditures	<u>1,100,000</u>	<u>1,100,000</u>	<u>554,781</u>	<u>545,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>(554,781)</u>	<u>545,219</u>
Other financing sources				
Transfers in	1,100,000	1,100,000	1,100,000	-
Total other financing sources	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>
Net change in fund balance	-	-	545,219	545,219
Fund balance, beginning, as restated	<u>1,601,309</u>	<u>1,601,309</u>	<u>1,601,309</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,601,309</u>	<u>\$ 1,601,309</u>	<u>\$ 2,146,528</u>	<u>\$ 545,219</u>

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STATISTICAL SECTION

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CITY OF SOUTH PASADADENA

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules contain trend information to help the reader assess the affordability of the City's current levels of understanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

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

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

Financial Trends

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CITY OF SOUTH PASADADENA

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental Activities:					
Net investment in capital assets	\$ 57,541,752	\$ 60,741,741	\$ 62,226,846	\$ 61,969,593	\$ 62,764,726
Restricted	4,069,279	4,438,340	2,722,783	2,328,184	3,184,841
Unrestricted	6,937,924	6,562,890	5,143,951	7,314,507	8,720,752
Total governmental activities net position	\$ 68,548,955	\$ 71,742,971	\$ 70,093,580	\$ 71,612,284	\$ 74,670,319
Business-type activities:					
Net investment in capital assets	\$ 1,276,626	\$ 4,550,204	\$ 4,808,013	\$ 7,448,158	\$ 10,855,319
Restricted	36,135,935	32,451,626	29,973,386	-	-
Unrestricted	(28,488,758)	(26,740,899)	(22,097,380)	334,901	6,943,845
Total business-type activities net position	\$ 8,923,803	\$ 10,260,931	\$ 12,684,019	\$ 7,783,059	\$ 17,799,164
Primary Government:					
Net investment in capital assets	\$ 58,818,378	\$ 65,291,945	\$ 67,034,859	\$ 69,417,751	\$ 73,620,045
Restricted	40,205,214	36,889,966	32,696,169	2,328,184	3,184,841
Unrestricted	(21,550,834)	(20,178,009)	(16,953,429)	7,649,408	15,664,597
Total primary government net position	\$ 77,472,758	\$ 82,003,902	\$ 82,777,599	\$ 79,395,343	\$ 92,469,483

(Continued)

Fiscal Year				
2015	2016	2017	2018	2019
\$ 63,611,268	\$ 57,152,793	\$ 59,774,372	\$ 62,806,755	\$ 60,351,839
4,179,297	4,894,822	6,328,022	6,336,084	8,115,962
<u>(14,506,500)</u>	<u>(12,620,721)</u>	<u>(15,130,068)</u>	<u>(24,210,258)</u>	<u>(22,350,735)</u>
<u>\$ 53,284,065</u>	<u>\$ 49,426,894</u>	<u>\$ 50,972,326</u>	<u>\$ 44,932,581</u>	<u>\$ 46,117,066</u>
\$ 11,727,300	\$ 19,878,644	\$ 22,302,873	\$ 25,526,014	\$ 23,661,335
2,982,160	2,880,237	2,998,161	1,154,374	1,156,612
4,690,608	4,159,721	4,178,403	6,037,490	10,548,528
<u>\$ 19,400,068</u>	<u>\$ 26,918,602</u>	<u>\$ 29,479,437</u>	<u>\$ 32,717,878</u>	<u>\$ 35,366,475</u>
\$ 75,338,568	\$ 77,031,437	\$ 82,077,245	\$ 88,332,769	\$ 84,013,174
7,161,457	7,775,059	9,326,183	7,490,458	9,272,574
<u>(9,815,892)</u>	<u>(8,461,000)</u>	<u>(10,951,665)</u>	<u>(18,172,768)</u>	<u>(11,802,207)</u>
<u>\$ 72,684,133</u>	<u>\$ 76,345,496</u>	<u>\$ 80,451,763</u>	<u>\$ 77,650,459</u>	<u>\$ 81,483,541</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year			
	2010	2011	2012	2013
Expenses:				
Governmental Activities:				
General government	\$ 5,816,414	\$ 5,935,671	\$ 7,449,632	\$ 4,152,804
Public safety	11,589,395	10,939,183	11,596,854	11,217,279
Community development	920,339	911,718	948,777	902,945
Community services	3,033,614	3,175,891	3,052,840	3,101,910
Public works	5,484,601	4,863,335	5,306,742	4,758,677
Interest on long-term debt	131,539	125,032	47,185	8,288
Total Governmental Activities Expenses	26,975,902	25,950,830	28,402,030	24,141,903
Business-type activities:				
Water Utility	7,144,268	5,105,517	4,598,754	6,135,803
Sewer Utility	861,207	715,395	1,104,098	838,800
Arroyo Seco Golf Course	-	-	985,611	888,930
Total Business-type Activities Expenses	8,005,475	5,820,912	6,688,463	7,863,533
Total Primary Government Expenses	34,981,377	31,771,742	35,090,493	32,005,436
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General government	\$ 1,319,410	\$ 1,472,338	\$ 1,489,846	\$ 1,005,393
Public safety	840,207	860,609	899,536	868,577
Community development	446,050	530,395	548,532	576,063
Community services	672,765	805,608	772,898	805,635
Public works	1,096,487	1,121,657	1,102,936	1,103,664
Total Charges for Services	4,374,919	4,790,607	4,813,748	4,359,332
Operating Contribution and Grants:				
General government	71,059	51,115	43,838	32,872
Public safety	478,495	437,544	779,399	775,610
Community development	457,670	505,547	618,435	610,355
Community services	29,449	46,012	30,937	31,854
Public works	209,762	2,600,475	184,948	255,526
Total Operating Contributions and Grants	1,246,435	3,640,693	1,657,557	1,706,217
Capital Contributions and Grants:				
Community development	-	-	-	-
Community services	-	-	-	-
Public works	820,447	1,305,657	1,415,306	93,947
Total Capital Contributions and Grants	820,447	1,305,657	1,415,306	93,947
Total Governmental Activities Program Revenue	6,441,801	9,736,957	7,886,611	6,159,496
Business-type Activities:				
Charges for services:				
Water Utility	4,270,244	4,943,874	6,903,816	8,022,705
Sewer Utility	657,045	759,680	955,204	1,127,843
Arroyo Seco Golf Course	-	-	1,195,978	1,082,826
Operating Contribution and Grants:				
Water Utility	-	-	-	-
Total Business-type Activities Program Revenue	4,927,289	5,703,554	9,054,998	10,233,374
Total primary government program revenues	11,369,090	15,440,511	16,941,609	16,392,870
Net (expenses) revenues:				
Governmental activities	(20,534,101)	(16,213,873)	(20,515,419)	(17,982,407)
Business-type activities	(3,078,186)	(117,358)	2,366,535	2,369,841
Total primary government net (expenses)/revenues	\$ (23,612,287)	\$ (16,331,231)	\$ (18,148,884)	\$ (15,612,566)

(Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 5,039,084	\$ 4,354,683	\$ 3,847,476	\$ 4,324,484	\$ 5,560,722	\$ 6,014,464
11,012,625	12,363,366	13,218,063	15,596,078	14,624,313	14,257,292
918,665	1,116,084	953,471	1,289,447	1,037,091	1,361,590
3,132,433	3,336,626	3,153,329	3,566,285	3,819,654	3,988,465
4,990,390	5,578,457	5,578,850	5,529,025	5,197,516	6,045,511
4,465	4,335	-	-	-	-
<u>25,097,662</u>	<u>26,753,551</u>	<u>26,751,189</u>	<u>30,305,319</u>	<u>30,239,296</u>	<u>31,667,322</u>
5,804,509	4,772,647	5,886,309	7,028,827	7,060,363	8,116,822
998,603	968,996	962,623	1,012,338	686,672	1,280,398
930,255	923,660	954,898	1,032,358	1,096,327	1,158,137
<u>7,733,367</u>	<u>6,665,303</u>	<u>7,803,830</u>	<u>9,073,523</u>	<u>8,843,362</u>	<u>10,555,357</u>
<u>32,831,029</u>	<u>33,418,854</u>	<u>34,555,019</u>	<u>39,378,842</u>	<u>39,082,658</u>	<u>42,222,679</u>
\$ 1,173,376	\$ 1,372,549	\$ 1,126,241	\$ 1,026,398	\$ 922,603	\$ 806,758
983,181	1,189,968	1,154,628	1,166,125	1,554,948	1,584,152
761,632	963,987	804,309	871,571	3,160	7,647
864,271	1,064,439	853,949	926,897	841,445	761,334
1,159,519	1,226,729	1,172,172	1,189,342	1,449,325	1,313,942
<u>4,941,979</u>	<u>5,817,672</u>	<u>5,111,299</u>	<u>5,180,333</u>	<u>4,771,481</u>	<u>4,473,833</u>
53,999	21,413	164,625	312,062	48,304	755,965
328,654	185,067	116,029	175,919	173,401	136,627
504,312	476,886	627,488	810,749	22,189	34,967
24,876	38,348	20,527	84,519	25,248	965,060
348,797	212,472	399,656	87,864	702,884	2,338,935
<u>1,260,638</u>	<u>934,186</u>	<u>1,328,325</u>	<u>1,471,113</u>	<u>972,026</u>	<u>4,231,554</u>
-	-	-	901,436	-	-
-	-	-	-	143,601	115,076
<u>1,300,814</u>	<u>1,220,504</u>	<u>734,935</u>	<u>1,516,800</u>	<u>1,182,367</u>	<u>957,234</u>
<u>1,300,814</u>	<u>1,220,504</u>	<u>734,935</u>	<u>2,418,236</u>	<u>1,325,968</u>	<u>1,072,310</u>
<u>7,503,431</u>	<u>7,972,362</u>	<u>7,174,559</u>	<u>9,069,682</u>	<u>7,069,475</u>	<u>9,777,697</u>
9,210,982	8,694,880	8,094,350	8,804,890	9,830,246	10,152,661
1,256,682	1,353,233	1,543,925	1,583,362	1,614,351	1,472,122
1,197,047	1,133,562	1,129,927	1,101,970	1,166,516	1,255,815
-	-	-	-	200,167	-
<u>11,664,711</u>	<u>11,181,675</u>	<u>10,768,202</u>	<u>11,490,222</u>	<u>12,811,280</u>	<u>12,880,598</u>
<u>19,168,142</u>	<u>19,154,037</u>	<u>17,942,761</u>	<u>20,559,904</u>	<u>19,880,755</u>	<u>22,658,295</u>
(17,594,231)	(18,781,189)	(19,576,630)	(21,235,637)	(23,169,821)	(21,889,625)
3,931,344	4,516,372	2,964,372	2,416,699	3,967,918	2,325,241
<u>\$ (13,662,887)</u>	<u>\$ (14,264,817)</u>	<u>\$ (16,612,258)</u>	<u>\$ (18,818,938)</u>	<u>\$ (19,201,903)</u>	<u>\$ (19,564,384)</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year			
	2010	2011	2012	2013
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 10,426,753	\$ 10,667,838	\$ 10,557,651	\$ 11,074,604
Sales taxes	2,797,621	2,714,102	2,956,964	2,481,560
Franchise taxes	777,843	803,969	814,766	810,642
Business License taxes	323,307	347,665	347,096	363,437
Other taxes	4,109,696	4,143,183	4,133,582	4,092,063
Motor Vehicle in Lieu - Unrestricted	76,294	150,390	13,267	10,980
Use of money and property	517,079	415,280	381,165	446,167
Other	207,937	165,462	104,245	221,658
Transfers	(1,829,787)	-	-	-
Extraordinary gain/loss on dissolution of RDA	-	-	(442,708)	-
Total governmental activities	17,406,743	19,407,889	18,866,028	19,501,111
Business-type activities:				
Use of money and property	681,532	77,378	45,652	38,006
Miscellaneous	-	-	-	-
Other	12,379	13,103	10,901	5,972
Transfers	1,829,787	-	-	-
Total business-type activities	2,523,698	90,481	56,553	43,978
Total primary government	19,930,441	19,498,370	18,922,581	19,545,089
Change in Net Position:				
Governmental activities	(3,127,358)	3,194,016	(1,649,391)	1,518,704
Business-type activities	(554,488)	(26,877)	2,423,088	2,413,819
Total primary government	\$ (3,681,846)	\$ 3,167,139	\$ 773,697	\$ 3,932,523

(Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 11,462,585	\$ 11,779,438	\$ 12,632,984	\$ 13,236,932	\$ 14,135,844	\$ 15,368,198
3,447,593	3,535,113	3,786,423	3,627,051	3,965,016	2,563,117
804,995	878,332	875,304	818,724	784,736	1,002,408
373,935	385,691	397,762	412,594	389,726	399,653
4,004,746	3,965,217	3,940,883	4,057,552	3,775,843	3,228,320
-	16,845	10,561	11,660	13,682	392,595
498,208	542,196	739,761	553,165	650,749	1,308,952
32,823	70,188	745,315	38,877	130,310	11,815
-	87,000	13,919	24,514	-	80,000
-	-	-	-	-	-
<u>20,624,885</u>	<u>21,260,020</u>	<u>23,142,912</u>	<u>22,781,069</u>	<u>23,845,906</u>	<u>24,355,058</u>
28,372	32,205	137,524	(2,802)	92,551	392,230
-	-	-	-	-	-
10,143	184,786	230,156	171,452	216,693	94,367
-	(87,000)	(13,919)	(24,514)	-	(80,000)
<u>38,515</u>	<u>129,991</u>	<u>353,761</u>	<u>144,136</u>	<u>309,244</u>	<u>406,597</u>
<u>20,663,400</u>	<u>21,390,011</u>	<u>23,496,673</u>	<u>22,925,205</u>	<u>24,155,150</u>	<u>24,761,655</u>
3,030,654	2,478,831	3,566,282	1,545,432	676,085	2,465,433
<u>3,969,859</u>	<u>4,646,363</u>	<u>3,318,133</u>	<u>2,560,835</u>	<u>4,277,162</u>	<u>2,731,838</u>
<u>\$ 7,000,513</u>	<u>\$ 7,125,194</u>	<u>\$ 6,884,415</u>	<u>\$ 4,106,267</u>	<u>\$ 4,953,247</u>	<u>\$ 5,197,271</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year			
	2010	2011	2012	2013
General Fund:				
Pre-GASB 54:				
Reserved	\$ 947,588	\$ -	\$ -	\$ -
Unreserved	10,251,769	-	-	-
GASB 54:				
Nonspendable	-	426,430	433,637	1,199,091
Committed	-	2,564,280	2,563,481	2,141,481
Assigned	-	-	-	-
Unassigned	-	10,541,790	11,757,341	11,727,832
Total General Fund	<u>11,199,357</u>	<u>13,532,500</u>	<u>14,754,459</u>	<u>15,068,404</u>
All Other Governmental Funds:				
Pre-GASB 54:				
Reserved	\$ 420,227	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	1,112,446	-	-	-
Capital projects funds	1,977,128	-	-	-
GASB 54:				
Nonspendable	-	-	-	-
Restricted	-	4,438,340	2,722,783	2,328,184
Committed	-	-	-	579,447
Assigned	-	-	-	-
Unassigned	-	(2,355,949)	(4,015,530)	(1,049,935)
Total all other governmental funds	<u>3,509,801</u>	<u>2,082,391</u>	<u>(1,292,747)</u>	<u>1,857,696</u>
Total governmental funds	<u>\$ 14,709,158</u>	<u>\$ 15,614,891</u>	<u>\$ 13,461,712</u>	<u>\$ 16,926,100</u>

(Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,207,961	1,022,841	1,035,224	1,044,519	904,445	455,083
2,650,000	3,500,000	5,635,000	5,899,130	5,803,778	5,924,917
-	-	-	-	-	20,739
<u>12,788,280</u>	<u>13,124,419</u>	<u>12,724,205</u>	<u>9,681,531</u>	<u>11,182,760</u>	<u>12,017,146</u>
<u>16,646,241</u>	<u>17,647,260</u>	<u>19,394,429</u>	<u>16,625,180</u>	<u>17,890,983</u>	<u>18,417,885</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,106
3,184,841	4,179,297	4,894,822	6,328,022	6,336,084	8,115,962
611,447	461,472	696,953	2,482,803	796,721	3,635,244
-	-	-	-	-	-
<u>(791,469)</u>	<u>(572,623)</u>	<u>(771,286)</u>	<u>(791,741)</u>	<u>(874,184)</u>	<u>(1,178,791)</u>
<u>3,004,819</u>	<u>4,068,146</u>	<u>4,820,489</u>	<u>8,019,084</u>	<u>6,258,621</u>	<u>10,576,521</u>
<u>\$ 19,651,060</u>	<u>\$ 21,715,406</u>	<u>\$ 24,214,918</u>	<u>\$ 24,644,264</u>	<u>\$ 24,149,604</u>	<u>\$ 28,994,406</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year			
	2010	2011	2012	2013
Revenues:				
Taxes	\$ 18,037,383	\$ 18,317,689	\$ 18,393,272	\$ 19,166,312
Assessment	883,681	885,387	888,619	905,459
Licenses and permits	934,708	1,000,988	944,680	1,012,753
Intergovernmental	1,942,882	2,572,819	2,909,377	4,290,262
Charges for services	1,982,863	2,144,589	2,222,151	2,270,737
Use of money and property	517,079	415,280	381,165	446,167
Fines and forfeitures	629,280	552,093	533,035	523,629
Contributions	10,050	15,637	11,285	17,970
Miscellaneous	508,025	733,700	701,995	313,612
Total Revenues	25,445,951	26,638,182	26,985,579	28,946,901
Expenditures:				
Current:				
General government	4,220,337	4,099,345	4,207,231	5,651,008
Public safety	11,147,779	10,608,012	11,217,259	10,968,211
Community development	919,697	913,862	955,648	898,709
Community services	2,887,103	3,024,889	2,915,639	2,953,811
Public works	3,297,647	2,806,005	3,024,746	2,921,136
Capital outlay	5,540,889	5,978,832	2,467,712	2,028,330
Debt service:				
Principal retirement	123,891	131,037	48,289	50,650
Interest and fiscal charges	134,275	127,929	67,064	10,658
Total expenditures	28,271,618	27,689,911	24,903,588	25,482,513
Excess/(deficiency) of Revenues Over Expenditures	(2,825,667)	(1,051,729)	2,081,991	3,464,388
Other financing sources (uses):				
Transfers in	24,136	146,179	46,729	1,176,376
Transfers out	(376,173)	(146,179)	(46,729)	(1,176,376)
Total other financing sources (uses)	(352,037)	-	-	-
Net Change in Fund Balances	\$ (3,177,704)	\$ (1,051,729)	\$ 2,081,991	\$ 3,464,388
Debt service as a percentage of noncapital expenditures	1.1%	1.2%	0.5%	0.3%

(Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 19,697,011	\$ 20,205,691	\$ 21,235,594	\$ 21,740,257	\$ 22,827,899	\$ 24,330,245
896,465	895,798	876,972	892,361	890,227	893,205
985,186	1,047,540	1,069,023	1,093,865	1,001,349	968,082
2,303,094	1,989,281	1,104,398	3,193,603	1,374,597	2,222,496
2,682,074	3,880,357	3,439,167	3,529,076	3,711,816	3,567,809
498,208	542,194	739,761	553,165	650,749	1,308,948
412,748	347,585	444,556	397,738	388,061	339,636
12,455	12,365	9,691	4,310	16,135	-
594,210	480,206	1,028,401	576,915	54,548	422,334
<u>28,081,451</u>	<u>29,401,017</u>	<u>29,947,563</u>	<u>31,981,290</u>	<u>30,915,381</u>	<u>34,052,755</u>
4,297,373	3,988,989	3,930,354	4,208,084	4,643,875	5,195,028
10,636,711	11,651,620	12,099,774	13,454,529	13,223,377	13,253,827
911,871	1,121,098	1,003,041	1,157,431	1,037,091	1,127,178
2,970,037	3,209,105	3,175,023	3,394,984	3,570,903	3,528,188
2,970,322	3,107,053	3,638,844	3,602,684	3,294,839	3,657,890
3,536,250	3,739,660	3,507,229	5,687,034	5,639,956	2,255,886
53,130	55,725	58,450	-	-	-
8,178	5,583	2,858	-	-	-
<u>25,383,872</u>	<u>26,878,833</u>	<u>27,415,573</u>	<u>31,504,746</u>	<u>31,410,041</u>	<u>29,017,997</u>
<u>2,697,579</u>	<u>2,522,184</u>	<u>2,531,990</u>	<u>476,544</u>	<u>(494,660)</u>	<u>5,034,758</u>
421,511	408,497	648,622	5,424,382	-	1,671,000
(421,511)	(625,137)	(681,100)	(5,481,580)	-	(1,860,956)
-	(216,640)	(32,478)	(57,198)	-	(189,956)
<u>\$ 2,697,579</u>	<u>\$ 2,305,544</u>	<u>\$ 2,499,512</u>	<u>\$ 419,346</u>	<u>\$ (494,660)</u>	<u>\$ 4,844,802</u>
0.3%	0.3%	0.3%	0.0%	0.0%	0.0%

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CITY OF SOUTH PASADENA

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

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value *	Taxable Assessed Value as a Percentage of Actual Taxable Value
2010	\$ 2,899,484	\$ 224,824	\$ 142,474	\$ (30,931)	\$ 3,235,851	0.252%	N/A	N/A
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	0.264%	N/A	N/A

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

Note: * 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
2010	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
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

Fiscal Year	Overlapping Rates 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	Total
2010	0.1712	0.0005	0.0884	0.00430	-	0.0230	1.1158
2011	0.1712	0.0005	0.1105	0.00370	-	0.0199	1.1342
2012	0.1712	0.0005	0.1058	0.0037	-	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

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	\$ 21,125,321	1	0.43%			
WF Property Holdings LP	14,085,504	2	0.29%			
NNC Apartment Ventures LLC	13,687,067	3	0.28%			
Jerry B and Roberta L Furrey Trust	12,630,615	4	0.26%			
Jagatara Properties LLC	12,345,964	5	0.25%			
LDW Pico Properties LLC	12,101,932	6	0.25%			
Casa De General LLC	11,965,216	7	0.25%			
99 Pasadena Avenue LLC	11,819,492	8	0.24%			
829 Croft At Melrose Place LLC	11,220,000	9	0.23%			
Tredco LLC	10,790,450	10	0.22%			
H and O Fair Oaks Partners				16,296,896	1	0.50%
MT Olive Sepulveda LP				10,559,362	2	0.33%
635 Prospect Sp LLC				9,689,120	3	0.30%
Time Warner Entertainment Advance Newh				9,580,385	4	0.30%
Golden Oaks Investment LLC				9,151,221	5	0.28%
NNC Terraces At South Pasadena				9,029,203	6	0.28%
California Empire LP				8,765,302	7	0.27%
Kan Investments Limited				8,757,009	8	0.27%
Richard Wagner Trust				8,134,844	9	0.25%
CCCC Growth Fund LLC				8,081,861	10	0.25%
Total	\$ 131,771,561		2.70%	\$ 98,045,203		3.03%

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
2010	\$ 7,261,945	\$ 7,237,513	99.7%	\$ (12,883)	\$ 7,224,631	99.5%
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)	10,402,798	97.1%
2019	11,427,260	10,832,812	94.8%	(56,597)	10,776,215	94.3%

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

Debt Capacity

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CITY OF SOUTH PASADENA

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

Fiscal Year	Governmental Activities (1)			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita *
	Tax Allocation Bonds	Capital Leases	Loans	Water Revenue Bonds	State Loan			
2010	\$ 1,920,000	\$ 312,281	\$ -	\$ 51,150,000	\$ -	\$ 53,382,281	5.02%	2,074
2011	1,835,000	266,243	-	50,915,000	-	53,016,243	4.60%	2,048
2012	-	217,955	-	50,670,000	-	50,887,955	4.17%	1,978
2013	-	167,305	-	49,887,458	-	50,054,763	3.92%	1,936
2014	-	114,175	-	48,854,762	527,283	49,496,220	4.11%	1,903
2015	-	58,450	-	47,838,993	2,475,913	50,373,356	4.16%	1,936
2016	-	-	-	46,753,226	4,147,892	50,901,118	4.21%	1,956
2017	-	-	-	48,533,332	6,373,623	54,906,955	4.58%	2,112
2018	-	-	-	46,957,581	7,415,790	54,373,371	4.26%	2,088
2019	-	-	-	45,526,831	9,866,459	55,393,290	3.95%	2,111

Note:

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

* 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, 2019**

Fiscal Year 2018-19 Assessed Valuation : \$4,345,252,055 after deducting \$511,832,020 incremental value

	<u>Debt Outstanding</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 6/30/2019</u>
Direct Debt			
Total Direct Debt			\$ -
Overlapping Debt			
Metropolitan Water District	23,317,224	0.357%	83,242
Pasadena Area Community College District 2002, 2006 Series D	1,840,000	5.454%	100,359
Pasadena Area Community College District 2002, 2009 Series E	25,295,000	5.454%	1,379,669
Pasadena Area Community College District 2014 Ref Series A	13,900,000	5.454%	758,150
Pasadena Area Community College District 2016 Ref Series A	32,395,000	5.454%	1,766,926
South Pasadena Unified 96 Series A	825,000	100.000%	825,000
South Pasadena Unified DS 95 Series B	912,074	100.000%	912,074
South Pasadena Unified SD DS 95 S-C	3,587,591	100.000%	3,587,591
South Pasadena Unified SD DS 95 Series D	1,423,945	100.000%	1,423,945
South Pasadena USD DS 2002 Series B	1,287,583	100.000%	1,287,583
South Pasadena USD DS 2010 Ref Bond	15,880,000	100.000%	15,880,000
South Pasadena USD DS 2016 Series A	22,590,000	100.000%	22,590,000
South Pasadena USD DS 2018 REF 2002 Series B	9,480,617	100.000%	9,480,617
Total Overlapping Tax and Assessment Debt			<u>60,075,157</u>
Combined Total Debt			<u>\$ 60,075,157</u>

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	1.38%
Total Debt	1.38%

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
2010	\$ 485,378	\$ -	\$ 485,378	0.00%
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%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$ 4,847,112
Debt limit (15% of assessed value)	727,067
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>\$ 727,067</u>

CITY OF SOUTH PASADENA

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

Fiscal Year	Water Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2010	\$ 4,283	\$ 4,490	\$ (207)	\$ 225	\$ 2,158	1.80	
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	

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>
2009	25,737	\$ 1,063,171	\$ 41,309	5.8%
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%

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	2018-2019			2009-2010*		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
The Vons Companies Inc. Pavillions #2228	99	1	3.03%	-		0.00%
Trader Joe No. 18	92	2	2.82%	-		0.00%
Ralph's Grocery Co. #21	88	3	2.69%	-		
Bristol Farms	80	4	2.45%	-		0.00%
W N C Insurance Services, Inc.	67	5	2.05%	-		0.00%
The Vons Companies Inc. #3075	60	6	1.84%	-		
White Moon Dreams, Inc	53	7	1.62%	-		
Whittier Trust Company	48	8	1.47%	-		0.00%
McDonald's South Pasadena	46	9	1.41%	-		
Stargate Films, Inc.	46	10	1.41%	-		0.00%
Total	679		20.79%	-		0.00%
 Total City Employment (3)	 3,268					

* 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:	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Legislative	8	8	8	8	8	5	5	5	5	5
City Manager	8	10	10	10	10	12	12	11	12	12
Finance	8	8	8	8	9	9	9	9	9	5
Public safety	81	81	81	81	79	81	80	80	77	75
Community Development	6	7	6	6	6	6	6	6	7	7
Public Works	30	27	28	28	20	21	21	20	21	22
Community Services	22	18	19	20	21	19	20	20	26	28
Water Utility	9	12	11	11	11	10	10	10	10	10
Total	173	171	171	172	163	163	163	161	167	164

Source: South Pasadena Finance Department/Adopted budget book

Operating Information

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CITY OF SOUTH PASADENA

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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Number of building permits issued	326	380	342	476	354	349	433	424	876	1,510
Number of building inspections conducted	2,113	2,158	2,376	2,380	2,568	2,087	1,860	2,041	3,240	3,775
Refuse collection										
Refuse collected (tons per day)	92	90	90	85	83	69	74	77	83	84
Recyclables collected (tons per day)	38	38	38	29	28	25	29	32	30	28
Other public works										
Street resurfacing (miles)	1	3	2	1	1	2	2	0	5	1
Polholes repaired *	520	580	1,600	1,450	1,500	1,450	1,400	259	300	356
Water										
New connections	18	10	9	6	11	7	8	5	2	6
Water main breaks	4	9	5	9	10	9	6	5	4	7
Average daily consumption (million gallons)	4	4	4	4	5	3	3	3	3	3
Peak daily consumption (million gallons)	6	6	6	6	6	5	4	4	4	5
Fire Department										
Number of emergency calls responded to	1,780	1,760	1,664	1,594	1,695	1,775	1,880	1,483	2,584	2,276
Number of fire inspections	254	228	544	296	563	521	520	540	1,163	1,800
Police Department										
Arrest statistics	2,056	1,096	1,159	1,080	1,003	855	699	830	829	779
Traffic citations	8,216	4,734	3,468	3,753	3,717	2,847	2,288	4,313	4,038	3,815
Parking citations	10,967	9,314	9,629	10,936	11,388	8,843	10,611	9,136	7,803	7,071
Community Services										
Facility rentals	58	60	60	69	89	86	95	142	80	363
Recreation classes	180	419	419	441	432	399	416	465	277	631

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>Fiscal Year</u>									
	<u>2010</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>
Other public works										
Street (miles)	55	55	55	55	55	55	55	55	55	55
Traffic signals	31	31	31	31	31	31	31	31	31	39
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	68
Fire hydrants	165	165	165	165	165	165	165	165	165	165
Storage capacity (million gallons)	13	13	13	13	13	13	13	13	13	13
Sewage System										
Sanitary sewers (miles)	55	55	55	55	55	55	55	55	55	55
Storm sewers (miles)	2	2	2	2	2	2	2	2	2	2

Notes: No capital asset indicators available for the general government

Sources: Various City departments.

City of South Pasadena
 Budget Variance - Springbrook vs Adopted
 Fiscal Year 2018-19

Account	Descriptor	Springbrook	Adopted	Revision	Changes to CAFR	Explanator
101-2010-2013-7000-000	Salaries - Permanent	-	219,000	219,000	219,000	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2013-7010-000	Salaries - Temp/Part	-	30,000	30,000	30,000	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2013-7070-000	Leave Buyback	-	3,000	3,000	3,000	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2013-7100-000	Retirement	-	50,785	50,785	50,785	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2013-7100-000	Deferred Compensation	-	984	984	984	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2013-7110-000	Workers Compensation	-	3,355	3,355	3,355	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2013-7130-000	Group Health Insurance	-	24,758	24,758	24,758	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2013-7140-000	Vision Insurance	-	588	588	588	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2013-7150-000	Dental Insurance	-	2,205	2,205	2,205	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2013-7160-000	Life Insurance	-	242	242	242	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2013-7170-000	FICA - Medicare	-	3,610	3,610	3,610	HR Salary and Benefits were excluded entirely. Should have been recorded to Management Services.
101-2010-2032-8301-000	Copier Usage Charge	-	12,700	12,700	12,700	Account was likely not created prior to inputting budget into the ERP software.
101-5010-5012-8523-000	EOC Equipment	295,000	5,860	300,000	5,000	Due to the inconsistent nature of what was inputted in the ERP software and what was in the adopted budget. Staff drilled into various Staff Reports and determined the most consistent information provided was in the adopted Capital Improvement Plan for FY 2019-2023. It coincides with the \$300k Emergency Operations Center Reserve that was set aside by Council.
101-7010-7011-8020-000	Special Department Expense	5,000	8,500	8,500	3,500	Error in manual input
101-7010-7011-8110-000	Equipment Maintenance	750	1,500	1,500	750	Error in manual input
101-8010-8011-8083-000	E-books	-	10,000	10,000	-	Account was likely not created prior to inputting budget into the ERP software.
101-8030-8032-8269-000	Teen Center	-	5,000	5,000	5,000	Account was likely not created prior to inputting budget into the ERP software.
207-8010-8025-7040-000	Holiday	75	-	-	(75)	Error in manual input
207-8010-8025-7040-000	FICA - Medicare	1,906	1,905	1,905	(1)	Error in manual input; possibly rounding difference
207-8010-8025-8140-000	Utilities	-	3,000	3,000	3,000	Account was likely not created prior to inputting budget into the ERP software.
215-6010-6310-8184-000	Annual Tree Planting	-	25,000	25,000	25,000	Account was likely not created prior to inputting budget into the ERP software.
220-2010-2301-8060-000	Dues & Memberships	-	1,500	1,500	-	Account was likely not created prior to inputting budget into the ERP software.
230-6010-6116-8130-000	Small Tools	-	3,000	3,000	3,000	Manual input was likely missed.
237-9000-9000-9000-000	CIP for Budgeting	468,000	-	350,000	(118,000)	Adopted Budget did not include any sort of record showing such amount that was inputted into ERP software. Staff drilled into various Staff Reports and determined the most consistent information provided was in the adopted Capital Improvement Plan for FY 2019-2023. What was reported in the Capital Improvement Plan was a usage of \$350k for Street Projects funded by RMRA - SB1
500-0000-0000-5588-000	Water Quality Authority Grant	-	540,000	540,000	-	Account was likely not created prior to inputting budget into the ERP software.

City of South Pasadena
Fund Balance Reserve Research
FY 2018-19

: Highlight implies entry needed to adjust fund balance.

Maintenance Yard/Community Center

	Per Council Action	Per Springbrook	Adjustment to Balance	Balance	Research Notes
FY 2016-17				600,000	
8/17/2016	Approval of transfer of \$125,590 to Account 105-9000-9195-9195; Integreated Consulting Group for Community Center Feasibility Study	Fund Balance was reduced by \$125,590 on Springbrook	125,590	474,410	In FY 2017 through FY 2018, Integrated Consulting Group only did San Pascual Stables Study. Actually, the vendor name is ICG on Springbrook. Spend \$155k
4/19/2017	Approval of appropriations of \$157,280; Integreated Consulting Group for Community Center Design	Fund Balance was reduced by \$157,280 on Springbrook	157,280	317,130	The ICG Community Center Feasibility Study Project started in FY 2015-16 (\$11,402); continued in FY 2016-17 (\$158,576.20); through FY 2017-18 (\$72,619.70). Totals \$242,597.90. This is below the actual amount requested. Maybe I should look at the PO to see what is in there. According to the PO History in the Vendor account \$303,296.70 was invoiced for the Feasibility Study.
10/4/2017	Approval of appropriations of \$50,063; Integreated Consulting Group for Community Center CEQA	Nothing was done in Springbrook	50,063	267,067	Actual Amount paid to vendor was \$283,588.70 (where description matched CC Feasibility Study). There was an ESA study the vendor did for \$65k, this might be the amount that was for it.
Balance ending FY 2018-19:				267,067	

Tree Replacement

	Per Council Action	Per Springbrook	Adjustment to Balance	Balance	Research Notes
FY 2016-17				50,000	
6/7/2017	Adoption of FY 2017-18 Budget	Nothing was done in Springbrook	50,000	-	There is a Transfer In of \$50k into LLMD - Fund 215. On page 36, the Budget does specify that \$50k should be coming from the reserves.
Balance ending FY 2018-19:				-	

General Plan

	Per Council Action	Per Springbrook	Adjustment to Balance	Balance	Research Notes
FY 2015-16				250,000	What was originally budgeted in FY 2015-16 adopted budget was actually \$250k. It was later recorded incorrectly in Springbrook as \$205,000, thus \$205k was carried over year-over-year.
FY 2016-17				205,000	
11/16/2016	Item 17, Rangwala to be covered \$205k by reserve.		205,000	45,000	Rangwala Associates consulting services for the General Plan was taken out of the General Plan Reserve. Besides the approval of Contract with Rangwala on 11/16/16 Item 17. I found the staff report mentioning about the usage of the General Plan Reserve. The staff report mentions that it will cover \$205k of invoices from Rangwala. From 2017 through beginning of 2019, total payments issued to Rangwala is \$498,054.
4/17/2019	Item 32, PSOMAS to be covered \$98,480 by reserve.		98,480	(53,480)	4/17/19 minutes Item 32 - PSOMAS \$98,480 no mention of using reserve in minutes. Staff report mentions the Reserves being used to fund this.
Balance ending FY 2018-19:				-	

Library Park Drainage

	Per Council Action	Per Springbrook	Adjustment to Balance	Balance	Research Notes
FY 2016-17				500,000	
12/21/2016	Item 14, Cerco Engineering	353,000	353,000	147,000	
6/7/2017	Adoption of FY 2017-18 Budget	Nothing was done in Springbrook	125,000	22,000	There is a Transfer In of \$125k into Facilities and Maintenance - Fund 105. On page 36, the Budget does specify that \$125k should be coming from the reserves.
Balance ending FY 2018-19:				22,000	